

Office of Missouri State Auditor

Audit Reports – 2018

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Office of Missouri State Auditor
Nicole Galloway, CPA

Clinton County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Clinton County

Financial Condition	The General Revenue Fund remains in poor financial condition. The cash balance of the General Revenue Fund is not sufficient to handle any emergencies or sudden downturn in the economy.
Self-Insured Medical Plan	The County Commission implemented a self-insured medical plan in January 2017 without performing a cost analysis to project the potential liability to the county, calculate the premiums, determine the reserve balance necessary to meet the potential obligations, or determine the financial feasibility of the plan.
County Collector's Controls and Procedures	The County Collector is consistently not performing one of her main responsibilities, which also violates state law. The County Collector has not prepared and filed an annual settlement for the years ended February 28 (29), 2016, 2017, and 2018. The County Collector did not distribute the late payment penalties on delinquent city taxes in accordance with state law, and did not correctly distribute city commissions withheld from the collections of December 2017 city taxes.
Senate Bill 40 Board's Payroll	The SB40 Board made payments to employees totaling \$5,714, before payroll taxes, during the year ended December 31, 2017, that were not supported by adequate documentation. The SB40 Board approved "an incentive to the staff for the quality of their work and the hardship of the payroll difficulties of 2017" totaling \$3,300 on December 22, 2017. The SB40 Board does not require timesheets or other documentation for hours worked, and records of leave balances are not maintained.
Capital Asset Dispositions	The county has not established adequate controls and procedures for the disposition of capital assets.
Disbursements	The county did not maintain adequate documentation to support some disbursements made with the Sheriff office's 4 credit cards. The county has not established a policy for providing employee meals while not on travel status. The county has not established adequate procedures to ensure Sheriff's office credit card bills are paid timely.
Sheriff's Controls and Procedures	The Sheriff's office does not prepare adequate bank reconciliations for the inmate/commissary account, and monthly lists of liabilities are not prepared to reconcile to the inmate/commissary account balance. Office personnel do not record all checks issued from the inmate/commissary account in numerical sequence. They have not disbursed commissary net proceeds remaining in an inactive inmate/commissary bank account to the county Inmate Prisoner Detainee Security Fund, as required by state law.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's office does not maintain a book balance or prepare adequate bank reconciliations, and monthly lists of liabilities are not prepared to reconcile to the bank reconciliation. Office personnel do not deposit receipts timely, and do not always assess the statutorily required fees from defendants who owe court-ordered restitution.

Passwords	The County Clerk and Ex Officio Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data.
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Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was Poor .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Clinton County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Clinton County

We have audited certain operations of Clinton County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Clinton County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

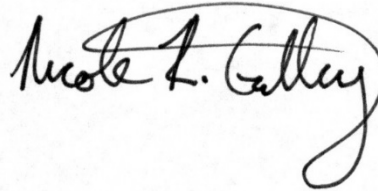
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Clinton County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Alex Bruner, MBA, CFE
Audit Staff:	Shelbi M. Becker
	Troy Tallman, CFE
	Philip V. Osadchuk, MAcc

Clinton County Management Advisory Report State Auditor's Findings

1. Financial Condition

The General Revenue Fund (GRF) remains in poor financial condition.

The following table reflects the beginning cash balance, budgeted receipts and disbursements, and projected ending cash balance of the GRF for the year ended December 31, 2018, and the actual receipts, disbursements, and beginning and ending cash balances, for the 4 years ended December 31, 2017:

		Year Ended December 31, ⁽¹⁾				
		2018	2017	2016	2015	2014
Beginning Cash Balance	\$	9,717	512,257	211,929	130,012	6,347
Receipts		2,798,144	2,198,530	2,716,740	2,379,968	2,797,892
Disbursements		2,807,597	2,701,070	2,416,412	2,298,051	2,674,227
Ending Cash Balance	\$	264	9,717	512,257	211,929	130,012

(1) Information was compiled from audited financial statements for 2017 and 2016 and county budgets for the other years.

The cash balances of the GRF is not sufficient to handle any emergencies or sudden downturn in the economy. Receipts were significantly less than disbursements in 2017 and the GRF would have had a deficit cash balance at December 31, 2017, had the county not transferred approximately \$103,000 from the Emergency Management Fund (EMF) to the GRF throughout 2017. Revenues decreased significantly during 2017. A delay in the mailing of property tax statements resulted in a delay in property tax collections. In addition, expenditures increased significantly during 2017 as a result of the Sheriff's office and jail expenditures increasing from approximately \$976,000 in 2016 to approximately \$1,240,000 in 2017.

As discussed in MAR finding number 2, the County Commission implemented a self-insured medical plan without performing a cost analysis to ensure the plan is adequately funded. Any claims against the plan that exceed the cash balance of the Health Reimbursement Fund (HRF) will be the responsibility of the GRF and the EMF.

The County Commissioners indicated they are aware of the concern and stated they are hopeful additional property tax revenues will be generated as a result of a housing development project and some new businesses coming to the county.

It is essential the County Commission address the financial condition of the GRF in the immediate and long-term future. To ensure the financial condition of the GRF is improved, the County Commission should reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenues.



Clinton County
Management Advisory Report - State Auditor's Findings

A similar condition was noted in our 2 prior audit reports.

Recommendation

The County Commission closely monitor the county's financial condition and perform a study of the county's current level of expenditures and determine whether normal operations and other financial commitments have expanded to the point where they cannot be sustained by operating revenues. If so, expenditures should be reduced where possible without eliminating necessary services. In addition, a long-range budget should be prepared and used in planning for future years' operations.

Auditee's Response

We have been closely monitoring the financial condition of the General Revenue Fund and are aware of the financial challenges facing the county. We placed a tax issue on the November 2018 ballot, which was defeated by the voters. We have met with elected officials to discuss recommendations from the audit of the county, but we do not have the power to force officeholders to make changes in the operation of their offices concerning controls and management practices. We have encouraged officeholders to curtail expenses and have notified one officeholder that their budget is expended for the year ending December 31, 2018, and have cut off non-essential spending.

2. Self-Insured Medical Plan

The County Commission implemented a self-insured medical plan in January 2017 without performing a cost analysis to project the potential liability to the county, calculate the premiums, determine the reserve balance necessary to meet the potential obligations, or determine the financial feasibility of the plan.

The County Commission solicited bids and selected an insurance broker for employee health insurance benefits in September 2016. The County Commission followed the insurance broker's recommendation to implement a self-insured medical plan and in December 2016 the county contracted with a third party administrator (TPA) to review, process, and pay claims.

Expenditures of the HRF include monthly claim administration service fees charged by the TPA and reimbursements to the TPA for medical and prescription drug claims processed and paid to providers by the TPA. The County Commission also followed the insurance broker's recommendation and established employee premiums for the 2017 plan year at the 2016 health insurance benefit plan rates. The county did not increase employee premiums for 2018 because revenues were sufficient to meet expenditures in 2017 and the HRF had a cash balance of \$40,339 at December 31, 2017. However, expenditures of \$466,395 have exceeded revenues of \$307,912 through October 9, 2018, and transfers totaling \$130,000 from the EMF have been necessary to prevent a deficit fund balance.



Clinton County
Management Advisory Report - State Auditor's Findings

Performing a cost analysis is essential to ensure the county has sufficient funding available to meet current and future expenditures of the self-insured medical plan.

Recommendation

The County Commission prepare a cost analysis to project the potential liability to the county for expenditures of the self-insured medical plan, calculate the employee premiums and fund reserve balance necessary to meet the projected liability, and determine the financial feasibility of the plan.

Auditee's Response

We will take the recommendation under advisement and look into making changes in the spring of 2018.

3. County Collector's Controls and Procedures

Controls and procedures in the County Collector's office need improvement. Property taxes and other monies collected by the County Collector totaled approximately \$18,200,000 during the year ended February 28, 2018.

3.1 Annual Settlements

The County Collector is consistently not performing one of her main responsibilities, which also violates state law. The County Collector has not prepared and filed an annual settlement for the years ended February 28 (29), 2016, 2017, and 2018.

Because the County Collector does not file annual settlements, the County Clerk cannot ensure taxes charged and credited to the County Collector each year are accounted for properly, and the County Clerk and County Commission cannot verify the County Collector's accounts.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file annual settlements. Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector and the County Clerk to certify the amounts to the state. Such procedures are intended to establish checks and balances related to the collection of property taxes.

A similar condition was noted in our prior audit report, *Clinton County Collector and Property Tax System*, Report No. 2015-009, issued in February 2015. In addition, Report No. 2015-075, *Follow-Up Report on Audit Findings - Clinton County Collector and Property Tax System*, issued in September 2015, reported the status as in progress.



Clinton County Management Advisory Report - State Auditor's Findings

3.2 Commissions

The County Collector did not distribute the late payment penalties on delinquent city taxes in accordance with state law. In addition, the County Collector did not correctly distribute city commissions withheld from the collection of December 2017 city taxes.

Late payment penalties on delinquent city taxes were correctly assessed and collected but were distributed to the County Collector instead of to the General Revenue Fund, Tax Maintenance Fund, and the County Employees' Retirement Fund in accordance with state law. For the year ended February 28, 2018, the County Collector was overpaid \$10,030, the County Employees' Retirement Fund was underpaid \$4,298, and the Tax Maintenance Fund and General Revenue Fund were each underpaid \$2,866.

In addition, we determined the County Collector was underpaid \$11,634 in commissions for December 2017 city tax collections. We recalculated city commissions for each month during the year ended February 28, 2018, and noted the County Collector should have personally received \$14,767 in commissions for December 2017 collection of city taxes. However, the County Collector was only paid \$3,133. The County Collector manually calculates the withholding and distribution of all commissions on city tax collections. We reviewed the County Collector's calculation and distribution of city commissions for December 2017 and noted the General Revenue Fund was overpaid \$6,024 and the Assessment Fund was overpaid \$5,524, leaving an unknown difference of \$86 between the amount the County Collector was underpaid and amounts overpaid to other entities.

Section 50.332, RSMo, allows county officials, with the approval of the County Commission, to perform certain tax collection services for cities and charge for such services. In addition, Section 52.290.1, RSMo, allows for the collection of the 7 percent (9 percent effective January 1, 2018) penalty on delinquent taxes and provides for the penalty to be distributed as follows: two-sevenths to the General Revenue Fund (two-ninths effective January 1, 2018), two-sevenths to the Tax Maintenance Fund (two-ninths effective January 1, 2018), and three-sevenths to the County Employees' Retirement Fund (five-ninths effective January 1, 2018).

Recommendations

The County Collector:

- 3.1 Prepare and file annual settlements in accordance with state law. In addition, the County Commission should ensure the annual settlements are filed and are carefully and fully examined to ensure tax book charges and credits are accurately reported.
- 3.2 Adopt procedures to ensure the penalty on delinquent city taxes are distributed in accordance with state law and city commissions are calculated and distributed as provided in the city agreements. In



Clinton County
Management Advisory Report - State Auditor's Findings

addition, return the late payment penalties improperly distributed and distribute them in accordance with state law. Also, seek reimbursement from the county for the County Collector's city commissions that were improperly distributed and distribute them as provided in the city agreements.

Auditee's Response

The County Collector provided the following responses:

- 3.1 *The annual reports were not done timely, as I felt it was more important to get what little money that was left in various accounts from the previous collector along with payouts of interest, Missouri Department of Conservations payments, bankruptcy accounts, and in-lieu monies that have not been distributed for numerous years to the various entities. Also while correcting numerous deficiencies identified in the last two audits. The annual reports will be completed by the end of fiscal year 2018.*
- 3.2 *I came into the office on March 2, 2015 with many deficiencies noted in the prior audits (August 2010 Report No. 2010-104 (MO State Auditor Susan Montee), February 2015 Report No. 2015-009 (MO State Auditor Thomas Schweich) and September 2015 Report No. 2015-075 (Follow-Up - MO State Auditor Nicole Galloway). I read through each audit and have managed to address and correct each item that was lacking, according to the auditors findings. The city collections were not addressed in any of the above audits, therefore I concluded since there was no reference to the collection and/or disbursements that portion of the office duties were being performed correctly. After being informed that I was incorrectly distributing the funds, I will be reimbursed the amount that the auditors have stated was lacking to each entity.*

The County Commission provided the following response:

- 3.1 *We will consult legal counsel to determine the statutory authority granted to us under Chapter 139 to ensure the County Collector files annual settlements. In addition, we will fully examine any annual settlements the County Collector files with the County Commission.*

Auditor's Comment

- 3.1 The County Collector's response indicates she will implement the recommendation by the end of fiscal year 2018 which was February 28, 2018. We discussed this discrepancy with her, but she declined to change her response.
- 3.2 The County Collector did not clearly address our recommendation to return the late payment penalties that were improperly distributed and distribute them in accordance with state law and to distribute city



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Management Advisory Report - State Auditor's Findings

commission as provided in the city agreements. We discussed this problem with her, but she declined to address these recommendations.

4. Senate Bill 40 Board's Payroll

4.1 Payroll disbursements

Improvement over payroll controls and procedures for the Senate Bill 40 (SB40) Board is needed. The Board paid payroll expenses of approximately \$143,000 for the year ended December 31, 2017.

The SB40 Board made payments to employees totaling \$5,714, before payroll taxes, during the year ended December 31, 2017, that were not supported by adequate documentation.

In January 2017, employee pay was changed from salary to hourly. However, hourly pay rates, a pay raise, paid time off (PTO) rates, and tax withholdings were not calculated correctly when this change occurred. In October 2017, 3 of the Board's 4 employees received a separate paycheck of \$500 after payroll taxes. Board members indicated these checks were a "good faith" payment to let the employees know the Board was "working to correct all payroll issues." These payments before payroll taxes totaled \$1,698. The fourth employee did not receive the \$500 "good faith" payment because she was not employed with the Board during the period the payroll issues occurred.

In addition, in November 2017, 3 of the Board's 4 employees also received a PTO payout on their regular paycheck. The total amount paid was \$4,016 before payroll taxes. Each of these employees signed an agreement that by accepting the check, the employee agreed that this was the final adjustment to be made to past payroll issues and the employee would not expect any further compensation. The fourth employee did not sign the agreement and instead was allowed to use the 45 hours of PTO owed to her by the end of 2017. The agreement also indicated the Board's payroll service provider had documentation of all pay with a reasonable explanation of errors and adjustments made. We requested this documentation or any other documentation to support the \$500 "good faith" payments and the PTO payout, but neither was provided to us.

Adequate documentation is essential to ensure all payments to employees are proper and necessary expenditures of the Board.

4.2 Incentive payments

The SB40 Board approved "an incentive to the staff for the quality of their work and the hardship of the payroll difficulties of 2017" totaling \$3,300 on December 22, 2017. The 3 full-time employees received \$1,000 each and a part-time employee received \$300.

These payments are likely bonuses and in violation of Article III, Section 39, of the Missouri Constitution, because they were not part of a formal pay plan and seem to represent additional payments for services previously rendered.



Clinton County Management Advisory Report - State Auditor's Findings

In addition, Attorney General's Opinion 72-1955 (June 14, 1955), states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

4.3 Time and leave records

The SB40 Board does not require timesheets or other documentation for hours worked. In November 2017, the Board determined timesheets are unnecessary because all employees are classified as exempt employees and were not entitled to overtime pay as allowed by the Fair Labor Standards Act (FLSA). In addition, neither the Board nor its payroll service provider maintain records of employee leave balances. Employees are responsible for maintaining records of their own leave balances. As a result, the Board cannot substantiate compliance with FLSA requirements for these employees and there is no documentation to support or justify paid time off.

Detailed timesheets and leave records would document hours actually worked and support leave taken and are beneficial in demonstrating compliance with the Board policies and FLSA requirements.

Recommendations

The Senate Bill 40 Board:

- 4.1 Ensure all payroll disbursements are supported by adequate documentation.
- 4.2 Ensure all employee compensation is documented in a formal pay plan as appropriate, and in compliance with state law.
- 4.3 Require all employees to prepare detailed timesheets or other documentation for time worked and maintain records of leave balances for all employees.

Auditee's Response

- 4.1 *We understand and agree with the finding as presented. We will take appropriate steps to ensure all payroll disbursements are supported by adequate documentation, and we are currently in the process of engaging a new accounting firm to ensure compliance with the auditor's recommendation. The recommendation will be fully implemented by January 1, 2019.*
- 4.2 *We understand and agree with the finding as presented. We will take appropriate steps to ensure all employee compensation is documented in a formal pay plan in compliance with Article III, Section 39 of the Missouri Constitution. Specifically, we will ensure that any incentive payments to employees are part of a documented, formal pay plan, and not paid in the form of bonuses for services*



Clinton County
Management Advisory Report - State Auditor's Findings

previously rendered. The auditor's recommendation was implemented on December 3, 2018.

4.3 *We understand and agree with the finding as presented. We will take steps to ensure all employees prepare detailed timesheets for time worked, and we will maintain records of leave balances for all employees. The auditor's recommendation was implemented on December 3, 2018.*

5. Capital Asset Dispositions

The county has not established adequate controls and procedures for the disposition of capital assets. The County Clerk's capital asset listing totaled approximately \$3 million at December 31, 2017.

In April 2017, the former County Assessor, disposed of a county vehicle by selling it to an employee of his office for \$1,200. According to the legal affidavit signed by the County Commissioners and filed with the Forty-Third Judicial Circuit, Clinton County, the Kelly Blue Book¹ value of a similar vehicle at the time of the sale was at least \$4,736. The affidavit also indicates the former County Assessor did not obtain approval from the County Commission to dispose of the vehicle and did not solicit or advertise for bids.

The County Clerk indicated the county does not have a formal policy in place for the disposal of capital assets; however, she indicated it is the County Commission's procedure to require officials seek the County Commission's approval before the asset is disposed.

Procedures for capital asset dispositions, including obtaining prior written approval of the County Commission, would enhance the county's ability to account for capital assets and deter and detect theft of assets.

Recommendation

The County Commission and the County Clerk establish a formal policy for the disposal of county property and require written approval be obtained prior to the disposal of county property.

Auditee's Response

We will take this recommendation under advisement.

6. Disbursements

Controls and procedures related to disbursements made for the Sheriff's office need improvement.

6.1 Credit cards

The county did not maintain adequate documentation to support some disbursements made with the 4 credit cards used by the Sheriff's office. Office personnel spent approximately \$22,700 using these cards between February 2017 and March 2018.

¹ The Kelly Blue Book is a vehicle valuation and automotive research company.



Clinton County Management Advisory Report - State Auditor's Findings

Our review of 45 credit card transactions made between February 2017 and March 2018 identified 19 transactions totaling \$1,170 that did not have any receipt submitted to support the purchase. In addition, we noted 4 transactions totaling approximately \$140 where the receipt was not sufficiently detailed to support the transaction.

All credit card disbursements should include proper supporting documentation that is reconciled to billing statements to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.

6.2 Local meals

The county has not established a policy for providing employee meals while not on travel status. Our review of 45 credit card transactions made between February 2017 and March 2018 identified 24 transactions totaling \$1,135 for food and drink purchases at local restaurants for the Sheriff and his employees when they were not in continuous travel status for 12 hours or more and these payments were not added to their W-2 forms as a taxable benefit. None of these transactions were supported by information demonstrating how the purchase related to the operation of the Sheriff's office or detailed the persons in attendance to ensure the transaction was a reasonable and prudent use of public funds.

According to Internal Revenue Service (IRS) Publication 463, Travel, Entertainment, Gift, and Car Expenses, the cost of business meals that does not involve overnight travel or travel long enough for the employees to stop for sleep or rest to properly perform their duties is a personal expense, and therefore is not deductible as a business expense. In addition, IRS Publication 15-B states that any fringe benefit provided by an employer is taxable and must be included in the employee's pay unless excluded by law.

6.3 Late fees and finance charges

The county has not established adequate procedures to ensure Sheriff's office credit card bills are paid timely. Our review of that office's credit card statements from February 2017 to March 2018 showed assessment of late fees of \$234 and finance charges of \$905. The Sheriff indicated personnel in his office struggled to reconcile the receipts and other supporting documentation to the monthly statements which led to significant delays in submitting the statements to the County Clerk's office for payment.

To prevent unnecessary late fees and finance charges, procedures should be in place to ensure the Sheriff's office credit card bills are paid timely.

Recommendations

The County Commission and the Sheriff:

- 6.1 Ensure all credit card purchases are supported by appropriate documentation and are reconciled to the billing statements.



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- 6.2 Discontinue purchasing food when not on travel status and develop a comprehensive policy regarding food purchases that is in compliance with IRS regulations.
- 6.3 Implement procedures to ensure credit card bills are paid timely to avoid late fees and finance charges.

Auditee's Response

The County Commission provided the following responses:

- 6.1 *We will take this recommendation under advisement for all credit card purchases made from the General Revenue Fund. However, we have extreme frustrations with how the Sheriff is spending the money from his discretionary funds, but we have no statutory authority to tell the Sheriff what he can and cannot spend his discretionary funds on.*
- 6.2 *We will take this recommendation under advisement.*
- 6.3 *We will take this recommendation under advisement.*

The Sheriff provided the following responses:

- 6.1 *We agree with the auditor's finding and have already taken steps to implement the recommendation.*
- 6.2 *We agree with the auditor's finding. Policy will be enacted to cover local expenses for meals when needed.*
- 6.3 *We agree with the auditor's finding and have already taken steps to implement the recommendation.*

7. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. Office personnel processed receipts for civil paper service fees, bonds, inmate monies, and other miscellaneous receipts totaling approximately \$239,000 for the year ended December 31, 2017.

7.1 Bank reconciliations and liabilities

The Sheriff's office does not prepare adequate bank reconciliations for the inmate/commissary account. In addition, a monthly list of liabilities is not prepared to reconcile to the inmate/commissary account balance. A Statement Reconciliation Report is prepared using the computerized accounting system each month and includes individual checks and deposits that have cleared the bank during the month; however, outstanding checks, deposits in transit, and other reconciling items are not determined. As of May 31, 2018, we determined the reconciled bank balance was \$4,134. In addition, we identified liabilities totaling \$4,825, consisting of inmate monies held in the account and amounts due to vendors, which agreed with the available cash balance.



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Performing adequate monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be identified. Regular identification and comparison of liabilities to the reconciled cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities.

7.2 Checks

The Sheriff's office does not record all checks issued from the inmate/commissary account in numerical sequence. We reviewed checks issued between October 2017 and May 2018 and noted 21 of the 145 checks issued (14 percent) were recorded out of numerical sequence. Each of these checks was issued to the commissary vendor and dated as of the vendor's invoice date and not the check issuance date.

To ensure accurate records, checks should be dated as of the issuance date and recorded in numerical order on the checkbook register.

7.3 Commissary net proceeds

The Sheriff's office has not disbursed commissary net proceeds remaining in an inactive inmate/commissary bank account to the county Inmate Prisoner Detainee Security Fund as required by state law. The account balance was \$3,107 as of April 30, 2018. The account became inactive in October 2017 when the Sheriff's office contracted with a new commissary vendor and opened a new bank account.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

A similar condition was noted in our prior 3 audit reports.

Recommendations

The Sheriff:

- 7.1 Ensure adequate monthly bank reconciliations are prepared using outstanding checks, deposits in transit, and other reconciling items. In addition, the Sheriff should prepare a monthly list of liabilities and reconcile the listing to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 7.2 Ensure checks are dated as of the issuance date and recorded in numerical order in the checkbook register.



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Auditee's Response

7.3 Disburse commissary net proceeds held in the inactive bank account to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund and close the account.

7.1 *We prepare monthly bank reconciliations as trained by our commissary provider, Turnkey. A list of liabilities will be prepared moving forward. Outstanding checks will be handled according to policy and state statutes. We will work with Turnkey to ensure bank reconciliations are more in-line with the recommendations.*

7.2 *Checks are sometimes back dated to reflect invoices paid. This is how our commissary provider, Turnkey, trained us to pay vendors so numbers match when vendors are paid. We are currently working with Turnkey to improve this process to cause less confusion and be more in-line with these recommendations.*

7.3 *After unclaimed property was identified and sent off to the state, we have closed this account, effective November 2018, and transferred net proceeds to the Inmate Prisoner Detainee Security Fund.*

8. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately \$34,000 in bad check and court-order restitution and fees during the year ended December 31, 2017.

8.1 Bank reconciliations and liabilities

The Prosecuting Attorney's office does not maintain a book balance or prepare adequate bank reconciliations. In addition, a monthly list of liabilities is not prepared to reconcile to the bank reconciliation.

The Prosecuting Attorney's office prepares a bank statement balance worksheet that lists the beginning bank statement balance, bank activity for the month, and the ending bank statement balance. In addition, outstanding checks are listed and totaled on the worksheet but are not used because a reconciled bank statement balance is not calculated. We determined the account had a negative reconciled bank balance of \$44 at December 31, 2017, (bank balance of \$1,941 less outstanding checks totaling \$1,964 and \$21 accumulated interest). Office personnel could not explain why the account has a negative reconciled bank balance.

A book balance is necessary to reconcile the bank account and adequately monitor account balances. Monthly bank reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and resolved timely. Regular identification and comparison of liabilities to the available cash balance is



Clinton County Management Advisory Report - State Auditor's Findings

necessary to ensure records are in balance and monies are available to satisfy all liabilities.

8.2 Deposits

The Prosecuting Attorney's office does not deposit receipts timely. Deposits are typically made once a month, at month-end. For example, March 2018 receipts totaling \$4,704, were not deposited until March 30, 2018.

To safeguard receipts and to reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are deposited timely.

A similar condition was noted in our prior report.

8.3 Administrative fees

The Prosecuting Attorney's office does not always assess the statutorily required fees from defendants who owe court-ordered restitution. We noted the administrative handling cost fee was not assessed for 5 of 14 (36 percent) cases reviewed. If assessed, these fees would have totaled \$375. Office personnel indicated the fee is not assessed unless the court order includes the fee.

Section 559.100.3, RSMo, requires the Prosecuting Attorney to collect an administrative handling cost fee on cases of court-ordered restitution.

Recommendations

The Prosecuting Attorney:

- 8.1 Maintain a book balance and perform monthly bank reconciliations. In addition, prepare monthly lists of liabilities and reconcile the list to the available cash balance. Any differences should be promptly investigated and resolved.
- 8.2 Ensure monies received are deposited timely.
- 8.3 Assess and collect fees on all restitution cases as required by state law.

Auditee's Response

- 8.1 *We will implement policy changes to allow for more timely reconciliations, taking into account the workload demands on current staff. We are understaffed, and requests to the County Commission to increase funding for additional staff have not been acted upon.*
- 8.2 *We will implement policy changes to allow for more timely bank deposits.*
- 8.3 *We will collect fees and restitution only as allowed by law. Moreover, we maintain a policy that victims are to be paid from collected*



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amounts in full before any administrative fees are collected. Thus, for amounts that are only partially collected, we will not see any fees until the victims are paid in full.

9. Passwords

The County Clerk and Ex Officio Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically to help ensure passwords remain known only to the assigned user.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior audit report.

Recommendation

The County Clerk and Ex Officio Recorder of Deeds require employees maintain confidential passwords that must be periodically changed.

Auditee's Response

The Ex Officio Recorder of Deeds provided the following response:

I will work toward the recommendation.

The County Clerk provided the following response:

I will be retiring at the end of December. There will be a new County Clerk at that time and the decision to change anything will be left up to him.

Clinton County

Organization and Statistical Information

Clinton County is a county-organized, third-class county. The county seat is Plattsburg.

Clinton County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 74 full-time employees and 24 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board and the Law Enforcement Restitution Fund Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Wade Wilken Jr., Presiding Commissioner	\$	30,566
Gary McCrea, Associate Commissioner		28,486
Larry King, Associate Commissioner		28,486
Molly Livingston, Circuit Clerk and Ex Officio Recorder of Deeds (1)		56,760
Mary Blanton, County Clerk (2)		46,892
Joe Gagnon, Prosecuting Attorney		53,040
Larry Fish, Sheriff		47,840
Leann Gump, County Treasurer		43,160
Lee Hanks, County Coroner		15,000
Nancy D. Wingate, Public Administrator		43,160
Michele Wells, County Collector (3), year ended February 28,	61,660	
Cindy Carter, County Assessor, year ended August 31,		43,160

- (1) Compensation is paid by the state.
- (2) Includes \$3,732 of commissions from preparing city property tax books.
- (3) Includes \$18,500 of commissions earned for collecting city property taxes.



Office of Missouri State Auditor
Nicole Galloway, CPA

Washington County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Washington County

Sheriff's Controls and Procedures	The Sheriff's Administrative Assistant does not prepare adequate bank reconciliations for the bond and inactive commissary bank accounts, and monthly lists of liabilities are not prepared to reconcile to the account balances. The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. The Sheriff has not established adequate controls and procedures over seized property.
County Assessor's Controls and Procedures	The County Assessor does not issue receipt slips for all monies received. The County Assessor's review of the accounting records is not documented and does not effectively ensure monies received have been properly recorded, and the County Assessor does not account for the numerical sequence of receipt slips. The method of payment is not always indicated on receipt slips and checks are not restrictively endorsed immediately upon receipt.
Board for the Handicapped	The Washington County Board for the Handicapped purchased flooring material and a building from the Board Treasurer, creating a conflict of interest.
Electronic Data Security	Controls over county computers are not sufficient to prevent unauthorized access. As a result, county records are not adequately protected and are susceptible to unauthorized access.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Washington County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Washington County

We have audited certain operations of Washington County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Washington County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

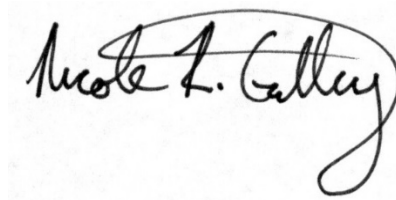
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Washington County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE, CGAP
In-Charge Auditor:	Steven J. Barton
Audit Staff:	Scott Davis, MAc, CPA
	Ethan D. Evans
	Ryan P. Tierney, MAcc

Washington County Management Advisory Report State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office processed receipts for civil paper service fees and mileage, bonds, inmate monies, prisoner board, and other miscellaneous receipts totaling approximately \$538,000 for the year ended December 31, 2017.

1.1 Bank reconciliations and liabilities

The Sheriff's Administrative Assistant does not prepare adequate bank reconciliations for the bond and inactive commissary bank accounts. In addition, monthly lists of liabilities are not prepared to reconcile to the account balances.

The reconciliation process includes documenting the transactions that have cleared the bank; however, reports of outstanding checks, deposits in transit, and other reconciling items are not prepared or reviewed. We determined the bond account's reconciled balance was \$260 as of December 31, 2017. In addition, the Sheriff's office did not maintain records from the prior commissary system to perform bank reconciliations. This account had a bank balance of \$37,548 as of December 31, 2017. Office personnel did not maintain a list of liabilities but indicated the balance consists of commissary net proceeds that have not been turned over to the Inmate Prisoner Detainee Security Fund (see section 1.2).

Performing adequate monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Regular identification and comparison of liabilities to the available cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities.

A similar condition was noted in our prior audit report.

1.2 Inmate Prisoner Detainee Security Fund

The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. All net proceeds from commissary sales, and commissions received from commissary vendors for purchases made by inmates are retained with the inmate monies in the commissary bank accounts. Any amount in the bank accounts exceeding the inmate monies is considered commissary net proceeds.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) of the commissary account into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

1.3 Seized property

The Sheriff has not established adequate controls and procedures over seized property. The electronic seized property evidence log maintained is not



Washington County Management Advisory Report - State Auditor's Findings

complete and only includes items seized starting in 2001. Items obtained prior to 2001 are recorded on manual logs. We tested 10 items and identified errors for 5 items. Two test items were listed in the system with an inaccurate location and one test item was labeled with a case number that did not match the case number on the log. Two other test items were located in the seized property room but could not be initially found on the log. The Sheriff subsequently located both items in the system and determined the initial case number had not been properly recorded in the system. In addition, the Sheriff does not periodically reconcile the physical inventory to the log. Per the Sheriff's seized property deputy, the last physical inventory was performed in 2001.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory records including information such as description, current location, case number, date of seizure, and disposition of such property should be maintained, and periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly.

Recommendations

The Sheriff:

- 1.1 Ensure adequate monthly bank reconciliations are prepared for all bank accounts, and lists of outstanding checks and deposits in transit are prepared. In addition, prepare monthly lists of liabilities and reconcile the lists to the available cash balances. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 1.2 Ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.
- 1.3 Maintain a complete and accurate seized property evidence log, and ensure a periodic inventory is conducted and reconciled to the seized property evidence log, and investigate any differences.

Auditee's Response

- 1.1 *The Sheriff's office is and has been doing bank reconciliations; however, we will follow the Auditor's recommendations and start using new forms. Each month, preparation of monthly lists of liabilities and reconciliation to cash balances will be done, and differences will be investigated and resolved. The bond account had an unreconciled balance as of December 31, 2017. After investigation and review it was determined the money came from the reimbursement of bank fees from our previous bank.*



Washington County
Management Advisory Report - State Auditor's Findings

- 1.2 *With regards to commissary net proceeds, the company we use (Tiger Commissary), breaks down money automatically for us between inmate money and proceeds. The revenue from this, is now placed into a separate account and transferred quarterly to the County Treasurer to be deposited into the Inmate Prisoner Detainee Security Fund. The Sheriff's office maintains a minimal amount in the account for cash flow purposes as defined by Section 221.102, RSMo. Missouri law allows the Sheriff to maintain a minimal amount of cash; however, it does not define that further. When the Auditor's office was asked who defined the minimal amount, the auditor advised that the Sheriff determines this amount.*
- 1.3 *The Sheriff's office has been working with the County Commission on a more suitable means to hold seized property and we are nearing a solution to this issue. The seized property encompasses approximately 30 years and several different administrations. The Sheriff's office is working to employ a full-time property clerk who can perform annual audits and convert paper files to digital files. Previous Sheriffs used a different numbering system that my current staff was not familiar with, and that problem has been corrected.*

Auditor's Comment

- 1.2 Section 221.102, RSMo, requires net proceeds from the commissary, other than a minimum amount for cash flow purposes and current expenses, to be deposited into the Inmate Prisoner Detainee Security Fund held by the County Treasurer. Considering the Sheriff's office does not maintain any commissary inventory, it is unreasonable to consider the Sheriff's large balance of accumulated net proceeds (as indicated in section 1.1) as a minimal cash balance necessary for the operation of the commissary.

2. County Assessor's Controls and Procedures

Controls and procedures in the County Assessor's office need improvement. The office transmitted \$13,951 to the County Treasurer for the collection of maps, copies, and electronic data access during the year ended December 31, 2017.

A cash count performed on June 19, 2018, and a review of the County Assessor's office receipt slips, transmittal reports, and County Treasurer receipt slips identified various concerns.

- Office personnel do not issue receipt slips for all monies received. For the year ended December 31, 2017, receipts totaling \$13,951 were transmitted to the County Treasurer. However, only \$902 (approximately 6 percent) was recorded on receipt slips issued by the County Assessor's office.
- The County Assessor's review of the accounting records is not documented and does not effectively ensure monies received have been



Washington County Management Advisory Report - State Auditor's Findings

properly recorded. In addition, the County Assessor does not account for the numerical sequence of receipt slips. For the 97 receipt slips issued during 2017, we noted 3 skipped receipt slips (not used), 6 receipt slips improperly voided (top copy of receipt slips not retained), and receipt slips issued out of sequence.

- The method of payment (cash or check) is not always indicated on receipt slips. We noted 66 out of 97 (68 percent) receipt slips issued did not indicate the method of payment.
- Checks are not restrictively endorsed immediately upon receipt. Endorsement is applied by the County Treasurer after the monthly transmittal.

To reduce the risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure all monies received are properly receipted and transmitted.

A similar condition was noted in our prior audit report.

Recommendation

The County Assessor issue prenumbered receipt slips for all monies received, indicate the method of payment on all receipt slips, and restrictively endorse checks immediately upon receipt. In addition, perform a documented review of the accounting records ensuring the numerical sequence of receipt slips is accounted for and the composition of receipts is reconciled to the composition of amounts transmitted.

Auditee's Response

The County Assessor agrees and will implement the recommendation.

3. Board for the Handicapped

The Washington County Board for the Handicapped (Board) purchased flooring material and a building from the Board Treasurer, creating a conflict of interest. On March 29, 2017, the Board executed a contract with the Board Treasurer to purchase a building for \$96,000 (appraised at \$110,000) in Potosi to increase office space. The purchase was to be paid in 96 monthly installments of \$1,000 starting January 1, 2018. The Board failed to provide public notice prior to the execution of the contract as required by state law. In addition, the Board also purchased \$5,600 in flooring material to renovate the building from the Board Treasurer without soliciting bids.

Board members serve in a fiduciary capacity. Personal interests in business matters of the Board could create actual and the appearance of conflicts of interest. In addition, Section 105.454, RSMo, prohibits financial transactions between the board and elected or appointed officials or employees that involve more than \$500 per transaction or \$5,000 per annum unless there has been public notice to solicit proposals, and also requires competitive bidding



Washington County
Management Advisory Report - State Auditor's Findings

for property other than real property, provided the bid or offer accepted is the lowest received.

Recommendation

The Washington County Board for the Handicapped refrain from entering into business transactions that could result in the appearance of or actual conflict of interest and ensure all transactions are made in accordance with state law.

Auditee's Response

The Washington County Board for the Handicapped (WCBH) recognizes our error in the processes around the purchase of the property purchased for new office space to be used by Washington County Handicapped Services/The Pam Dudley Center. In response to the questions which arose from the handling of this purchase the Board sought and followed legal advice to remedy the situation.

The following was posted at the Washington County Courthouse, the WCBH building, and in the local newspaper on May 10, 2018.

On January 1, 2018 the Washington County SB 40 Board (the "Board") entered into a contract to purchase the building adjacent to its current TCM building, at a below-market price, from an appointed member of the Board. In connection with that sale, the Board acquired carpeting, also at a below-market price, from the same member to renovate the building. The purchased building is currently being used to further the Board's mission of providing for the unmet specialized needs of those with developmental disabilities in Washington County.

Under Chapter 105 of the Missouri Revised Statutes, certain sales of real and/or personal property by a public official to a related political subdivision may require public notice and competitive bidding. The Board will address the above transactions at its meeting from 5:00 PM – 6:00 PM on May 22, 2018 at 10558 West State Hwy E, Potosi, MO 63664, and seeks public comment from Washington County residents at such time and place. The Board intends to carefully consider all reasonable input and determine whether to rescind or ratify the contracts with respect to the above transactions.

On May 22, 2018, the Board met as posted and was available for public comment. At that time the Board ratified the decision to purchase the building and flooring. Further, on August 28, 2018, in conjunction with our Board meeting, the Board underwent training in relation to Section 105.458, RSMo, and the Missouri Sunshine Law to ensure future actions are conducted within the rules and guidelines of which we are bound.



Washington County
Management Advisory Report - State Auditor's Findings

Though the mistakes which were made in the purchase of these items were unintentional, the Board recognizes our responsibility to follow the guidelines and rules under which we operate. It is our desire to have the respect and faith of the taxpayers and community we serve.

4. Electronic Data Security

4.1 Passwords

Controls over county computers are not sufficient to prevent unauthorized access. As a result, county records are not adequately protected and are susceptible to unauthorized access.

The Recorder of Deeds has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the Recorder of Deeds' office are not required to change passwords periodically to help ensure passwords remain known only to the assigned user.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed by employees, there is less assurance access to computers and data files is effectively limited to only those individuals who need access to perform their job responsibilities. Passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

4.2 Security controls

Security controls are not in place to lock computers in the offices of the Sheriff and Recorder of Deeds after a specified number of incorrect logon attempts or after a certain period of inactivity.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission work with other county officials to:

- 4.1 Require confidential passwords that are periodically changed to prevent unauthorized access to county computers and data.
- 4.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts and after a certain period of inactivity.



Washington County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission is working with our IT contractor/consultant to implement a policy related to IT Security Controls. The County Commission expects to implement this policy prior to December 31, 2018.

Washington County

Organization and Statistical Information

Washington County is a county-organized, third-class county. The county seat is Potosi.

Washington County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 97 full-time employees and 9 part-time employees on December 31, 2017.

In addition, county operations include a Board for the Handicapped and a Senior Citizens' Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Marvin Wright, Presiding Commissioner	\$	31,370
Cody Brinley, Associate Commissioner		29,370
Doug Short, Associate Commissioner		28,380
Pamela Blair, Recorder of Deeds		43,000
Jeanette Allen, County Clerk		44,500
Joshua E. Hedgecorth, Prosecuting Attorney		137,084
Zach Jacobsen, Sheriff		48,000
Phyllis Long, County Treasurer		44,500
Brian DeClue, County Coroner		16,000
Beverly Boyer, Public Administrator		43,000
Carla Zettler, County Collector (1), year ended February 28,	45,401	
Tina Litton, County Assessor, year ended August 31,		45,635
R. Timothy Daughtery, County Surveyor (2)		

(1) Includes \$2,401 of commissions earned for collecting city property taxes.

(2) Not compensated by the county.



Office of Missouri State Auditor
Nicole Galloway, CPA

Summary of 2018
Follow-Up Reports

Summary of 2018 Follow-Up Reports

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NICOLE GALLOWAY, CPA

Missouri State Auditor

The Citizens of Missouri

This report was compiled from follow-up reports issued in 2018. The State Auditor's office conducted 7 follow-up reviews pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program¹. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the auditee about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

Auditors conduct follow-up work for audits with significant or serious findings when determined necessary.

Of the 78 recommendations included in the follow-up reports, 28 (36 percent) had a status of implemented, 15 (19 percent) had a status of in progress, 22 (28 percent) had a status of partially implemented, and 13 (17 percent) had a status of not implemented.

Nicole R. Galloway, CPA
State Auditor

¹ The State Auditor's office also issued 21 follow-up reports as part of the ongoing audit of the City of St. Louis. Those reports were compilations of the auditee's assessment of the status of recommendations and were not conducted pursuant to the AFTER program. Thus, they are not included in this report.

Summary of 2018 Follow-up Reports

Status of Recommendations

1.	City of Wellston	City of Wellston received a "Poor" overall audit rating. The follow-up report focused on 19 recommendations.
	Report Number 2018-011	Status determined: Implemented 3 In Progress 2 Partially Implemented 7 Not Implemented 7
2.	Montgomery County	Montgomery County received a "Poor" overall audit rating. The follow-up report focused on 11 recommendations.
	Report Number 2018-015	Status determined: Implemented 6 In Progress 3 Partially Implemented 2
3.	University of Missouri System Administration	University of Missouri System Administration received a "Fair" overall audit rating. The follow-up report focused on 3 recommendations.
	Report Number 2018-026	Status determined: Implemented 2 Partially Implemented 1
4.	Putnam County Memorial Hospital	Putnam County Memorial Hospital received a "Poor" overall audit rating. The follow-up report focused on 4 recommendations.
	Report Number 2018-045	Status determined: In Progress 3 Partially Implemented 1
5.	Twenty-First Judicial Circuit, City of Ferguson Municipal Division	Twenty-First Judicial Circuit, City of Ferguson Municipal Division received a "Poor" overall audit rating. The follow-up report focused on 13 recommendations.
	Report Number 2018-050	Status determined: Implemented 5 In Progress 2 Partially Implemented 5 Not Implemented 1



Summary of 2018 Follow-up Reports
Status of Recommendations

-
6. City of Harrisonville
- City of Harrisonville received a "Poor" overall audit rating. The follow-up report focused on 17 recommendations.
- Report Number 2018-123
- Status determined:
- | | |
|-----------------------|----|
| Implemented | 11 |
| In Progress | 4 |
| Partially Implemented | 1 |
| Not Implemented | 1 |
-
7. Dade County
- Dade County received a "Poor" overall audit rating. The follow-up report focused on 11 recommendations.
- Report Number 2018-131
- Status determined:
- | | |
|-----------------------|---|
| Implemented | 1 |
| In Progress | 1 |
| Partially Implemented | 5 |
| Not Implemented | 4 |



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
November 2018**

Monthly Report on Municipal Court and Revenue Filings

November 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by November 30, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 3 cities and 3 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in November 2018, after their filing deadline. The filing status for these 11 cities and 7 villages is presented in summary on pages 4 and by individual entity in Appendixes B to F.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

November 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 3 cities and 3 villages with a fiscal year end of May 31, 2018, whose financial reports, addendums, or certifications were due by November 30, 2018. Of the 6 cities and villages required to file an annual financial report, 5 filed the report timely. Of the 4 entities required to file an addendum, 1 filed an addendum timely. Of the 2 entities required to file a certification, 1 filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
November 2018
Executive Summary

This report includes the filing status for 11 cities and 7 villages that filed at least one of the items (financial report, addendum, or certification) in November 2018, after their filing deadline. Of these entities, 16 filed an annual financial report and 2 filed an addendum.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due November 30, 2018

Fiscal Year Ended May 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cape Girardeau	Village of Gordonville	Yes	September 24, 2018	No	n/a
Clay	Village of Oakwood Park	Yes	November 14, 2018	n/a	n/a
Cole	Village of Centertown	Yes	November 29, 2018	n/a	n/a
Nodaway	City of Ravenwood	Yes	August 13, 2018	No	n/a
Pettis	City of La Monte	No		No	No
Pike	City of Louisiana	Yes	November 20, 2018	Yes	Yes
Total Filed		5		1	1
Total Not Filed		1		3	1
Total n/a		0		2	4

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due December 31, 2017
 Filed in November 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Stoddard	City of Bernie	Yes	November 7, 2018	No	No
Total Filed		1		0	0

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in November 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Jackson	Village of River Bend	Yes	November 28, 2018	***	No
New Madrid	City of New Madrid	Yes	November 14, 2018	***	n/a
Platte	Village of Ferrelview	**	March 5, 2018	Yes	n/a
St. Louis	City of Shrewsbury	**	June 27, 2018	Yes	**
Total Filed		2		2	0

** Filed by June 30, 2018.

*** Filed after June 30, 2018, but before November 2018.

n/a Entities without a municipal judge are not required to file a certification.

Appendix D

Status of Cities, Towns, and Villages Required to File Annual Financial Reports

Reports Due August 31, 2018

Filed in November 2018

Fiscal Year Ended February 28, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Clay	Village of Oaks	Yes	November 29, 2018	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2018
Filed in November 2018

Fiscal Year Ended March 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Clay	City of Holt	Yes	November 9, 2018	No	n/a
Holt	Village of Corning	Yes	November 13, 2018	n/a	n/a
Lafayette	Village of Dover	Yes	November 8, 2018	n/a	n/a
Montgomery	City of Wellsville	Yes	November 5, 2018	No	n/a
Scott	City of Oran	Yes	November 7, 2018	***	n/a
St. Clair	Village of Vista	Yes	November 30, 2018	n/a	n/a
Vernon	Village of Harwood	Yes	November 30, 2018	n/a	n/a
Total Filed		7		0	0

*** Filed after September 30, 2018, but before November 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2018
Filed in November 2018

Fiscal Year Ended April 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Boone	City of Ashland	Yes	November 19, 2018	**	n/a
Dunklin	City of Hornersville	Yes	November 20, 2018	No	No
Jasper	City of Carl Junction	Yes	November 1, 2018	**	No
Lewis	City of La Belle	Yes	November 15, 2018	n/a	n/a
Mississippi	City of Charleston	Yes	November 26, 2018	**	n/a
Total Filed		5		0	0

** Filed by October 31, 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
November 2018**

Monthly Report on Political Subdivision Filings

November 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 11 political subdivisions required to file a financial report by November 30, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in November 2018, after their filing deadline. The filing status for these 14 entities is presented in summary on page 3 and by individual entity in Appendix B-D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

November 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 11 political subdivisions, other than cities, towns, and villages, with a fiscal year end of May 31, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 11 political subdivisions, 8 filed an annual financial report by November 30, 2018.

This report also includes the filing status for 14 political subdivisions, other than cities, towns, and villages, that filed their financial report in November 2018, after their filing deadline.

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due November 30, 2018

Fiscal Year Ended May 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Buchanan Drainage District	Yes	August 6, 2018
Barry	Southwest Rural Water Supply District 1	Yes	August 14, 2018
Caldwell	PWSD 3 Caldwell County	Yes	June 28, 2018
Carroll	Mi De Levee District	Yes	June 12, 2018
Cass	PWSD 3 Cass County	Yes	November 15, 2018
Franklin	PWSD 3 Franklin County	Yes	September 25, 2018
Holt	Canon Drainage District	No	
Jefferson	PWSD 7 Jefferson County	No	
	PWSD C-1 Jefferson County	Yes	November 6, 2018
Polk	Citizens Memorial Hospital District	Yes	October 26, 2018
St. Clair	Ellett Memorial Hospital District	No	
Total Filed		8	
Total Not Filed		3	

Acronyms:

PWSD Public Water Supply District

Appendix B

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2018

Filed in November 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Audrain	PWSD 1 Audrain County	Yes	November 15, 2018
Clinton	Plattsburg SRD Clinton County	Yes	November 7, 2018
Jackson	Inter City FPD	Yes	November 14, 2018
Lincoln	PWSD 2 Lincoln County	Yes	November 28, 2018
Total Filed		4	

Acronyms:

FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due September 30, 2018

Filed in November 2018

Fiscal Year Ended March 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Lewis	Steffenville Drainage District	Yes	November 13, 2018
St. Louis	Kirkwood Square CID	Yes	November 1, 2018
Total Filed		2	

Acronyms:

CID Community Improvement District

Appendix D

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due October 31, 2018

Filed in November 2018

Fiscal Year Ended April 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	39th Street CID	Yes	November 27, 2018
	4840 CID	Yes	November 2, 2018
	Downtown Kansas City CID	Yes	November 21, 2018
	InterContinental CID	Yes	November 20, 2018
	Performing Arts CID	Yes	November 26, 2018
	River Market CID	Yes	November 21, 2018
Pemiscot	Elk Chute Drainage District	Yes	November 28, 2018
Ray	Senior Citizen's NHD	Yes	November 27, 2018
Total Filed		8	

Acronyms:

CID	Community Improvement District
NHD	Nursing Home District



Office of Missouri State Auditor
Nicole Galloway, CPA

Adair County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Adair County

Inmate Account Liabilities	The Sheriff's office does not prepare a monthly list of liabilities for the inmate account, and consequently, liabilities are not reconciled to the account's reconciled bank balance.
County Procedures	The county does not reconcile Road and Bridge department fuel use to fuel purchases. The county did not report the amount of city commissions paid to the County Collector or subject the payments to payroll tax withholdings as required.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Adair County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Adair County

We have audited certain operations of Adair County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Adair County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

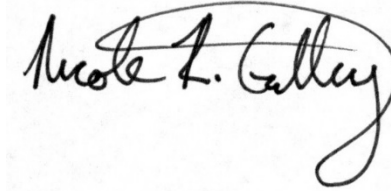
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Adair County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. It is written over a faint, rectangular background that appears to be a stamp or watermark.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Todd M. Schuler, CPA Lori Melton, M.Acct., CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Philip V. Osadchuk, MAcc Hunter O'Donnell, M.Acct. Charles J. Miller

Adair County Management Advisory Report State Auditor's Findings

1. Inmate Account Liabilities

The Sheriff's office does not prepare a monthly list of liabilities for the inmate account, and consequently, liabilities are not reconciled to the account's reconciled bank balance. Upon our request, office personnel generated a list of inmate balances totaling \$2,996 as of June 30, 2018. The reconciled bank balance at June 30, 2018 was \$21,375. The Sheriff distributed commissary net proceeds of \$11,500 and paid the commissary vendor \$2,300 in July 2018. The remaining \$7,575 exceeded the identified liabilities (inmate balances) by \$4,579. The Deputy Administrator indicated this balance represents commissary net proceeds and amounts due to the commissary vendor; however, no records were available to support these amounts.

Regular identification and comparison of liabilities to the reconciled cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and monies are available to satisfy all liabilities. Differences must be adequately investigated and explained.

Recommendation

The Sheriff prepare a monthly list of liabilities for the inmate account and reconcile it to the reconciled bank balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

Auditee's Response

The inmate bank account is reconciled on a monthly basis and checks are issued to the appropriate vendors, i.e., Swanson Services Corporation and Tele-Connect Inc. The remaining cash balance either belongs to retained earnings (which is transferred to the Adair County Treasurer on a quarterly basis), Swanson Services Corporation for money still owed for commodities purchased (money in "transit" via invoices), or the inmates themselves in their commissary account, for both commissary and phone purchases--\$4,579. Additionally, the retained earnings account is NEVER completely taken to \$0 to ensure funds are available in an emergency.

The Cobra Banker software is proprietary software owned by Swanson Services Corporation and Trinity Services Group. The Finance Coordinator has access to various types of pre-defined reports with very limited capability to manipulate these reports. Several different reports were produced and provided to the audit staff, even after they had departed. The information requested was also discussed with the representatives of Trinity Services Group. In the future, the Finance Coordinator will reconcile the account's Ledger Balance Sheet—Date Specific to the ending balance of the Midwest Bank statement as agreed to in the audit exit conference.



Adair County
Management Advisory Report - State Auditor's Findings

2. County Procedures

Procedures for monitoring fuel use and reporting commissions paid need improvement.

2.1 Fuel use

The county does not reconcile Road and Bridge department fuel use to fuel purchases. During the year ended December 31, 2017, fuel purchases totaled approximately \$157,000 for the Road and Bridge department.

Fuel purchased by the Road and Bridge department is stored in bulk fuel tanks. Eight of the 12 county bulk fuel tanks are not equipped with fuel meters. Without fuel meters, the amount of fuel dispensed cannot be determined, thus fuel pumped from the tanks is not accounted for properly or monitored by county officials.

In addition, the Road and Bridge department does not use available records to reconcile fuel use with fuel purchases. Even though 4 of the 12 tanks are metered, department personnel do not use fuel pumped information available to reconcile with fuel purchases. Also, the department does not maintain mileage logs for applicable vehicles and equipment.

Procedures for reconciling fuel use to fuel purchases as well as maintaining fuel use and mileage logs are necessary to ensure vehicles and equipment are properly utilized; prevent paying vendors for improper amounts; and decrease the risk of loss, theft, or misuse of fuel occurring and going undetected.

2.2 County Collector's city commissions

The county did not report the amount of city commissions paid to the County Collector or subject the payments to payroll tax withholdings as required. During the year ended December 31, 2017, the county paid the County Collector \$21,956 in city property tax commissions without reporting this amount on her W-2 form or withholding payroll taxes.

The county's current practice of handling city commissions in this manner is in violation of a strict interpretation of payroll tax regulations. The county is at risk of incurring additional payroll liabilities plus interest and penalties by utilizing the current practice. IRS regulations require all compensation paid to employees be subject to payroll tax and reported on W-2 forms. In addition, the County Commission and County Collector should consider these additional costs to the county and reevaluate the existing city tax collection contracts.

Recommendations

The County Commission:

- 2.1 Require fuel meters on all bulk fuel tanks and fuel and mileage logs to be maintained, and ensure logs are reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be promptly investigated.



Adair County
Management Advisory Report - State Auditor's Findings

Auditee's Response

2.2 Ensure commissions paid to the County Collector are subject to payroll taxes and properly reported on W-2 forms. The County Commission and County Collector should consider these additional costs and reevaluate the existing city tax collection contracts.

2.1 *The Road and Bridge supervisor monitors fuel use via electronic fuel tracking on the machines. He does this on a monthly basis. Bulk fuel purchases are recorded in the computer and have paper copies for every purchase and he can go through the logs for the last 4 years. We estimate the cost to upgrade all fuel tanks at approximately \$15,000. We believe this to be cost prohibitive to replace all at this time. We will purchase tanks in the future with fuel gauges as they are replaced due to failure.*

2.2 *The County Commission provided the following response:*

The County Collector is a contractor for the City of Kirksville. Therefore, the City of Kirksville should be providing a 1099 to the Collector. Putting this wage through the county payroll would cost Adair County funds to be used to pay monies the City of Kirksville should be responsible for based on their contract.

The County Collector provided the following response:

The contract language allows for the County Collector to charge and collect the additional 1.5 percent commission. The County Collector reports to the County Clerk the amount of Commission received on the annual report of County officials compensation form. The Collector also reports the amount collected to her personal accountant. I will consider the recommendation of implementing 1099 forms.

Adair County

Organization and Statistical Information

Adair County is a county-organized, third-class county. The county seat is Kirksville.

Adair County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 62 full-time employees and 16 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Stan Pickens, Presiding Commissioner	\$	37,051
William J. King, Associate Commissioner		34,745
Mark Thompson, Associate Commissioner		34,745
Pat Shoush, Recorder of Deeds		51,593
Sandra Collop, County Clerk		51,593
Matt Wilson, Prosecuting Attorney		137,745
Robert T. Hardwick, Sheriff		57,348
Lori J. Smith, County Treasurer		51,593
Brian C. Noe, County Coroner		18,295
Rhonda Noe, Public Administrator		51,593
Sonja Harden, County Collector (1), year ended February 28,	64,769	
Donnie Waybill, County Assessor, year ended August 31,		48,252
David W. Borden, County Surveyor (2)		

(1) Includes \$21,677 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Department of Social Services
Prescription Drug Oversight**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Audit of the Department of Social Services Prescription Drug Oversight

Prescription Drug Cost Trends	The Missouri's Medical Assistance Program (Medicaid), Children's Health Insurance Program (CHIP), and the Missouri Rx (MORx) program processed approximately 33.2 million prescription drug claims totaling \$959 million during calendar year 2016. Missouri's Medicaid and CHIP programs cover the costs of outpatient prescription drugs for participants on a fee-for-service basis. In calendar year 2016, the cost of outpatient prescription drugs for Missouri's Medicaid and CHIP participants totaled over \$953 million and represented 14 percent of all Medicaid and CHIP spending. To respond to increased demand and higher costs for prescription drugs, the Department of Social Services (DSS) has developed several processes to control the costs of drug prescriptions including, but not limited to, providing incentives to pharmacies who dispense generic drugs instead of brand name drugs, implementing processing edits in the claims processing system to require the usage of lower cost drugs before higher cost drugs, and actively seeking supplemental rebate opportunities. After peaking in 2015, prescription drug payments decreased in calendar year 2016 and decreased further in 2017.
Prescription Drug Monitoring Programs	Missouri does not have a comprehensive statewide prescription drug monitoring program (PDMP) to help the Department of Social Services identify Medicaid and CHIP prescription drug fraud and abuse. Prior to July 2017, Missouri was the only state in the nation that did not have a statewide PDMP. St. Louis County, through the County Department of Public Health, established a PDMP in March 2016 due to a lack of a statewide PDMP.
Physician-Administered Drugs	The DSS did not implement system controls to require collection of national drug codes for all physician-administered drug claims, which limits the ability of the DSS to bill the prescription drug manufacturers for rebates for those drug claims.
Excluded Drug Claims	The DSS controls are not sufficient to deny all drug claims for drugs excluded from the Medicaid program.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Social Services

Prescription Drug Oversight

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Steve Corsi, Psy. D., Director
Department of Social Services
Jefferson City, Missouri

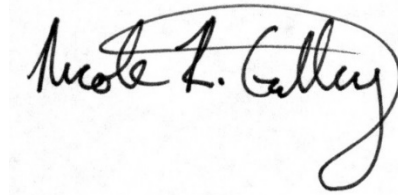
We have audited certain operations of the Department of Social Services, MO HealthNet Division related to prescription drug oversight in fulfillment of our duties under Chapter 29, RSMo. This audit was conducted to evaluate the effectiveness of internal controls over prescription drug payments administered in the Medicaid Assistance Program, Children's Health Insurance Program, and Missouri Rx Plan. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2016. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions as they relate to oversight of prescription drugs.
2. Evaluate compliance with certain legal provisions as they relate to oversight of prescription drugs.
3. Evaluate the economy and efficiency of certain management practices and information system control activities as they relate to oversight of prescription drugs.
4. Analyze prescription drug cost trends and evaluate the effectiveness of cost containment procedures.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Since the Department of Social Services does not have the authority to change state laws, we could not obtain views of responsible officials for part of the finding, conclusion and recommendation outlined in finding 2 of the Management Advisory Report. The views of the department were obtained and included where appropriate.

For the areas audited, we (1) identified deficiencies in internal controls, (2) identified non-compliance with legal provisions, (3) identified no significant deficiencies in management practices and operations, and (4) determined costs have declined in recent years and found cost containment procedures to be generally effective. The accompanying Management Advisory Report presents our findings arising from our audit of prescription drug oversight.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
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In-Charge Auditor:	Tina Disney, M.Acct., CFE
Audit Staff:	Michelle Pummill
	Anh Nguyen
	Mariyam Raziyevea

Department of Social Services

Prescription Drug Oversight

Introduction

Background

The Missouri Department of Social Services (DSS) MO HealthNet Division provides medical services to eligible participants within defined programs, including the Medical Assistance Program (Medicaid), Children's Health Insurance Program (CHIP), and the Missouri Rx (MORx) program. Within the MO HealthNet Division, the pharmacy program oversees outpatient prescription drug payments. Prescription drug expenditures for these 3 programs totaled approximately \$959 million in the year ended December 31, 2016. Prescription drugs were available to more than 1 million Medicaid, CHIP, and MORx participants as of December 31, 2016.

Missouri's Medicaid program covers the costs of most brand name and generic prescription drugs for participant outpatient treatment. Brand name drugs are unique, patent-protected products that are usually only available from a single manufacturer. Generic drugs have the same active ingredients as their brand name counterparts and are generally considered by the FDA to be equivalent in dose, strength, route of administration, safety, and intended use. Generic drugs are not protected by patents and are produced and sold by many different manufacturers.

Medicaid program and CHIP

Missouri provides medical services to low income and vulnerable citizens through the federal Medicaid program and CHIP. Medicaid and CHIP are administered at the federal level by the U.S. Department of Health and Human Services (DHHS), Center for Medicare and Medicaid Services (CMS) under Title XIX of the federal Social Security Act, and at the state level by the DSS.

According to federal regulation 42 CFR Section 440 subpart A, state Medicaid programs provide participants certain basic services, including but not limited to inpatient hospital services, outpatient hospital services, rural health clinic services, and nursing facility services for participants ages 21 and older. The Federal Social Security Act also gives states flexibility to provide participants optional services that qualify states for federal matching payments. One optional service offered by all states is coverage of outpatient prescription drugs, which are prescriptions provided to participants outside of a hospital setting. Federal regulation 42 CFR Section 457 subpart D, state CHIP program provide participants certain basic services, including but not limited to inpatient hospital services, outpatient hospital services, physician services, surgical services, clinic services, prescription drugs, and over-the-counter medications.

State Medicaid and CHIP programs allow the state the discretion to determine which prescription drugs are preferred over other drugs for each functional therapeutic class the state would like prescribers to use. The state has a preferred drug listing which is reviewed by two advisory groups, the Drug Prior Authorization Committee and Drug Use Review Board. These groups meet on a quarterly basis to help advise which drugs should be on the list. If



Department of Social Services
Prescription Drug Oversight
Introduction

a prescriber would like to use a different prescription than what is on the preferred drug list, prior authorization is required.

Missouri Rx plan

The DSS administers MORx, a state-funded program, to provide prescription drug assistance to Missourians in need by coordinating benefits with the Medicare Part D Prescription Drug Program. The MORx program pays 50 percent of the participant's out-of-pocket costs on medications covered by the participant's Medicare Part D plan.

Individuals receiving Medicare and Medicaid benefits are eligible for MORx coverage and are automatically enrolled in the program. Prior to August 2017, individuals with Medicare only were eligible for MORx coverage; however, under Section 208.790, RSMo, effective August 28, 2017, eligibility rules changed to cover only individuals who meet both Medicare and Medicaid eligibility guidelines.

Drug rebates

According to federal regulation 42 USC 1396r-8 (a), the federal matching funds are only available to help cover a participant's prescription if the prescription drug meets one of the following conditions: the drug manufacturer participates in the drug rebate program with the U.S. DHHS; the state determines that the drug is essential to the participant's health; the Food and Drug Administration has given the drug a rating of 1-A; or the prior authorization process applies to the prescribing and dispensing of the drug.

The Deficit Reduction Act of 2005 amended section 1927 of the Social Security Act to address rebates for physician-administered drugs, which are medications administered by a physician in an outpatient hospital setting. Effective January 2008, the Social Security Act, 42 U.S.C. Section 1396r-8(a)(7) requires states to capture drug utilization data using National Drug Codes (NDCs), for single-source and top-20 multiple-source drugs from the provider when the claim is submitted to the state. As required by 42 U.S.C. Section 1396r-8, NDCs are used to identify and bill the drug manufacturers for rebates for applicable drug purchases. Federal regulation 42 CFR Section 447.520 prohibits federal reimbursement for physician-administered drugs for which the state has not required the submission of claims using NDCs to identify the drugs. Based on data from manufacturers, the CMS calculates a per-unit rebate amount states can bill for each drug administered. The states are to report the applicable drug utilization information by NDC to the manufacturers and bill the manufacturers quarterly for the drug rebate amounts. States are required by 42 U.S.C. Section 1396r-8 to offset the Medicaid and CHIP prescription drug claims by the rebate amounts.

Scope and Methodology

The scope of audit included, but was not necessarily limited to, the year ended December 31, 2016.



Department of Social Services
Prescription Drug Oversight
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We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We analyzed outpatient drug payments using the DSS's provided outpatient drug claims paid during the quarter ended December 31, 2016. Our review period was limited to a quarter at the request of the department in an effort to reduce the volume of data being transmitted. Due to the recurring nature of prescription drug data, we determined this information was sufficient to achieve our audit objectives. Outpatient drug claims require NDCs when providers submit drug claims through the Medicaid Management Information System (MMIS) and are run through all the edits within the system. We reviewed and evaluated the DSS's procedures for approving and processing outpatient drug claims, procedures for collecting drug utilization and billing for drug rebates, procedures for addition and exclusion of preferred drug list and clinical edits, and procedures for monitoring of opioid drug claims.

We obtained a listing of deaths recorded in the state for the period 2010 to 2016 from the Missouri Department of Health and Senior Services (DHSS). We matched these records to Medicaid, CHIP and MORx participant drug claims to determine if any deceased participant continued to receive program benefits after the participant's death.¹ In addition, we matched these records to the prescribers of the Medicaid, CHIP and MORx drug claims to determine if any claims were prescribed by deceased prescribers. Although we used computer-processed data from the DHSS for our audit work, we did not rely on the results of any processes performed by the DHSS system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objective. We determined the deceased participants and providers were appropriately removed from eligibility.

We analyzed all drug claims paid in the quarter ended December 31, 2016, for those participants who had been locked in to designated provider(s). We ensured the edits within the MMIS only allowed drug claims to be paid if the locked in provider(s) had prescribed or fulfilled the prescriptions or if there was a referral form. If the edits did not stop an inappropriate payment, we

¹ Acknowledgement: The data used in this document/presentation was acquired from the Missouri DHSS. The contents of this document including data analysis, interpretation or conclusions are solely the responsibility of the authors and do not represent the official views of DHSS.



Department of Social Services
Prescription Drug Oversight
Introduction

ensured the established procedures identified and corrected the error. We determined the lock-in edit was working or DSS identified and corrected the errors.

Erectile dysfunction (ED) drugs are on the list of excluded drugs unless used to treat a condition other than sexual or erectile dysfunctions. We queried the Medicaid, CHIP, and MORx participant drug claims to obtain a listing of all ED drug claims paid. We then obtained a listing of registered sex offenders from the Missouri State Highway Patrol and compared it to the listing of ED drug claims. We determined 2 registered sex offenders obtained ED drugs. The claims included documentation the drugs were for medical conditions other than sexual or erectile dysfunctions.

We reviewed the geographical data of the prescriber compared to the participants to determine if there was a pattern of a prescriber prescribing an abnormal amount of opioids. In addition, during this review we looked for doctors or pharmacies that pull participants from a wide geographical area, which may indicate abuse. We did not identify any prescribers or pharmacies with prescribing or dispensing patterns indicating abuse.

We obtained a listing of the excluded and non-preferred drugs from the DSS. We matched these records to Medicaid, CHIP, and MORx participant drug claims to determine if the system-required prior authorizations restricting these drugs were working.

We reviewed physician-administered drug claims billed with procedural codes for the year ended December 31, 2016. Physician-administered drug claims do not require the NDCs when providers submit the drug claims through MMIS and are instead billed using a procedural code. The drugs paid for these claims are not eligible for the drug rebate program. Drug claims billed with procedural codes include, but are not limited to, outpatient drug claims in the 340B Drug Pricing program, prescription drug claims in the Gateway to Better Health Medicaid waiver program, and claims for which Medicare part B is the primary payer (also known as Professional Crossover claims).

Department of Social Services

Prescription Drug Oversight

Management Advisory Report - State Auditor's Findings

1. Prescription Drug Cost Trends

Table 1: Medicaid, CHIP, and MORx prescription drug payments for the year ended December 31, 2016

The Missouri's Medical Assistance Program (Medicaid), Children's Health Insurance Program (CHIP), and the Missouri Rx (MORx) program processed approximately 33.2 million prescription drug claims totaling \$959 million during calendar year 2016. Table 1 shows the total Medicaid and CHIP prescription drug payments for the year ended December 31, 2016:

	Medicaid	CHIP	MORx
Prescribed drugs	\$ 933,328,381	19,863,729	5,810,701
Drug rebates - federal	(417,939,354)	(5,639,269)	0
Drug rebates - state	(29,938,147)	0	0
Cost after drug rebate	485,450,880	14,224,460	5,810,701
Federal financial participation ¹	(307,122,244)	(13,838,528)	0
State financial participation	\$ 178,328,636	385,932	5,810,701

¹ Federal financial participation is the portion of the claim reimbursed by the federal government.

Source: Prepared by the SAO using federal reports provided by DSS and SAM II data compiled by SAO.

Prescription drug payment rate

Missouri's Medicaid and CHIP programs cover the costs of outpatient prescription drugs for participants on a fee-for-service basis. The pharmacy filling a prescription for a participant submits a prescription drug claim to the Department of Social Services (DSS) for payment. DSS determines the payment rate for each prescription drug claim and U.S. Department of Health and Human Services, Center for Medicare and Medicaid Services (CMS) approves each state's rate setting methodology. Missouri's rate setting methodology is set forth in 13 CSR 70-20.070.

Prescription drug payment trend

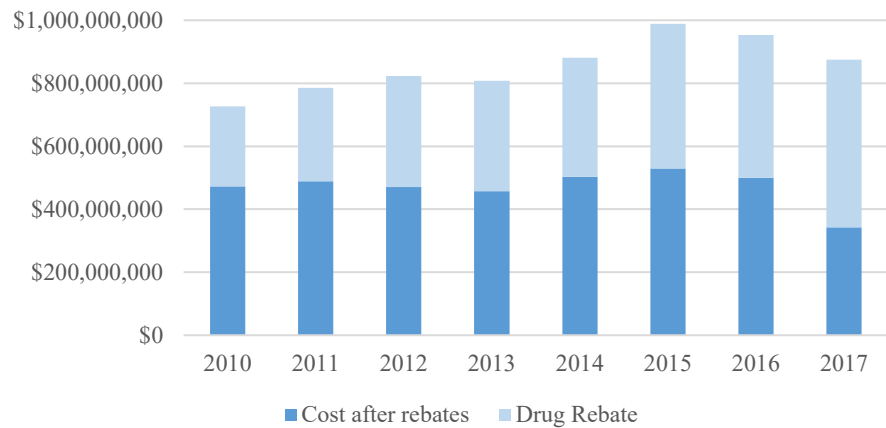
In calendar year 2016, the cost of outpatient prescription drugs for Missouri's Medicaid and CHIP participants totaled over \$953 million and represented 14 percent of all Medicaid and CHIP spending. Spending for prescription drugs is driven by many factors, including the costs of the drug, number of participants, participant's health conditions, the treatment participants need, prescribing practices of health care providers, utilization of prescriptions, and controls for approval and payment.

Total annual Medicaid and CHIP prescription drug spending increased by an average of 6.5 percent per year from calendar year 2010 to 2015, but decreased by 4 percent in 2016, and decreased an additional 8 percent in 2017. Figure 1 shows total prescription drug payments, from calendar year 2010 to 2017, broken down by drug rebate collected and cost after rebate.



Department of Social Services
Prescription Drug Oversight
Management Advisory Report - State Auditor's Finding

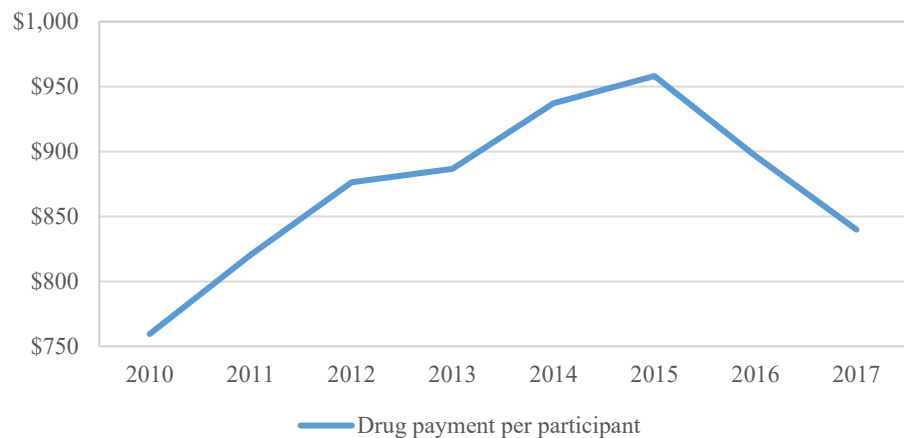
Figure 1: Prescription drug payments, calendar year 2010 to 2017



Source: Prepared by the SAO using federal reports provided by DSS

The number of Medicaid and CHIP participants has fluctuated in recent years; however, the prescription drug payment per participant follows a similar trend to the fluctuation of total prescription drug payments. Payments per participant have decreased by more than \$100 (12 percent) from 2015 to 2017. Figure 2 depicts the trend of the prescription drug payments per participant.

Figure 2: Prescription drug payments per participant, calendar year 2010 to 2017



Source: Prepared by the SAO using federal reports provided by DSS and data published on the DSS website²

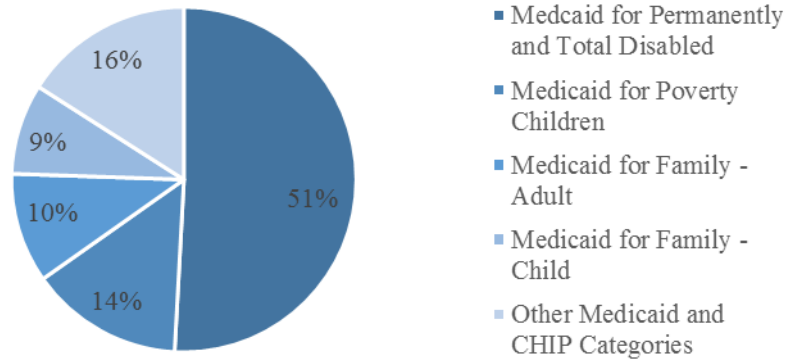
DSS determines the Medicaid and CHIP eligibility for each participant in order to provide appropriate services. Figure 3 shows the prescription drug payments in the quarter ended December 31, 2016, by the Medicaid and CHIP eligibility categories.

² dss.mo.gov/mis/clcounter/history.htm



Department of Social Services
Prescription Drug Oversight
Management Advisory Report - State Auditor's Finding

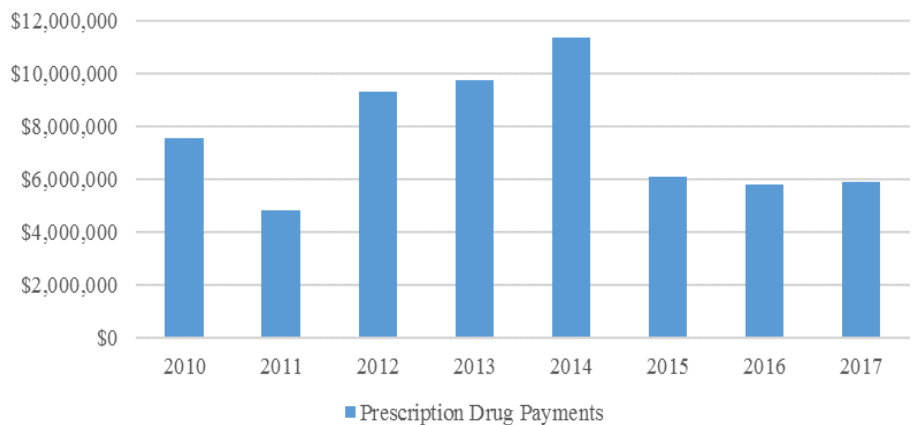
Figure 3: Prescription drug payment by Medicaid and CHIP eligibility category



Source: Prepared by the SAO using drug claim data provided by DSS

Total annual MORx plan prescription drug spending has decreased in the most recent years. Per Section 208.788, RSMo, the MORx plan benefits are limited to monies appropriated by the legislature and signed by the governor. Figure 4 shows total prescription drug payments, from calendar year 2010 to 2017 for MORx.

Figure 4: MORx Prescription drug payments, calendar year 2010 to 2017



Source: Prepared by the SAO using state expenditure data for the MORx Fund

A major factor driving the cost of prescription drugs is the drugs being dispensed. Using quarterly data, we estimated in Appendix A the annual amount paid for the 10 prescription drugs making up the largest dollar amount in prescription drug spending for the quarter ended December 31, 2016. The top ten drugs from quarter ended December 31, 2016, accounted for approximately 18 percent of total prescription drug payments in the quarter. Table 2 lists the estimated annualized amount paid and the cost per participant for these 10 prescription drugs.



Department of Social Services
Prescription Drug Oversight
Management Advisory Report - State Auditor's Finding

Table 2: Top ten drugs by amount paid

Drug Name	Common Treatment	Annualized Amount Paid	Participants	Cost Per Participant
Lurasidone HCL	Mental disorder	\$ 34,448,156	37,162	\$ 927
Paliperidone Palmitate	Mental disorder	28,196,848	7,639	3,691
Albuterol Sulfate	Lung disease	27,096,120	208,310	130
Insulin Glargine	Diabetes	26,026,544	40,097	649
Methylphenidate HCL	Attention deficit hyperactivity disorder	25,980,684	52,918	491
Adalimumab	Various, including rheumatoid arthritis	23,600,140	3,267	7,224
Somatropin	Growth failure	22,573,540	5,053	4,467
Aripiprazole	Mental disorder	21,314,712	74,582	286
Lisdexamfetamine Dimesylate	Attention deficit hyperactivity disorder	20,934,876	26,631	786
Fluticasone - Salmeterol	Asthma	19,703,848	32,294	575
Total		\$ 249,875,474		

Source: Prepared by the SAO using drug claim data provided by DSS

Cost control measures

To respond to increased demand and higher costs for prescription drugs, the DSS has developed several processes to control the costs of drug prescriptions including, but not limited to, providing incentives to pharmacies who dispense generic drugs instead of brand name drugs, implementing processing edits in the claims processing system to require the usage of lower cost drugs before higher cost drugs, and actively seeking supplemental rebate opportunities.

To reduce misuse of opioid drugs, the DSS implemented the Opioid Pharmacy Intervention (OPI) Program in 2010. The program's goals are to target and reduce opioid misuse, reduce adverse effects on participants, and identify prevention opportunities. Prescribers of opioids in Missouri receive packets of educational information identifying patients who are at potential risk for abuse, dependence, or adverse side-effects. The information highlights prescribing practices that are potentially at odds with the program's goals. If a malpractice behavior is not corrected by a provider, DSS can escalate the case. If educational attempts are not successful and prescription malpractice is still taking place, DSS will make a referral to the Bureau of Narcotics and Dangerous Drugs and submit supporting documentation. In such cases, claims submitted by this provider may be denied until the case is resolved. DSS also monitors participants' drug claims to determine if opioid abuse may be occurring. If DSS personnel believe a participant is misusing opioids, they can limit when and where the participant can obtain such drugs.



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Using quarterly data, we estimated in Appendix B the annual amount paid, and number of participants for the 10 prescription opioid drugs with the most expenditures for the quarter ended December 31, 2016. The top ten opioid drugs from the quarter ended December 31, 2016, accounted for approximately 2 percent of the total prescription drug payments. Table 3 lists the estimated annualized amount paid and the costs per participant for these 10 opioid drugs.

Table 3: Top ten opioid drugs by amount paid in quarter ended December 31, 2016

Drug Name	Annualized Amount Paid	Cost Per Participant
Oxycodone HCL	\$ 15,997,492	\$ 327
Hydrocodone/Acetaminophen	6,720,776	30
Oxycodone HCL/Acetaminophen	5,502,920	64
Morphine Sulfate	1,982,276	96
Buprenorphine	1,773,080	770
Tramadol HCL	1,663,504	18
Fentanyl	1,570,124	159
Hydrocodone Bitartrate	1,183,656	771
Morphine Sulfate/Naltrexone	637,676	1,056
Acetaminophen with Codeine	570,660	18
Total	\$ 37,602,164	

Source: Prepared by the SAO using drug claim data provided by DSS

Conclusion

After peaking in 2015, prescription drug payments decreased in calendar year 2016 and decreased further in 2017. DSS has implemented multiple measures to reduce the cost of reimbursing prescription drugs. The department continues to innovate and identify cost-reducing solutions.

2. Prescription Drug Monitoring Programs

Missouri does not have a comprehensive statewide prescription drug monitoring program (PDMP) to help the DSS identify Medicaid and CHIP prescription drug fraud and abuse. While the state has recently begun to implement a PDMP, the system does not capture all activity necessary to be of use to the DSS. In addition, St. Louis County has implemented a regional PDMP that can provide some benefit to the DSS, however, the St. Louis County PDMP is not statewide and the department has not utilized the data available.

PDMPs typically collect data from pharmacies on dispensed prescriptions for controlled substances, including information on the prescriber, patient and pharmacy, and make the data available to authorized users through an electronically-accessible database. This data allows prescribers and pharmacies access to patient history in the PDMP database prior to prescribing and dispensing controlled substances. In addition, DSS could access the patient history in the PDMP to ensure participants in the Medicaid



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and CHIP programs are not prescribed controlled substances outside of the program.

CMS issued an informational bulletin on January 28, 2016, highlighting best practices for addressing prescription opioid overdoses, misuse and addiction. The bulletin suggested Medicaid agencies use PDMPs as they have been shown to be effective in addressing these concerns. CMS bulletins suggest Medicaid agencies require prescribers and pharmacies access patient history in the PDMP database prior to prescribing and dispensing controlled substances, thereby enhancing the drug utilization review program oversight activities.

State PDMP is not useful for detection of fraud and abuse

Prior to July 2017, Missouri was the only state in the nation that did not have a statewide PDMP. Executive order 17-18 required the Department of Health and Senior Services to create and oversee a PDMP. The DHSS program is a voluntary program where dispensers of controlled substances, pharmacy benefit management organizations, and other health care entities can provide data about the prescriber, pharmacy and drug prescribed. However, the dispenser must remove individual patients' information before sending the data. Without information on specific patients, this program is of limited use to the DSS for the purposes of detecting prescription drug fraud and abuse. Without the individual patient information, the DSS cannot determine if a participant was prescribed controlled substances outside of the program and doctors and pharmacies cannot use the data effectively. Additionally, since the program is voluntary, the data is likely not complete. Complete PDMP data could assist DSS to enhance their drug utilization review program oversight activities.

St. Louis County PDMP contains necessary information, but does not contain statewide data

St. Louis County, through the County Department of Public Health, established a PDMP in March 2016 due to the lack of a statewide PDMP. As of August 2018, 10 cities and 48 of the 114 (42 percent) counties in Missouri, participate in the St. Louis County PDMP database. The St. Louis County PDMP requires dispensers within the participating jurisdictions to report all controlled substances dispensed, regardless of patient location. Dispensers not located within one of the participating jurisdictions are under no obligation or requirement to submit information to the PDMP.

The data collected by the St. Louis County PDMP includes information about the prescriber, the pharmacy, the patient, and the drug prescribed. The information is consistent with what is recommended by CMS bulletins for use in detecting prescription drug fraud and abuse in the Medicaid program. The St. Louis County PDMP requires prescribers and pharmacies access a patient's history in the PDMP database prior to prescribing and dispensing controlled substances.



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According to DSS officials, the agency has not tried to obtain access to data for either of these monitoring programs. Although it does not contain statewide data, the St. Louis County PDMP can help the state program better identify potential inappropriate prescribing and use of controlled prescription drugs. Requiring prescribers and pharmacies to access a patient's history in the St. Louis County PDMP database prior to prescribing and dispensing controlled substances would enhance the drug utilization review program oversight activities. Agency officials provided no reasoning for not utilizing the St. Louis County PDMP data, but stated they could use it to make inquiries on participants that the DSS Missouri Medicaid Audit and Compliance Lock-In Unit is reviewing to determine if participants are filling prescriptions outside of the Medicaid or CHIP benefit and/or are using multiple pharmacies.

Recommendation

The General Assembly take action to improve the state's PDMP and create a comprehensive PDMP that meets the needs of the Medicaid and CHIP programs.

The DSS create procedures to utilize the St. Louis County PDMP until a more comprehensive statewide system becomes available to enhance the state's program oversight.

Auditee's Response

The department's written response is included at Appendix C.

3. Physician-Administered Drugs

The DSS did not implement system controls to require collection of NDCs for all physician-administered drug claims, which limits the ability of the DSS to bill the prescription drug manufacturers for rebates for those drug claims. As a result, approximately \$170,000 was paid for drug claims for which no manufacturer rebates could be collected. By not collecting NDCs on these claims the DSS did not comply with federal requirements related to drug rebates, and the drug claims for which rebates were not billed are not allowable for federal reimbursement. A similar finding was noted in a prior audit report.³

The DSS has controls in the claims processing system to deny claims that lack the NDC. However, our testing found the DSS allowed payment for physician-administered drug claims totaling \$170,343 incorrectly submitted as procedural claims (which do not include NDCs) from April through October 2016. Because these claims lacked the required NDCs, the DSS could not bill the prescription drug manufacturers for rebates as required by federal regulations. The DSS identified the erroneous claims and modified the claims processing system to prevent the submission of physician-administered drug claims as procedural claims, thereby ensuring NDCs are

³ SAO, *State of Missouri Single Audit*, report number 2018-016, finding number 2017-015.



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submitted as required in the future. However, the DSS did not recoup these identified improper payments from the providers or reimburse the DHHS for the unallowable costs.

Federal regulation 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." Such controls should ensure NDCs are collected for all physician-administered drug claims, prescription drug manufacturers are billed for rebates, and only allowable costs are claimed for federal reimbursement. In addition, controls should be established to recoup and reimburse the DHHS for claims identified as noncompliant.

Recommendation

The DSS continue to establish controls to ensure the required drug utilization data is obtained for all physician-administered drug claims and claim only allowable costs for federal reimbursement. These controls should include procedures to recoup and reimburse the DHHS for claims identified as non-compliant.

Auditee's Response

The department's written response is included at Appendix C.

4. Excluded Drug Claims

The DSS controls are not sufficient to deny all drug claims for drugs excluded from the Medicaid program. As a result, 56 drug claims totaling \$5,170 for excluded drugs were paid in error during the 4th quarter of 2016.

Federal regulation 42 USC 1396r-8 (d) (2) provides a list of drugs that may be excluded from coverage of Medicaid programs. DSS established the following drugs to be excluded from the Medicaid program:

- Drugs used to promoted fertility
- Drugs used to treat sexual dysfunction
- Drugs used to promoted weight loss
- Drugs used to promote hair growth
- Drugs used for cosmetic purposes
- Quazepam commonly used to treat insomnia symptoms
- Drugs without a prescription

DSS utilizes the Medicaid Management Information System (MMIS) to process all Medicaid claims, including outpatient prescription drug claims. Excluded drugs can be allowable if the physician prescribes the drugs for a purpose different from excluded treatment, and the drug must be approved by prior authorization, according to DSS personnel. DSS established various edits on MMIS to identify and deny drug claims for drugs excluded from coverage. In addition, DSS has a manual process to turn off the National Drug Code (NDC) associated with the excluded drugs. However, this process failed



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for 13 drugs. The DSS paid 56 drug claims totaling \$5,170 from October through December 2016 for drugs excluded from the Medicaid program. The prescription drugs associated with the 56 drug claims were for the treatment of sexual dysfunction or fertility, promoting weight loss, or promoting hair growth. DSS has a manual process in place to update the MMIS to exclude drugs for payment and DSS personnel stated they might have missed these drugs. The questioned claims were not prior authorized for a different purpose. Since these drugs were not allowable expenditures of the Medicaid program, the federal program should not be charged for payments made and the state should reimburse the DHHS for claims identified as noncompliant.

Recommendation

The DSS evaluate existing procedures to ensure the claim processing system identifies and prevents payments for unallowable claims. These controls should include procedures to recoup and reimburse the DHHS for claims identified as non-compliant.

Auditee's Response

The department's written response is included at Appendix C.



Appendix A
Department of Social Services - Prescription Drug Oversight
Top 10 Most Costly Prescription Drugs, by Amount Paid
Year Ended December 31, 2016

Drug Name	Amount Paid Per Quarter Ended 12/31/16	Annualized Amount Paid*	Participants	Amount per Participant	Units Dispensed	Amount per Unit	Units per Participant
Lurasidone HCL	\$ 8,612,039	\$ 34,448,156	37,162	\$ 927	291,872	\$ 30	8
Paliperidone Palmitate	7,049,212	28,196,848	7,639	3,691	7,203	979	1
Albuterol Sulfate	6,774,030	27,096,120	208,310	130	7,013,947	1	34
Insulin Glargine	6,506,636	26,026,544	40,097	649	415,084	16	10
Methylphenidate HCL	6,495,171	25,980,684	52,918	491	1,928,732	3	36
Adalimumab	5,900,035	23,600,140	3,267	7,224	3,444	1,713	1
Somatropin	5,643,385	22,573,540	5,053	4,467	10,266	550	2
Aripiprazole	5,328,678	21,314,712	74,582	286	862,277	6	12
Lisdexamfetamine Dimesylate	5,233,719	20,934,876	26,631	786	595,754	9	22
Fluticasone - Salmeterol	4,925,962	19,703,848	34,294	575	1,219,323	4	36
Total	\$ 62,468,867	\$ 249,875,468					

* Using the quarterly data provided, we estimated the annual amount paid for these 10 drugs. We made the assumption that the number of participants would not fluctuate over the year, because these drugs are maintenance drugs and it is likely a participant would remain on the drug for the entire year.



Appendix B
Department of Social Services - Prescription Drug Oversight
Top 10 Most Costly Opioid Drugs, by Amount Paid
Year Ended December 31, 2016

Drug Name	Amount Paid		Participants		Amount per Participant	Quarterly Units Dispensed	Cost per Unit	Units per Participant
	Quarter Ended 12/31/16	Annualized Amount Paid*	Quarter Ended 12/31/16	Annualized Participants*				
Oxycodone HCL	\$ 3,999,373	\$ 15,997,492	12,221	48,884	\$ 327	2,917,457	\$ 1.37	239
Hydrocodone/Acetaminophen	1,680,194	6,720,776	55,223	220,892	30	8,241,286	0.20	149
Oxycodone HCL/Acetaminophen	1,375,730	5,502,920	21,562	86,248	64	3,754,819	0.37	174
Morphine Sulfate	495,569	1,982,276	5,145	20,580	96	729,367	0.68	142
Buprenorphine	443,270	1,773,080	576	2,304	770	5,157	85.96	9
Tramadol HCL	415,876	1,663,504	23,316	93,264	18	3,868,551	0.11	166
Fentanyl	392,531	1,570,124	2,466	9,864	159	67,253	5.84	27
Hydrocodone Bitartrate	295,914	1,183,656	384	1,536	771	25,007	11.83	65
Morphine Sulfate/Naltrexone	159,419	637,676	151	604	1,056	16,165	9.86	107
Acetaminophen with Codeine	142,665	570,660	7,880	31,520	18	535,860	0.27	68
Total	<u>\$ 9,400,541</u>	<u>\$ 37,602,164</u>						

* Using quarterly data, we estimated the annual amount paid for these 10 drugs. We made the assumption that the participants would not remain on the drug for the entire year, because these drugs are regulated and intended for short durations.



Appendix C
Department of Social Services - Prescription Drug Oversight
Department of Social Services Response



MICHAEL L. PARSON, GOVERNOR • STEVE CORSI, Psy.D., DIRECTOR

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November 30, 2018

Honorable Nicole R. Galloway, CPA
Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear State Auditor Galloway:

Please find below the Department of Social Services' (DSS) responses to the recommendations from the audit of DSS prescription drug oversight.

2. Prescription Drug Monitoring Programs Audit Recommendation:

The General Assembly takes action to improve the state PDMP and create a comprehensive PDMP that meets the needs of the Medicaid program.

The DSS create procedures to utilize the St. Louis County PDMP until such time a statewide system becomes available to enhance the state's program oversight.

DSS Response:

Missouri Medicaid Audit and Compliance (MMAC) initiated steps to gain access to the St. Louis County PDMP data. As of September 22, 2018, MO HealthNet and MMAC are authorized users of the St. Louis County PDMP.

3. Physician-Administered Drugs Audit Recommendation:

The DSS continue to establish controls to ensure the required drug utilization data is obtained for all physician-administered drug claims and claim only allowable costs for federal reimbursement. These controls should include procedures to recoup and reimburse the DHHS for claims identified as noncompliant.

AUXILIARY AIDS AND SERVICES ARE AVAILABLE UPON REQUEST TO INDIVIDUALS WITH DISABILITIES
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Appendix C
Department of Social Services - Prescription Drug Oversight
Department of Social Services Response

DSS Response:

MO HealthNet identified claims in September 2016 (JIRA ticket was created on September 30, 2016 with the "fix" put into production November 30, 2016 by WIPRO) and the modification was completed in February 2017 in the Medicaid Management Information System (MMIS) to prevent submission of physician-administered drug claims as procedural claims, thereby ensuring NDCs are submitted when required. Going forward, MO HealthNet has made the necessary system changes to ensure accuracy.

4. Excluded Drug Claims Audit Recommendation:

The DSS evaluate existing procedures to ensure the claim processing system identifies and prevents payments for unallowable claims. These controls should include procedures to recoup and reimburse the DHHS for claims identified as non-compliant.

DSS Response:

DSS has a system in place to prevent overpayments of excluded drug claims. The MO HealthNet Division (MHD) self-identified a number of claims in late calendar year 2016 that constituted excluded drug claims. Once identified, MHD initiated recoupments of those claims to ensure reimbursement to DHHS for the FFP for those excluded claims. At the start of calendar year 2017, MHD started a new process to review and update the system twice monthly with new NDC's so that the system identifies and prevents payments of unallowable claims. DSS is committed to the continual improvement of claims processing regarding payment for excluded drugs.

Thank you for allowing the Department of Social Services the opportunity to prepare and submit this response.

Sincerely,

/s/

Steve Corsi, Psy. D
Director



Office of Missouri State Auditor
Nicole Galloway, CPA

Department of Social Services
Child Abuse and Neglect Hotline
Unit



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Child Abuse and Neglect Hotline Unit

Staffing Levels and Performance

The Child Abuse and Neglect Hotline Unit does not have sufficient staffing to handle the increasing volume of reports, which has led to increased wait times and/or reporters having to call back multiple times. Staffing levels have declined since 2015 and have not kept pace with the growing number of reports. According to Department of Social Services records, the average Child Abuse and Neglect hotline wait time has increased by approximately 47 seconds per year from 2013 to 2017.

Although the Child Abuse and Neglect Hotline Unit is actively monitoring some performance measures, it has not developed and monitored formal and quantifiable operational performance goals or expected levels of performance and, as a result, is unable to compare actual operational performance to expected or desired operational performance.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Child Abuse and Neglect Hotline Unit

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Dr. Steve Corsi, Psy.D., Director
Department of Social Services
Jefferson City, Missouri

We have audited certain operations of the Department of Social Services, Child Abuse and Neglect Hotline Unit, in fulfillment of our duties under Chapter 29, RSMo. The scope of the audit included, but was not necessarily limited to, the year ended June 30, 2017. The objectives of our audit were to:

1. Evaluate the unit's internal controls over significant management and financial functions.
2. Evaluate the unit's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of Child Abuse and Neglect Hotline Unit.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
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Child Abuse and Neglect Hotline Unit

Introduction

Background

The Missouri Department of Social Services - Children's Division (DSS-CD) is responsible for directing and supervising the administration of various child welfare services. The DSS-CD works in partnership with families, communities, the courts, and other governmental entities toward ensuring the safety, permanency, and well-being of children statewide. The DSS-CD operates the Child Abuse and Neglect (CA/N) Hotline Unit as required by state law. Section 210.145.1(4), RSMo, requires the DSS-CD to operate a single, statewide toll-free telephone number¹ at all times for receiving and maintaining reports of child abuse and neglect. The CA/N Hotline Unit has been operating 24 hours a day, 7 days a week since August 1975.

Permissive reporters, such as relatives or neighbors, voluntarily report alleged child abuse and neglect. In addition, Section 210.115.1, RSMo, mandates that certain professionals (mandated reporters) report alleged child abuse and neglect. These professionals include health care professionals, mental health professionals, social workers, child care providers, law enforcement officials, school officials, ministers, and other persons with responsibility for the care of children.

In 2013, the General Assembly revised state law² to require each mandated reporter in the same workplace to make separate³ reports of alleged child abuse and neglect. This law change has led to a continuing increase in the number of annual reports to the CA/N Hotline Unit. See Figure 1 in the Management Advisory Report for reporting data by year.

Structured decision-making protocol

In our prior audit⁴ of the CA/N Hotline Unit, we recommended the department implement a structured decision-making (SDM) tool to increase consistency and accuracy in making intake, screening, risk assessment, service, and placement decisions. In response to our recommendation, the department indicated it had already begun working with a third party in 2000 to explore the adaptability of a specific SDM model to the hotline. The Missouri General Assembly passed legislation in 2004 requiring the division utilize SDM protocols to classify all reports of child abuse and neglect and give priority to ensuring the well-being and safety of the child, as required by Section 210.145.2, RSMo. In response to this requirement, the CA/N Hotline Unit implemented the current SDM intake screening tool during 2005. This

¹ The toll-free number for reporting child abuse or neglect is 1-800-392-3738.

² Section 210.115, RSMo, was revised with the passage of House Bill 505, First Regular Session, 97th General Assembly (2013), and included an emergency provision, making it effective immediately upon passage and approval.

³ There is one exception to this requirement which allows for a single report if certain criteria are met. Section 210.115.2, RSMo, allows two or more members of the same medical institution to submit a single report by a designated member or the medical team.

⁴ Report No. 2000-132, *Audit of Child Abuse and Neglect Reporting and Response System*, issued in December 2000.



Child Abuse and Neglect Hotline Unit Introduction

evidence-based and research-based system uses structured assessments to improve the validity and consistency of each decision. The intake screening tool uses various decision trees to help personnel make key assessments regarding child safety and the necessary or appropriate response time.

Personnel interview the reporter through a three-part interview beginning with initial questions to gather information (i.e., demographics) about the reporter, child, child's family, and the reporter's concerns; followed by a set of key questions for up to 30 different pathways and decision trees (if applicable); and ending with a closing procedure that informs the reporter of the specific call classification.

During the initial part of the interview, personnel ask permissive reporters if they would like to provide their names and/or other identifying information; mandated reporters are required by state law to provide identifying information. The final question during the initial part of the interview asks the reporter for a description of the reporter's abuse and neglect concerns. The reporter's answer guides the interviewer to at least 1 of the following 30 pathways, which requires the interviewer to ask a unique series of questions to gather information and make a determination on what action(s), if any, to take.

1. Abandoned
2. Accident
3. Afraid to go home
4. Beaten/injured
5. Behaving strangely
6. Bruises/visible marks
7. Dirty/inappropriate clothing
8. Domestic violence
9. Drug-exposed infant
10. Drugs/poisoning
11. Educational needs
12. Emotional abuse/rejection
13. Exhibits provocative behavior
14. Exposed to sexual acts/materials
15. Fatality
16. Hungry
17. Kicked out of home/locked in/out
18. Overheard sounds
19. Parents requesting immediate removal/refusing to pick up child
20. Parent's inappropriate behavior
21. Parent's mental illness
22. Restraint
23. Sexual acts/exploitation
24. Shaken baby



Child Abuse and Neglect Hotline Unit Introduction

25. Suspicious injury
26. Threat to seriously harm or kill
27. Unsafe/unsanitary home
28. Unsupervised
29. Untreated illness/injury
30. Utilities

If the information provided by the reporter meets at least one condition for a CA/N report on at least one pathway, the interviewer will have completed two types of decision trees. The 4 types of response-priority decision trees include physical abuse, sexual abuse, neglect, or medical neglect. These help the interviewer determine how quickly the investigation or family assessment must be initiated. The three response levels are 3, 24, and 72 hours. If a 3-hour response is indicated on one tree, it is not necessary to complete the additional decision trees. The track assignment decision tree is used to assess whether a CA/N report should be categorized and assigned to field personnel as an investigation or a family assessment. The CA/N Hotline Unit has protocols in place for supervisors to perform overrides when warranted, which allows additional flexibility.

Classification

The classification of each report is determined by whether the 3 conditions reported meet the criteria to be accepted as a CA/N report pursuant to the definitions in Section 210.110, RSMo, as follows:

- The child is under 18 at the time of the call;
- The alleged perpetrator has care, custody, and control of the child⁵; and
- The allegation of abuse⁶ and/or neglect⁷ meets the legal definition.

If all 3 criteria are met, the report is generally accepted as a CA/N report; however, if any one of these criteria is not met, then the report is classified as a Non-CA/N report.

CA/N report classification

Investigations are performed by local DSS-CD personnel in response to a report of child abuse or neglect when there is an identified need to collect physical and/or verbal evidence. Investigations prompt a visit to the home to

⁵ Per Section 210.110(16), RSMo, care, custody, and control of the child includes, but is not limited to, the parents or legal guardians of a child, other members of the child's household, those exercising supervision over a child for any part of a 24-hour day, any person who has access to the child, or any person who takes control of the child by deception, force, or coercion.

⁶ Per Section 210.110(1), RSMo, abuse is any physical injury, sexual abuse, or emotional abuse inflicted on a child other than by accidental means.

⁷ Per Section 210.110(12), RSMo, neglect is the failure to provide the proper or necessary support; education as required by law; nutrition; or medical, surgical, or any other care necessary for the child's well-being.



Child Abuse and Neglect Hotline Unit Introduction

ensure the safety of the child and, if appropriate, DSS-CD personnel may seek assistance from local law enforcement for possible co-investigation of criminal actions.

Family assessments are performed by local DSS-CD personnel to provide a prompt assessment of a child and his/her family and include provision of community-based services to reduce the risk of child abuse and neglect and support the family. Family assessments prompt a visit to the home to ensure the safety of the child, are designed to connect the family to various services (anger management, drug treatment, counseling, or parenting assistance), and identify factors that may place the child at risk of future abuse and neglect.

Non-CA/N report classification

Non-CA/N reports are reports that do not meet the legal definition of child abuse or neglect, and can be classified into 1 of 3 categories.

1. A non-CA/N referral is classified as one of the following types of referrals:
 - Preventive Service Referral - A referral to a local service provider for intervention with the family.
 - Newborn Crisis Assessment - Medical professionals report concerns about the health and safety of newborns (up to the age of one year), either because of drug exposure or the caregiver is unable to meet the needs of the infant.
 - Non-Caretaker Referral - A referral to local law enforcement or the juvenile office for situations in which a child has been abused by someone who does not have care, custody, and control of the child.
 - Non-CA/N Fatality Referral - A report of the death of a child when no child abuse or neglect is alleged.
2. Documented calls are calls that do not meet the criteria for a CA/N report or a non-CA/N referral. These include concerns relating to children who are 18 and older, reports with insufficient information to locate the family, reports of children who are located out of the state and the reporter is not a Missouri mandated reporter, and reports in which the allegations do not meet the legal definition of child abuse or neglect.
3. Other calls are calls in which the caller makes no attempt to report child abuse or neglect and gives no information leading to a maltreatment type. These calls include instances when the caller called the wrong number, requests the phone number to a local county DSS-CD office, requests to speak with local county DSS-CD personnel or other CA/N Hotline Unit



Child Abuse and Neglect Hotline Unit Introduction

personnel, or an approved caller requests a prior check on a specific perpetrator, child, or case.

Online reporting

In November 2016, the CA/N Hotline Unit increased access for mandated reporters by opening an online reporting site⁸ to be used for making a non-emergency report if the mandated reporter has determined the child is not in imminent danger. The reporter is prompted to answer a series of questions designed to determine if the report should be considered an emergency and thus require a phone call to the CA/N Hotline Unit.

Consulting group's operational review and assessment

The department contracted with a consulting group in June 2017 to review the CA/N Hotline Unit's business processes and the current technology utilized in order to recommend both programmatic and technological improvements. The department determined this review was necessary based on various internal and external concerns regarding hotline operations. The primary internal concerns were the outdated technology used (i.e., the telephone system) and an inadequate number of staff to handle the increasing number of reports. The primary external concern was that reporters were experiencing increasing wait times and could not always contact the hotline promptly.

The consulting group reviewed the procedures handbook, pathway protocols, training documents and exercises, staffing and scheduling, and hotline statistics. The consulting group's recommendations addressed the SDM protocol, staffing levels, training, peer reviews of records, data and reporting, and technological improvements. A cost analysis was completed of each of the viable technology solutions to assess feasibility.

During the course of our audit, we followed up on these recommendations to determine if the issues had been addressed. We noted that the CA/N Hotline Unit had either implemented or was in the process of implementing most recommendations.

Scope and Methodology

To gain an understanding of the CA/N Hotline Unit, we reviewed the unit's written policies and procedures and other pertinent documents, including the final report of a recent CA/N Hotline Unit assessment performed by a consulting group and issued in October 2017; observed live operations of the primary CA/N Hotline Unit office located in Jefferson City, Missouri; tested a selection of 120 phone calls and online reports in all 4 categories (CA/N, non-CA/N referral, documented, and other) to ensure personnel were following the designated SDM protocols and classifying reports as a CA/N report or a non-CA/N report in accordance with state law; and interviewed various personnel of the unit.

⁸ <<https://apps.dss.mo.gov/OnlineCanReporting/default.aspx>>, accessed on August 13, 2018.



Child Abuse and Neglect Hotline Unit Introduction

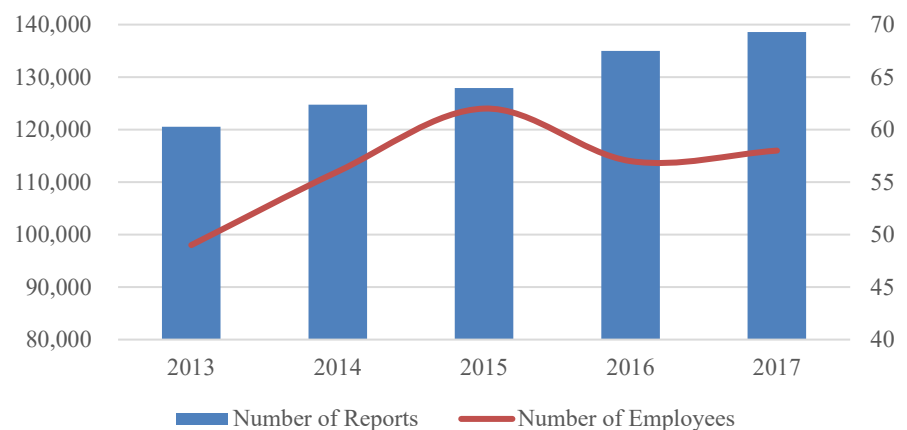
We obtained an understanding of the internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We obtained an understanding of legal provisions that are significant with the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Child Abuse and Neglect Hotline Unit Management Advisory Report State Auditor's Finding

Staffing Levels and Performance

The Child Abuse and Neglect (CA/N) Hotline Unit does not have sufficient staffing to handle the increasing volume of reports, which has led to increased wait times and/or reporters having to call back multiple times. Consequently, the CA/N Hotline Unit may not accept and classify reports timely, which may potentially put some abused and/or neglected children at a higher risk of not receiving timely and critical assistance and protection. During the fiscal year ended June 30, 2017, the CA/N Hotline Unit accepted 138,582 reports (calls and online reports), and had 58 employees as of June 2017.

Figure 1: Total number of reports taken by the CA/N Hotline Unit and number of staff, fiscal years 2013-2017



Source: CA/N Hotline Unit records and organizational charts⁹

As illustrated in Figure 1, the number of reports received since fiscal year 2013 has increased by an average of about 4,500 reports annually (4 percent increase). As previously noted, the continuing increase in the number of reports is at least partially a result of the General Assembly revising state law in 2013 that increased reporting requirements for mandated reporters.

Number of staff and staffing requirements

As illustrated in Figure 1, staffing levels have declined since 2015 and have not kept pace with the growing number of reports. Total staffing gradually increased from 49 in fiscal year 2013 to 62 in fiscal year 2015, but then fell to 57 in fiscal year 2016 and remained almost static (58) for fiscal year 2017.

The 58 employees reported for fiscal year 2017 consisted of 1 unit manager, 6 supervisors, 1 trainer, 40 full-time Children's Service Workers (CSWs), and 10 part-time/hourly CSWs. All 58 employees can take phone calls; however, generally the CA/N Hotline Unit has between 2 and 22 CSWs answering calls at any given time. All employees must have at least a bachelor's degree in social work or a related field; this is the same requirement as county DSS-CD field personnel. Management indicated there has traditionally been a high

⁹ The organizational charts provided by management were the last available charts prepared for each fiscal year. Some charts were prepared in May and others were prepared in June.



Child Abuse and Neglect Hotline Unit Management Advisory Report - State Auditor's Findings

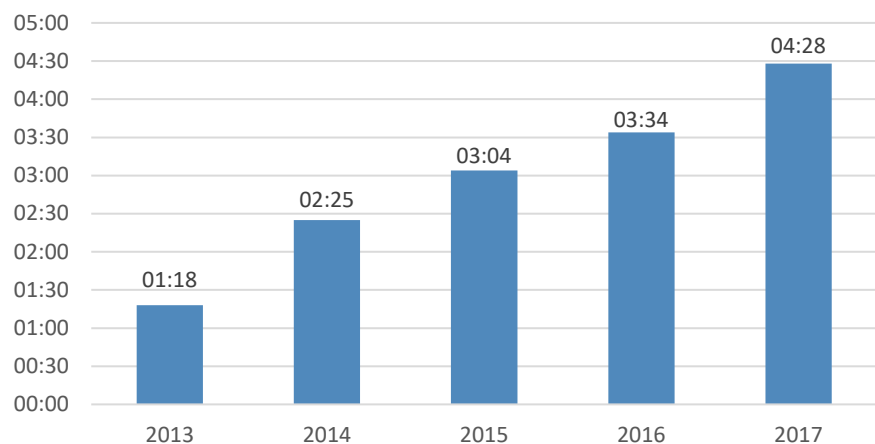
level of employee turnover in the CA/N Hotline Unit due to various factors including low salaries and the nature of the position.

To handle the call volume and meet standard minimum service levels,¹⁰ the consulting group hired by the agency to review the CA/N Hotline Unit's business processes and the current technology recommended the unit hire an additional 14 to 20 employees. CA/N Hotline Unit management also indicated the hotline unit had been understaffed in previous years. During fiscal year 2018, the unit increased staffing levels by 7 employees, to a total of 65 employees. The 7 new employees consisted of 4 full-time employees (1 supervisor and 3 CSWs) and 3 part-time/hourly CSWs. In conjunction with the new hires, the CA/N Hotline Unit created several new positions that included a specialist (collects and analyzes data including call/report volume and type, employee attendance, and wait times in order to project staffing needs), an additional trainer, and three additional supervisors. In addition, the hotline opened a new field office in Springfield, Missouri.

Hotline wait times have increased

According to DSS records, the average CA/N hotline wait time has increased by approximately 47 seconds per year (a 39 percent increase) from 2013 to 2017. From fiscal year 2013 to fiscal year 2017, the average wait time of a reporter has more than tripled from 1 minute, 18 seconds to 4 minutes, 28 seconds.

Figure 2: Average CA/N Hotline Unit call center wait times, in minutes, fiscal years 2013-2017



Source: CA/N Hotline Unit records.

As illustrated in Figure 2, reporters have been experiencing a significant increase in wait times over the last five years.

¹⁰ Service level measures the percentage of incoming calls that are answered within an established amount of time. The consulting group's analysis is based on a minimum service level of 95 percent, though it acknowledged an industry standard for this type of call center is hard to estimate.



Child Abuse and Neglect Hotline Unit Management Advisory Report - State Auditor's Findings

Management efforts to improve wait times

DSS management has made various efforts to improve wait times. In an effort to increase hotline access for mandated reporters and reduce the wait time for other callers, the CA/N Hotline Unit implemented an online reporting system during fiscal year 2017. During the first year of implementation the CA/N Hotline Unit received 6,614 online reports (included in the total of 138,582 reports received that year). Personnel indicated online reports take approximately half the amount of time to process as compared to phone calls, and they project the number of online reports will continue to increase as awareness of this option increases. In addition, a single telephone platform (system) was installed statewide. Prior to this implementation, central office staff had to manually route calls to the other field office (located in Kansas City, Missouri) as needed because the offices had different phone systems. As a result, this implementation has freed up staff to answer more calls and operate more efficiently. In addition, based on the volume and timing of reports, management has increased staffing levels during peak times, which include day and evening hours Monday through Friday.

Failure to establish performance goals or expected levels of performance

Although the CA/N Hotline Unit is actively monitoring some performance measures, it has not developed and monitored formal and quantifiable operational performance goals or expected levels of performance and, as a result, is unable to compare actual operational performance to expected or desired operational performance.

The consulting group recommended the CA/N Hotline Unit gather and apply historical data; develop and implement data-driven, standardized, performance expectations and service levels; and train leadership, supervisors, and staff in reporting tools and measures. In response to the consulting group's recommendations, the department purchased a workforce management software (WFM) system that collects and analyzes data including call/report volume and type, employee attendance, and wait times in order to project staffing needs. The department implemented this system in May 2018, and, as recommended by the consulting group, is tracking certain call center metrics including the average call handling time, service level, average speed of answering calls, and specific times that employees are available to take calls. This information is used to determine staffing schedules based on projected call volume, and to alert management of the need for corrective action for employees who are not adhering to their assigned schedule or are unable to handle the expected number of calls per day. While management previously tracked certain individual performance measures for the purpose of evaluating employees, no individual or unit-wide performance goals or expectations have been established under the new management system. Officials indicated they are waiting until the new WFM system collects a full year of data before establishing new performance goals.



Child Abuse and Neglect Hotline Unit Management Advisory Report - State Auditor's Findings

According to Government Finance Officers Association (GFOA) guidance,¹¹ goals should be specific, measurable, attainable, results-oriented, and time-limited. A specific goal is one that considers what is to be accomplished, why the goal is important, who is involved, and what are the resource requirements and constraints. For example, a goal for the CA/N Hotline Unit might be to reduce the average wait time for calls by 50 percent over the next year, or below a specific time, which is an outcome that is both measurable and specific and would allow the department to track progress toward meeting the specified goal. The establishment of reasonable performance goals or expected levels of performance for both the hotline as a whole and individual staff will allow CA/N management to periodically measure current performance against expectations and make necessary adjustments.

Conclusion

Without adequate staffing levels, the CA/N Hotline Unit is less likely to achieve its mission of protecting children, including ensuring the safety and well-being of children, and is unable to provide a high customer service level that would be expected in other highly sensitive call centers. Increased staffing levels would allow the unit to provide employees with increased training opportunities, efficiently perform quality control reviews of reports, ensure each work shift is adequately staffed, and reduce wait times.

The department has made significant efforts to improve performance, including a new telephone system, an online reporting system, and increased staffing levels from fiscal year 2017 to 2018. However, the CA/N Hotline Unit should continue to increase staffing levels to address the increasing number of child abuse and neglect reports as noted in Figure 1. In addition, increased staffing levels will help to reduce the average wait time for reporters and should provide a quicker response time to reports of potential child abuse or neglect.

The use of reasonable performance goals or expected levels of performance would help management ensure the CA/N Hotline Unit is performing in an efficient and effective manner and alert management to problem areas.

Recommendation

The DSS-CD, through the CA/N Hotline Unit, continue to explore opportunities to increase staffing levels. In addition, management should establish performance goals and monitor the unit's performance in an ongoing manner to ensure the goals, objectives, and mission of the unit are met.

Auditee's Response

The DSS-CD's written response is included in the Appendix.

¹¹ S.M.A.R.T. Goals, Government Finance Officers Association, 2018, <<https://gfoa.org/smart-goals>>, accessed on October 10, 2018.



Appendix
Child Abuse and Neglect Hotline Unit
Department of Social Services Response



MICHAEL L. PARSON, GOVERNOR • STEVE CORSI, Psy.D., DIRECTOR

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November 15, 2018

Honorable Nicole R. Galloway, CPA
Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear State Auditor Galloway:

Please find below the Department of Social Services' (DSS) response to the recommendation from the audit of the Child Abuse and Neglect Hotline Unit.

Staffing Levels and Performance Audit Recommendation:

The DSS-CD, through the CA/N Hotline Unit, continue to explore opportunities to increase staffing levels. In addition, management should establish performance goals and monitor the unit's performance in an ongoing manner to ensure the goals, objectives, and mission of the unit are met.

DSS Response:

The DSS continues to explore opportunities to increase the Child Abuse and Neglect Hotline Unit (CANHU) performance. This includes ensuring the unit remains fully staffed and all vacancies are filled timely. Options to 1) increase the use of online reporting in appropriate situations; 2) make changes to structured decision making to make the call experience more efficient, and 3) allocate existing staff based on call data are all potential opportunities to increase unit performance without adding staff.

Additionally, the DSS will continue to enhance performance monitoring and reporting to measure the expectations of Children's Service Workers answering and correctly classifying concerns of child abuse and neglect. These goals will balance both the quality and quantity of calls with DSS' efforts to answer timely all calls made to the CANHU and provide exceptional customer service. The DSS strives to provide reporters a quick and efficient reporting process; however, DSS recognizes and promotes emergency calls to be handled by calling 9-1-1.



Appendix
Child Abuse and Neglect Hotline Unit
Department of Social Services Response

There are CANHU performance goals established. These measures were provided to the SAO audit team. DSS is in the process of reevaluating the performance goals based on new technology implemented earlier this year. Performance goals surrounding the quantity of calls will be set based on data received through the Workforce Management System (WFM). The WFM builds upon call trends to forecast staffing levels. Data will be available in the spring of 2019 when the WFM will have been in operation for one (1) year. The WFM data will allow the DSS to confidently set accurate and relevant goals.

Thank you for allowing the DSS the opportunity to prepare and submit this response.

Sincerely,

/s/

Steve Corsi, Psy. D
Director



Office of Missouri State Auditor
Nicole Galloway, CPA

2018 Property Tax Rates



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the review of 2018 Property Tax Rates

Background	Property taxes largely fund public schools and are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The State Auditor's Office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file final proposed tax rates and data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties submit the supporting data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.
Rate Calculations	Rate ceilings set the limit for the amount of taxes that can be levied. Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis. The 2018 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Missouri Constitution, Article X, Section 22, commonly referred to as the Hancock Amendment, which limits taxation by the state and local governments.
Results	In 2018, the State Auditor received supporting data and reviewed 4,814 property tax rates for 2,798 taxing authorities. Of the rates reviewed, 495 are debt service tax rates, 106 are new property tax rates approved by voters, and 52 are existing property tax rates that were increased by voter approval. We reviewed the remaining 4,161 tax rates for revenue neutrality. This is the fourth year since the review of property tax rates started in 1985 that no taxing authorities levied a tax rate that exceeded the tax rate certified.
Additional Comments	The State Auditor's Office has no authority to determine or review individual tax assessments. All individual tax assessment matters are the responsibility of the county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.

Because of the limited objectives of this review, no overall rating is provided.

The complete 2018 Property Tax Rates Report is available on our Web site: auditor.mo.gov.

2018 Property Tax Rates

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The State Auditor's Office is required by Section 137.073, RSMo, to annually review local property tax rates of all taxing authorities in the state. The primary objectives of this review were to determine whether:

1. Local governing boards levied taxes in accordance with the Missouri Constitution and state law.
2. Local property tax rates were adjusted to ensure property reassessments were revenue neutral.

Reassessments of existing property are not intended to increase property tax revenue but to equitably reallocate the existing tax burden based on the relative value of property owned by taxpayers.

For 2018, we received supporting data on 4,814 property tax rates of 2,798 taxing authorities. This is the fourth year since the State Auditor's Office started reviewing property tax rates that no taxing authorities levied a tax rate that exceeded the tax rate certified.

Property taxes are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The bulk of property taxes, however, fund public schools. General acceptance of these taxes is dependent on fair and equitable assessment practices and public understanding and input regarding the setting of rates. If the tax burden is increased without voter approval, confidence in the fairness and assessment practices can be eroded.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Kelly Davis, M.Acct., CPA, CFE
Senior Analyst: Jill Wilson, MBA

2018 Property Tax Rates Results

Summary

The State Auditor received supporting data and reviewed 4,814 property tax rates for 2,798 taxing authorities. Of the rates reviewed, 495 are debt service tax rates, 106 are new property tax rates approved by voters, and 52 are existing property tax rates that were increased by voter approval. We reviewed the remaining 4,161 tax rates for revenue neutrality. This is the fourth year since the review of property tax rates started in 1985 that no taxing authorities levied a tax rate that exceeded the tax rate certified.

Methodology

The State Auditor's Office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file final proposed tax rates and data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties submit the supporting data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

The 2018 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Missouri Constitution, Article X, Section 22 (commonly referred to as the Hancock Amendment). Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis.

To ensure taxing authorities do not receive a windfall from reassessment, the review of property tax rates begins with the prior year allowed revenue. Current year tax rate ceilings must be set to yield the same gross revenue as allowed in the prior year. In addition, an adjustment is made for additional revenue permitted for assessment growth. That adjustment is the lower of (1) the actual growth rate, (2) the inflation rate as determined by the consumer price index, or (3) 5 percent. Factors such as new construction and improvements, newly added territory, newly separated territory, and changes from locally assessed to state assessed property also affect the tax rate ceiling calculation. Counties and the City of St. Louis use the tax rates set by each taxing authority to assess taxes on all property including new construction and improvements.

Voters may authorize increases beyond the annual revenue neutral tax rate ceiling. Voter-approved increases are reviewed for compliance with applicable laws and stated ballot restrictions. In addition to reviewing new and existing property tax levies for revenue neutrality, the State Auditor's Office also reviews debt service tax rates. A tax levied to meet the annual debt service requirement is compliant if the revenue to be generated plus the existing fund balance does not exceed the current payment requirements plus a reserve for the following year's payments.



2018 Property Tax Rates Results

Sections 137.073.5(3) and 137.073.5(4), RSMo, provide that a voluntary reduction taken in a non-reassessment year (even numbered year) results in a reduced tax rate ceiling during the following reassessment year (odd numbered year). These provisions also allow taxing authorities that voluntarily reduce a tax rate in a previous even numbered year to reverse the impact of the voluntary reduction to reinstate a higher tax rate ceiling in the following even numbered year. To increase the tax rate in the following even numbered year, the taxing authority must conduct a public hearing, and adopt an ordinance, a resolution, or a policy statement justifying its action before setting and certifying its tax rate.

Section 137.073.6(3), RSMo, allows a taxing authority to submit amended tax rate forms to the State Auditor's Office in the event the taxing authority incorrectly completed the forms or made clerical errors. These changes are factored into the current year's tax rate ceiling calculation.

A taxing authority's total assessed valuation submitted by the county clerk or a representative of the taxing authority is used in the State Auditor's Office review of property taxes. The State Auditor's Office does not review the assessed valuation of individual pieces of property. Chapter 138, RSMo, governs the appeals process for assessed valuations. Citizens may appeal their individual assessed valuations calculated by the county assessor to the local Board of Equalization. Citizens not satisfied with the resolution by the Board of Equalization may appeal the decision to the Missouri State Tax Commission. Any decision of the Missouri State Tax Commission may be reviewed by a court of law.

As assessed valuations increase, tax rate ceilings generally decrease, depending on the amount of the increase, to produce substantially the same amount of revenue as allowed in the prior year. As assessed valuations decrease, tax rate ceilings may increase to produce substantially the same revenue as allowed in the prior year from existing property, limited by voter authorization. See Appendixes I and II for a summary of the changes in assessed valuation by type of taxing authority, and Appendixes III and IV for a summary of changes in tax rate ceilings by type of taxing authority. In addition, Appendix V is a map that provides a statewide geographical perspective of total county valuation changes prior to adjustments for new construction and reassessment. The total assessed valuation is the value used to bill the property tax rates. Appendix VI is a map of the adjusted assessed valuation by county. The adjusted assessed valuation is the value of last year's property in the current year. This map reflects the inflationary change in each county's valuation from the previous year. A significant inflationary change generally indicates a major reassessment occurred. However, 2018 assessed valuations indicate the majority of county adjusted assessed valuation changes were less than the consumer price index, which does not indicate a major reassessment increase. The comparison of assessed valuations and tax rate ceilings from 2017 to 2018 for Appendixes I through



2018 Property Tax Rates Results

VI give consideration to revisions submitted by taxing authorities to the State Auditor's Office for changes to assessments occurring after setting the 2017 property tax rate.

Taxing authorities are listed by primary county (as designated by the taxing authority when established) in Appendixes VII and VIII and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). A taxing authority located in more than one county is listed under the primary county only. The assessed valuations presented for taxing authorities in Appendixes VII and VIII, except school districts, include all taxable locally assessed and state assessed property. The assessed valuations presented for school districts include only taxable locally assessed property. The abated portions of property valuations that are not taxable under various economic development programs are omitted from the taxable assessed valuations used to compute the annual tax rate ceiling. Prior years' tax rate reports are available on the State Auditor's website at auditor.mo.gov.

We do not review sales tax rollbacks required by law for some county levies as part of this report. Any concerns in that area would be addressed in audit reports we issue for individual counties. Sales tax (Proposition C) rollbacks for school levies were subjected to a limited review to ensure the district did not waive all or part of the rollback without voter approval in order to generate additional local revenues. A majority of the 516 school districts have obtained voter approved waivers of the required sales tax rollback of their property tax, including 458 with a full waiver and 31 with a partial waiver. Appendixes VII and VIII indicate the 489 school districts that have either full or partial waivers of Proposition C reductions.

Appendix I
2018 Property Tax Rates
Summary of Changes in Assessed Valuation for Local Governments Levying a Single Tax Rate on All Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates			
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	With No Change In Assessed Valuation	Other (1)
Ambulance Districts	106	111	97	12	0	2
Hospitals	12	12	12	0	0	0
Nursing Home Districts	30	32	27	3	0	2
Public Water Supply District	1	1	1	0	0	0
Soil and Water Conservation Subdistricts	27	27	19	4	4	0
Drainage and Levee Districts	2	2	1	0	1	0
Special Road Districts	206	272	191	42	0	39
Municipalities	754	1,285	805	389	0	91
Tax Supported Public Libraries	79	83	69	11	0	3
Townships	283	771	585	162	0	24
Fire Protection Districts	380	477	380	52	0	45
Sewer Districts	7	8	4	3	0	1
Special Business Districts	18	18	8	8	2	0
Regional Recreational District	1	1	1	0	0	0
Community Improvement Districts	12	13	2	0	6	5
Health Centers	90	90	81	9	0	0
Special Road District Subdistrict	1	1	0	0	0	1
Extension District	1	1	1	0	0	0
Transportation Development District	1	1	1	0	0	0
Junior Colleges	12	16	12	1	0	3
Museum District	1	5	5	0	0	0
School Districts	495	841	476	56	0	309
Special School Districts	2	3	2	0	0	1
Counties	114	427	371	45	0	11
Totals	2,635	4,498	3,151	797	13	537

(1) This column includes debt service levies, new voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations.

Appendix II
2018 Property Tax Rates
Summary of Changes in Assessed Valuation for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass												Other (1)
			With Increases In Assessed Valuation				With Decreases In Assessed Valuation				With No Change In Assessed Valuation				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	79	128	49	11	38	53	53	1	66	48	2	92	0	3	24
Tax Supported Public Libraries	5	6	3	1	2	4	2	0	3	1	0	4	0	0	1
Fire Protection Districts	22	98	50	15	24	49	32	14	58	33	0	53	0	0	16
Sewer Districts	18	18	12	3	6	11	6	2	12	7	0	13	0	0	0
Street Light Maintenance Districts	4	4	1	0	3	1	3	0	1	3	0	4	0	0	0
Special Business Districts	9	9	3	0	3	0	1	0	6	0	5	9	0	9	0
Community Improvement Districts	4	4	2	0	1	0	0	0	1	0	0	2	0	2	2
School Districts	21	43	16	5	13	16	7	2	10	7	0	16	0	0	20
County	1	6	5	5	0	5	0	0	5	0	0	0	0	0	1
Totals	163	316	141	40	90	139	104	19	162	99	7	193	0	14	64

(1) This column includes debt service levies, new voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations. Debt service levies are not subject to the multi-rate system; the same rate applies to each subclass of property.

Res. Residential real estate
Ag. Agricultural real estate
Com. Commercial real estate
PP. Personal property

Appendix III
2018 Property Tax Rates
Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Single Tax Rate on All Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates					Debt Service Levies
			Ceilings Same as Prior Year	Ceilings Revised Upward	Ceilings Revised Downward	Revised Due to An Election (1)	Other (2)	
Ambulance Districts	106	111	63	40	5	1	1	1
Hospitals	12	12	8	3	1	0	0	0
Nursing Home Districts	30	32	15	11	3	1	0	2
Public Water Supply District	1	1	1	0	0	0	0	0
Soil and Water Conservation Subdistricts	27	27	16	5	3	3	0	0
Drainage and Levee Districts	2	2	2	0	0	0	0	0
Special Road Districts	206	272	125	83	25	0	39	0
Municipalities	754	1,285	502	602	88	2	27	64
Tax Supported Public Libraries	79	83	36	37	6	1	1	2
Townships	283	771	405	253	87	2	13	11
Fire Protection Districts	380	477	230	154	33	15	6	39
Sewer Districts	7	8	1	5	1	0	0	1
Special Business Districts	18	18	8	9	1	0	0	0
Regional Recreational District	1	1	1	0	0	0	0	0
Community Improvement Districts	12	13	6	1	1	0	4	1
Health Centers	90	90	46	40	2	2	0	0
Special Road District Subdistrict	1	1	0	0	0	0	1	0
Extension District	1	1	1	0	0	0	0	0
Transportation Development District	1	1	1	0	0	0	0	0
Junior Colleges	12	16	4	8	0	1	0	3
Museum District	1	5	0	5	0	0	0	0
School Districts	495	841	60	272	126	74	4	305
Special School Districts	2	3	0	2	0	0	0	1
Counties	114	427	204	181	31	0	8	3
Totals	2,635	4,498	1,735	1,711	413	102	104	433

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board increasing rates under Missouri Constitution, Article X, Section 11(b), which allows school districts to levy up to \$2.7500 by school board action alone.

(2) This column includes new voter approved levies, newly formed districts, or a levy voted to replace an expired levy.

Appendix IV
2018 Property Tax Rates
Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	Number of Tax Rates by Subclass																Other (2)	Debt Service Levies
			Ceilings Same as Prior Year				Ceilings Revised Upward				Ceilings Revised Downward				Revised Due to An Election (1)					
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.		
Municipalities	79	128	42	95	34	100	53	3	58	2	8	6	11	1	1	0	1	1	1	23
Tax Supported Public Libraries	5	6	1	3	2	3	2	1	2	0	1	0	0	1	1	1	1	1	0	1
Fire Protection Districts	22	98	33	52	24	77	39	14	48	1	8	14	8	2	2	2	2	2	1	15
Sewer Districts	18	18	18	18	18	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street Light Maintenance Districts	4	4	1	3	1	3	2	0	1	0	0	0	1	0	1	1	1	1	0	0
Special Business Districts	9	9	5	9	1	9	3	0	7	0	1	0	1	0	0	0	0	0	0	0
Community Improvement Districts	4	4	1	2	1	2	1	0	1	0	0	0	0	0	0	0	0	0	0	2
School Districts	21	43	4	12	3	18	14	4	15	2	3	5	3	1	2	2	2	2	0	20
County	1	6	1	1	0	1	4	4	5	4	0	0	0	0	0	0	0	0	0	1
Totals	163	316	106	195	84	231	118	26	137	9	21	25	24	5	7	6	7	7	2	62

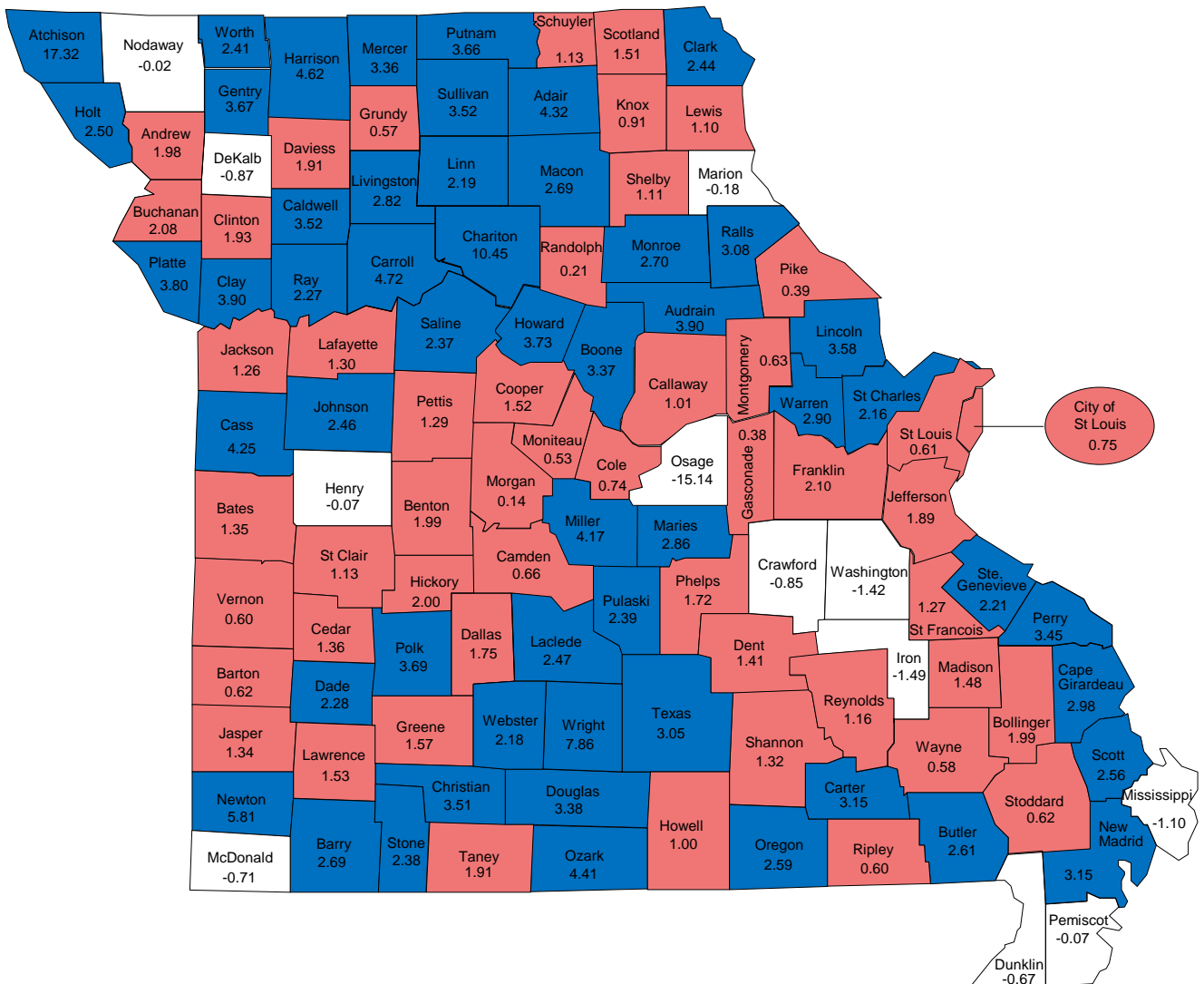
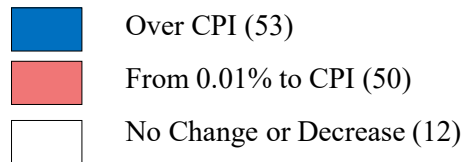
(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board increasing rates under Missouri Constitution, Article X, Section 11(b), which allows school districts to levy up to \$2.7500 by school board action alone.

(2) This column includes a new voter approved tax rate.

Res. Residential real estate
Ag. Agricultural real estate
Com. Commercial real estate
PP. Personal property

Appendix V
 2018 Property Tax Rates
 2017 – 2018 Percentage Change in Total Assessed Valuations by County,
 Overall County Valuation Changes Prior to Adjustments

The 2018 consumer price index (CPI) of 2.10% was certified by the State Tax Commission.

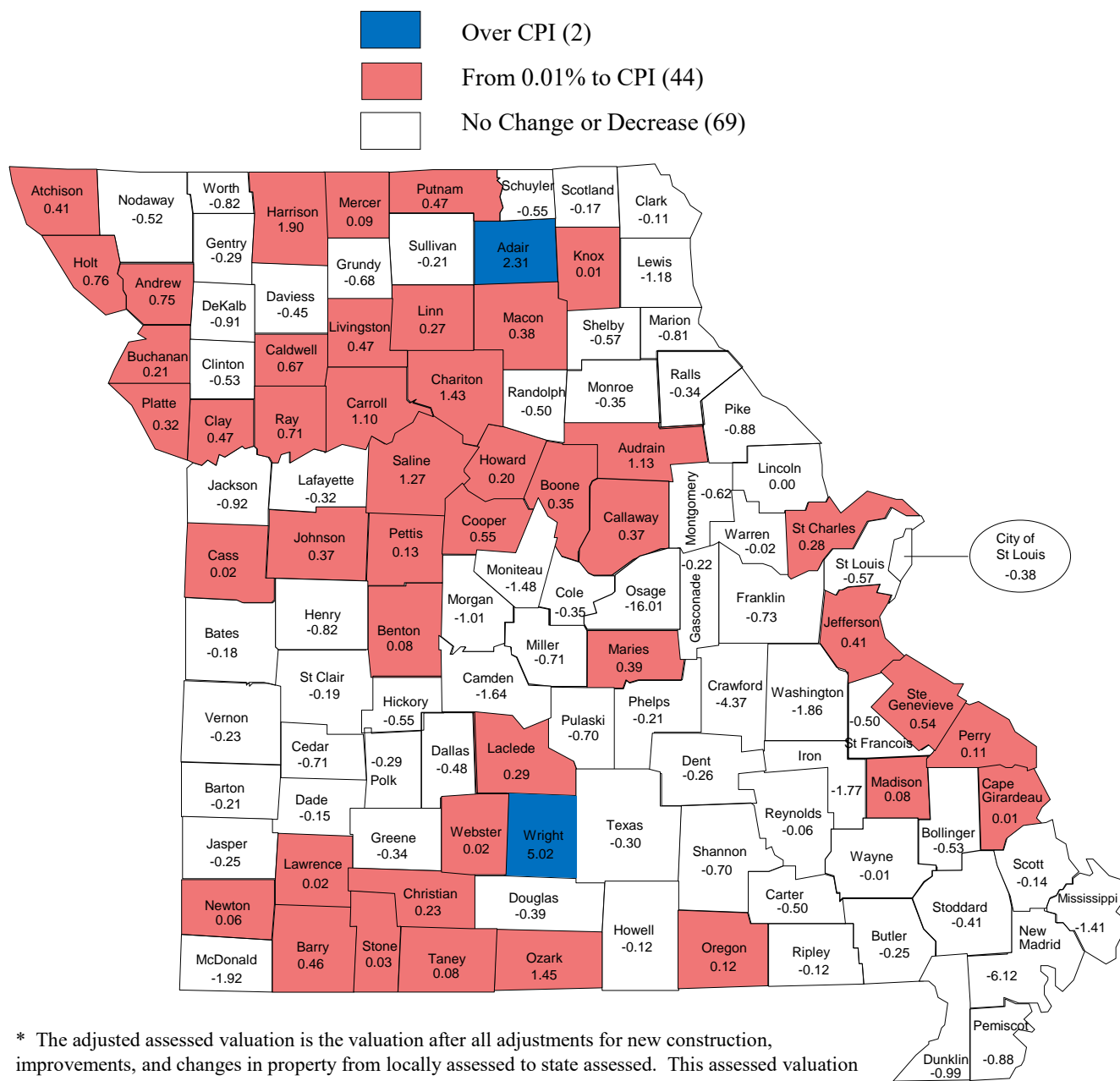


High: Atchison County 17.32

Low: Osage County -15.14

Appendix VI
 2018 Property Tax Rates
 2017 – 2018 Percentage Change in Adjusted Assessed Valuations by County*

The 2018 consumer price index (CPI) of 2.10% was certified by the State Tax Commission.



* The adjusted assessed valuation is the valuation after all adjustments for new construction, improvements, and changes in property from locally assessed to state assessed. This assessed valuation is compared to the total prior assessed valuation in the calculation for compliance with the Hancock Amendment.

High: Wright County 5.02

Low: Osage County -16.01

Appendix VII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Adair</u>						
Adair County Ambulance District	General Revenue	298,079,564	0.0000	0.0000	0	
Twin Pines Adult Care Center	General Revenue	291,689,569	0.1493	0.1493	435,493	
City of Brashear	Fire	1,455,733	0.3062	0.3062	4,457	2020
	General Revenue-Temp	1,455,733	1.4704	1.4704	21,405	2019
City of Kirksville	General Revenue	184,099,140	0.6763	0.6763	1,245,062	
City of Novinger	General Revenue	2,121,106	0.4991	0.4991	10,586	
	General Revenue-Temp	2,121,106	0.3686	0.3686	7,818 ^A	2021
Village of Gibbs Village	General Revenue	601,937	0.7491	0.7491	4,509	
Adair County Library District	General Revenue	298,079,564	0.1497	0.1497	446,225	
Adair County Health Department	General Revenue	298,079,564	0.1996	0.1996	594,967	
Adair County R-I School District	Operating Funds-Schools	16,632,118	3.7500	3.7500	623,704 ^E	
	Debt Service	16,632,118	0.6625	0.5756	95,734	
Kirksville R-III School District	Operating Funds-Schools	236,987,298	3.3434	3.3434	7,923,433 ^E	
	Debt Service	236,987,298	1.5506	0.8190	1,940,926	
Adair County R-II School District	Operating Funds-Schools	15,125,936	3.6416	3.5769	541,040 ^E	
	Debt Service	15,125,936	0.8023	0.6511	98,485	
Adair County	General Revenue	298,079,564	0.3714	0.0891	265,589	
	Road & Bridge	298,079,564	0.2760	0.2760	822,700	
	Developmental Dis. Board	298,079,564	0.1497	0.1497	446,225	
<u>Andrew</u>						
Andrew County Ambulance District	General Revenue	262,086,194	0.2625	0.1672	438,208	
Andrew County NHD	General Revenue	277,108,240	0.0280	0.0280	77,590	
City of Bolckow	General Revenue	1,077,157	0.8495	0.8495	9,150	
Village of Cosby	General Revenue	786,841	0.4903	0.4903	3,858	
Village of Country Club	General Revenue	36,223,995	0.3946	0.3946	142,940	
City of Fillmore	General Revenue	1,087,732	0.6307	0.6307	6,860	
Village of Rea	General Revenue	481,842	0.3176	0.3176	1,530	
Village of Rosendale	General Revenue	514,498	1.0000	1.0000	5,145	
City of Savannah	General Revenue	42,545,039	0.5579	0.5579	237,359	
	Parks & Recreation	42,545,039	0.3559	0.3559	151,418	
	Debt Service	42,545,039	0.0877	0.0877	37,312	
City of Amazonia	General Revenue	2,070,944	0.6589	0.6589	13,645	
Bolckow FPD	General Revenue	11,129,260	0.2434	0.2434	27,089	
Rosendale FPD	General Revenue	19,067,604	0.2644	0.2644	50,415	
Fillmore FPD	General Revenue	9,973,705	0.4071	0.4071	40,603	
Savannah FPD	General Revenue	132,522,245	0.5426	0.5426	719,066	
Village of Country Club FPD	General Revenue	21,286,796	0.6569	0.6569	139,833	
Cosby-Helena FPD	General Revenue	23,618,470	0.2783	0.2783	65,730	
Andrew County Health Department	General Revenue	277,108,240	0.0861	0.0861	238,590	
North Andrew County R-VI SD	Operating Funds-Schools	23,874,801	4.3442	4.3442	1,037,169 ^E	
Avenue City R-IX School District	Operating Funds-Schools	25,697,631	3.4007	3.4007	873,899 ^E	
	Debt Service	25,697,631	0.9913	0.9800	251,837	
Savannah R-III School District	Operating Funds-Schools	185,692,259	3.6499	3.6499	6,777,582 ^E	
Andrew County	General Revenue	277,108,240	0.3106	0.1904	527,614	
	Johnson Grass	277,108,240	0.0147	0.0147	40,735	
	Road & Bridge	277,108,240	0.2417	0.2417	669,771	
	Special Road and Bridge	277,108,240	0.2500	0.2500	692,771	2020
	Developmental Dis. Board	277,108,240	0.0776	0.0776	215,036	

Appendix VII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Andrew</u>						
Andrew County	Senior Services	277,108,240	0.0273	0.0273	75,651	
<u>Atchison</u>						
Atchison-Holt Ambulance District	General Revenue	303,647,321	0.2906	0.2906	882,399	
Langdon SRD Atchison County	Special Road and Bridge	3,891,211	0.3648	0.3648	14,195	2020
Phelps City SRD Atchison County	Special Road and Bridge	7,799,351	0.3641	0.3641	28,397 ^A	2021
Tarkio SRD Atchison County	Special Road and Bridge	24,041,065	0.3500	0.3500	84,144	2018
Watson SRD Atchison County	Special Road and Bridge	6,039,540	0.3521	0.3521	21,265	2020
Atchison County SRD	Special Road and Bridge	114,797,417	0.3500	0.3500	401,791	2018
City of Fairfax	General Revenue	4,336,857	0.8416	0.8416	36,499	
	Parks & Recreation	4,336,857	0.2000	0.2000	8,674	
	Lights	4,336,857	0.2500	0.2500	10,842	
	General Revenue-Temp	4,336,857	0.3165	0.3165	13,726	2020
City of Rock Port	General Revenue	12,120,775	0.8800	0.8800	106,663	
	Parks & Recreation	12,120,775	0.3519	0.3519	42,653	
City of Tarkio	General Revenue	13,475,202	0.8075	0.8075	108,812	
	Parks & Recreation	13,475,202	0.3057	0.3057	41,194	
	Lights	13,475,202	0.6661	0.6661	89,758	
Village of Watson	General Revenue	557,339	0.4764	0.4764	2,655	
	General Revenue-Temp	557,339	0.3191	0.3191	1,778	2020
City of Westboro	General Revenue	889,827	1.0000	1.0000	8,898	
	Lights	889,827	0.2500	0.2500	2,225	
	Streets	889,827	0.9000	0.9000	8,008	
Atchison County Library District	General Revenue	156,568,584	0.2956	0.2956	462,817	
Fairfax Volunteer FPD	General Revenue	18,063,980	0.3905	0.3905	70,540	
Tarkio FPD	General Revenue	35,832,508	0.4000	0.4000	143,330	
West Atchison Rural FPD	General Revenue	39,952,862	0.6439	0.6439	257,256 ^B	
Westboro Volunteer FPD	General Revenue	22,345,272	0.3500	0.3500	78,208	
Atchison County Health Department	General Revenue	156,568,584	0.0986	0.0986	154,377	
Tarkio R-I School District	Operating Funds-Schools	64,579,776	3.6946	3.6946	2,385,964 ^E	
Rock Port R-II School District	Operating Funds-Schools	48,191,954	4.1256	4.0984	1,975,099 ^E	
	Debt Service	48,191,954	1.0282	0.8218	396,041	
Fairfax R-III School District	Operating Funds-Schools	22,032,535	4.0352	4.0352	889,057 ^E	
	Operating Funds - Temp	22,032,535	0.7661	0.7496	165,156 ^A	2024
Atchison County	General Revenue	156,568,584	0.4927	0.4927	771,413	
	Solid Waste Landfill	156,568,584	0.0000	0.0000	0	
	Road & Bridge	156,568,584	0.4927	0.4927	771,413	
	Developmental Dis. Board	156,568,584	0.0986	0.0986	154,377	
	Senior Services	156,568,584	0.0492	0.0492	77,032	
<u>Audrain</u>						
Van-Far Ambulance District	General Revenue	52,784,649	0.3000	0.1597	84,297	
Audrain Ambulance District	General Revenue	283,290,501	0.2988	0.1076	304,821	
Tri County NHD	General Revenue	57,193,205	0.2500	0.2500	142,983	
Laddonia Farber SRD Audrain County	Special Road and Bridge	21,847,804	0.3632	0.3632	79,351 ^A	2021
Saling SRD 2 Audrain County	Special Road and Bridge	15,217,404	0.3581	0.3581	54,494	2018
Vandalia SRD Audrain County	Special Road and Bridge	39,278,591	0.3524	0.3500	137,475	2019
Village of Benton City	General Revenue	793,144	0.4230	0.4230	3,355	
City of Farber	General Revenue	2,081,131	0.6300	0.6300	13,111	
	Lights	2,081,131	0.3200	0.3200	6,660	

Appendix VII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Audrain</u>						
City of Laddonia	General Revenue	4,796,516	0.9856	0.9856	47,274	
	Lights	4,796,516	0.3487	0.3487	16,725	
City of Martinsburg	General Revenue	3,862,692	0.5928	0.5928	22,898	
City of Mexico	General Revenue	159,115,737	0.4261	0.4261	677,992	
	Parks & Recreation	159,115,737	0.0976	0.0976	155,297	
	Health	159,115,737	0.1953	0.1953	310,753	
Village of Rush Hill	General Revenue	615,930	0.4680	0.4680	2,883	
City of Vandalia	General Revenue	19,001,805	0.7598	0.7598	144,376	
	Parks & Recreation	19,001,805	0.1700	0.1700	32,303	
Village of Vandiver	General Revenue	3,712,113	0.3134	0.3124	11,597	
Mexico-Audrain County PLD	General Revenue	398,281,434	0.2225	0.2225	886,176	
Little Dixie FPD	General Revenue	117,842,181	0.4000	0.4000	471,369	
Martinsburg Area FPD	General Revenue	21,755,375	0.1926	0.1926	41,901	
Laddonia & Rural FPD	General Revenue	15,662,459	0.2843	0.2843	44,528	
Audrain County Health Center	General Revenue	398,281,434	0.2525	0.2525	1,005,661	
Community R-VI School District	Operating Funds-Schools	33,793,805	3.9342	3.9342	1,329,516	E
	Debt Service	33,793,805	0.5540	0.5500	185,866	
Van-Far R-I School District	Operating Funds-Schools	45,015,291	4.0440	3.9608	1,782,966	BE
	Debt Service	45,015,291	0.7462	0.6109	274,998	
Mexico 59 School District	Operating Funds-Schools	214,289,064	3.5396	3.5396	7,584,976	E
	Debt Service	214,289,064	0.9279	0.8691	1,862,386	
Audrain County	General Revenue	398,281,434	0.4050	0.2299	915,649	
	Road & Bridge	398,281,434	0.3036	0.3036	1,209,182	
	Common Road District	118,574,948	0.3608	0.3608	427,818	2020
	Developmental Dis. Board	398,281,434	0.2100	0.2100	836,391	
<u>Barry</u>						
Barry-Lawrence Ambulance District	General Revenue	265,773,175	0.1241	0.1236	328,496	
South Barry Ambulance District	General Revenue	302,772,262	0.0327	0.0000	0	
South Barry Co Memorial Hospital	General Revenue	294,755,441	0.0907	0.0907	267,343	
Ash SRD Barry County	Road & Bridge	5,447,570	0.1721	0.1721	9,375	
	Special Road and Bridge	5,447,570	0.1298	0.1298	7,071	2019
Butterfield SRD Barry County	Road & Bridge	18,308,669	0.1858	0.1858	34,018	
	Special Road and Bridge	18,308,669	0.1327	0.1327	24,296	2019
Capps Creek SRD Barry County	Road & Bridge	8,675,463	0.2670	0.2670	23,163	
Corsicana SRD Barry County	Road & Bridge	5,193,956	0.1986	0.1986	10,315	
	Special Road and Bridge	5,193,956	0.1320	0.1320	6,856	2019
Crane Creek SRD Barry County	Road & Bridge	9,761,987	0.1940	0.1940	18,938	
Exeter SRD Barry County	Road & Bridge	19,025,368	0.1957	0.1957	37,233	
	Special Road and Bridge	19,025,368	0.1347	0.1347	25,627	2020
Flat Creek SRD Barry County	Road & Bridge	77,689,348	0.1546	0.1546	120,108	
	Special Road and Bridge	77,689,348	0.1377	0.1377	106,978	2019
Greasy Creek SRD 35 Barry County	Road & Bridge	2,655,039	0.1858	0.1858	4,933	
	Special Road and Bridge	2,655,039	0.3464	0.3464	9,197	2019
Jenkins SRD 20 Barry County	Road & Bridge	4,715,486	0.1460	0.1460	6,885	
Kings Prairie SRD Barry County	Road & Bridge	11,909,614	0.2038	0.2038	24,272	
	Special Road and Bridge	11,909,614	0.1355	0.1355	16,138	2019
Liberty Common SRD 34 Barry County	Road & Bridge	790,259	0.1207	0.1207	954	
McDonald SRD 19 Barry County	Road & Bridge	4,570,814	0.1622	0.1622	7,414	

Appendix VII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Barry						
Mineral Springs SRD 10 Barry County	Road & Bridge	9,158,353	0.1787	0.1787	16,366	2019
	Special Road and Bridge	9,158,353	0.1312	0.1312	12,016	
Mountain SRD 22 Barry County	Road & Bridge	3,788,232	0.1847	0.1847	6,997	2019
Ozark SRD Barry County	Road & Bridge	10,015,892	0.1453	0.1453	14,553	
	Special Road and Bridge	10,015,892	0.1300	0.1300	13,021	2019
Pioneer SRD 31 Barry County	Road & Bridge	2,032,959	0.2018	0.2018	4,103	
	Special Road and Bridge	2,032,959	0.1323	0.1323	2,690	2019
Pleasant Ridge SRD 25 Barry County	Road & Bridge	6,122,604	0.1602	0.1602	9,808	
	Special Road and Bridge	6,122,604	0.1345	0.1345	8,235	2019
Purdy SRD 28 Barry County	Road & Bridge	22,260,594	0.1997	0.1997	44,454	
	Special Road and Bridge	22,260,594	0.1352	0.1352	30,096	2019
Roaring River SRD 2 Barry County	Road & Bridge	26,851,739	0.1344	0.1344	36,089	
Shell Knob SRD 9 Barry County	Road & Bridge	35,876,626	0.1572	0.1572	56,398	2021
Sugar Creek SRD 3 Barry County	Road & Bridge	15,176,921	0.1498	0.1498	22,735	
Viola SRD 21 Barry County	Road & Bridge	36,704,029	0.1216	0.1216	44,632	2019
Washburn SRD 4 Barry County	Road & Bridge	12,069,358	0.2028	0.2028	24,477	
	Special Road and Bridge	12,069,358	0.1307	0.1307	15,775 ^A	2019
Wheaton SRD 29 Barry County	Road & Bridge	15,932,538	0.1867	0.1867	29,746	
	Special Road and Bridge	15,932,538	0.1304	0.1304	20,776	2019
White River SRD 7 Barry County	Road & Bridge	30,786,558	0.1273	0.1273	39,191	
Monett SRD Barry County	Road & Bridge	122,874,798	0.1817	0.1817	223,264	2019
City of Butterfield	General Revenue	2,253,745	0.4186	0.4186	9,434	
	Debt Service	2,253,745	1.2559	1.2559	28,305	2019
City of Cassville	General Revenue	40,774,156	0.0000	0.0000	0	
City of Exeter	General Revenue	4,517,654	0.4478	0.4478	20,230	2019
City of Purdy	General Revenue	5,110,866	0.4011	0.4011	20,500	
City of Seligman	General Revenue	4,974,680	0.2601	0.2601	12,939	2019
	Streets	4,974,680	0.1600	0.1600	7,959	
City of Washburn	General Revenue	2,902,119	0.4034	0.4034	11,707	2019
City of Wheaton	General Revenue	3,574,288	0.4842	0.4842	17,307	
Barry-Lawrence County PLD	General Revenue	1,007,691,306	0.1462	0.1462	1,473,245	2019
Eagle Rock-Golden-Mano FPD	General Revenue	59,484,991	0.3823	0.3823	227,411	
Central Crossing FPD	General Revenue	108,673,433	0.6796	0.6796	738,545 ^B	2019
	Wages	108,673,433	0.3045	0.3045	330,911 ^A	
Cassville FPD	General Revenue	77,693,299	0.2963	0.2963	230,205	2019
Butterfield FPD	General Revenue	21,511,543	0.2993	0.2993	64,384	
Exeter FPD	General Revenue	19,980,740	0.2941	0.2941	58,763	2019
Seligman FPD	General Revenue	17,359,086	0.2906	0.2906	50,446	
Purdy FPD	General Revenue	30,124,706	0.2870	0.2870	86,458	2019
Jenkins Rural FPD	General Revenue	16,998,236	0.2840	0.2840	48,275	
Wheaton FPD	General Revenue	24,478,592	0.2969	0.2969	72,677	2019
Monett Rural FPD	General Revenue	51,322,150	0.2824	0.2824	144,934	
Washburn FPD	General Revenue	22,666,635	0.2934	0.2934	66,504	2019
Barry County Health Department	General Revenue	518,543,370	0.0704	0.0704	365,055	
Wheaton R-III School District	Operating Funds-Schools	22,044,809	2.7500	2.7500	606,232 ^E	2019
	Debt Service	22,044,809	0.8968	0.8300	182,972	
Southwest Barry County R-V SD	Operating Funds-Schools	40,926,945	2.7500	2.7500	1,125,491 ^F	2019
	Debt Service	40,926,945	0.9562	0.8500	347,879	

Appendix VII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Barry</u>						
Exeter R-VI School District	Operating Funds-Schools	16,068,551	3.4240	3.4240	550,187	E
	Debt Service	16,068,551	0.7354	0.6490	104,285	
Cassville R-IV School District	Operating Funds-Schools	182,803,842	2.9652	2.9652	5,420,500	E
	Debt Service	182,803,842	0.4757	0.4747	867,770	
Purdy R-II School District	Operating Funds-Schools	31,236,057	2.7500	2.7500	858,992	E
	Debt Service	31,236,057	0.7719	0.7719	241,111	
Shell Knob 78 School District	Operating Funds-Schools	74,713,419	3.4059	3.4059	2,544,664	E
Monett R-I School District	Operating Funds-Schools	179,257,523	3.1204	3.1204	5,593,552	E
	Debt Service	179,257,523	0.5604	0.5600	1,003,842	
Barry County	General Revenue	518,543,370	0.0000	0.0000	0	
	Developmental Dis. Board	518,543,370	0.0638	0.0638	330,831	
	Senior Services	518,543,370	0.0491	0.0491	254,605	
<u>Barton</u>						
Barton County Ambulance District	General Revenue	183,288,449	0.0000	0.0000	0	
City of Golden City	General Revenue	6,085,473	0.6174	0.6174	37,572	
	Parks & Recreation	6,085,473	0.1398	0.1398	8,507	
	Health	6,085,473	0.1749	0.1749	10,643	
City of Lamar	General Revenue	53,800,613	0.6387	0.6387	343,625	
	Parks & Recreation	53,800,613	0.1800	0.1800	96,841	
	Memorial Fund	53,800,613	0.1800	0.1800	96,841	
City of Liberal	General Revenue	4,531,134	0.5994	0.5994	27,160	
City of Mindenmines	General Revenue	1,367,694	0.5038	0.5038	6,890	
Barton County Library District	General Revenue	183,288,449	0.0771	0.0771	141,315	
	Library	183,288,449	0.0797	0.0797	146,081	
Barton City Township Barton County	General Revenue	4,351,772	0.1000	0.1000	4,352	
	Road & Bridge	4,351,772	0.2644	0.2644	11,506	
	Special Road and Bridge	4,351,772	0.2687	0.2687	11,693	A 2021
Central Township Barton County	General Revenue	13,191,630	0.0852	0.0852	11,239	
	Road & Bridge	13,191,630	0.3306	0.3306	43,612	
	Special Road and Bridge	13,191,630	0.4859	0.4859	64,098	2020
City Township Barton County	General Revenue	50,795,173	0.0522	0.0500	25,398	
	Road & Bridge	50,795,173	0.1774	0.1700	86,352	
Doylesport Township Barton County	General Revenue	4,834,039	0.1000	0.1000	4,834	
	Road & Bridge	4,834,039	0.2998	0.2998	14,492	
Golden City Township Barton County	General Revenue	14,224,171	0.0894	0.0894	12,716	
	Road & Bridge	14,224,171	0.2348	0.2348	33,398	
Lamar Township Barton County	General Revenue	32,035,551	0.0999	0.0999	32,004	
	Road & Bridge	32,035,551	0.4995	0.4995	160,018	
Leroy Township Barton County	General Revenue	7,859,660	0.0878	0.0878	6,901	
	Road & Bridge	7,859,660	0.3235	0.3235	25,426	
Milford Township Barton County	General Revenue	3,559,004	0.1000	0.1000	3,559	
	Road & Bridge	3,559,004	0.3061	0.3061	10,894	
Nashville Township Barton County	General Revenue	8,318,236	0.0954	0.0954	7,936	
	Road & Bridge	8,318,236	0.3452	0.3452	28,715	
	Special Road and Bridge	8,318,236	0.3953	0.3953	32,882	2020
Newport Township Barton County	General Revenue	4,181,377	0.1000	0.1000	4,181	
	Road & Bridge	4,181,377	0.2717	0.2717	11,361	
	Special Road and Bridge	4,181,377	0.1000	0.1000	4,181	2018

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<u>Barton</u>						
North Fork Township Barton County	General Revenue	4,355,013	0.0968	0.0968	4,216	2020
	Road & Bridge	4,355,013	0.3026	0.3026	13,178	
	Special Road and Bridge	4,355,013	0.5153	0.5153	22,441	
Ozark Township Barton County	General Revenue	10,017,967	0.0929	0.0929	9,307	2021
	Road & Bridge	10,017,967	0.2376	0.2376	23,803	
Richland Township Barton County	General Revenue	10,579,148	0.0991	0.0991	10,484	2021
	Road & Bridge	10,579,148	0.4059	0.4059	42,941	
	Special Road and Bridge	10,579,148	0.4184	0.4184	44,263 ^A	
South West Township Barton County	General Revenue	8,385,382	0.0992	0.0992	8,318	2019
	Road & Bridge	8,385,382	0.3468	0.3468	29,081	
Union Township Barton County	General Revenue	6,600,326	0.0952	0.0952	6,284	2019
	Road & Bridge	6,600,326	0.4113	0.4113	27,147	
	Special Road and Bridge	6,600,326	0.4769	0.4769	31,477	
Golden City Volunteer FPD	General Revenue	25,643,143	0.0959	0.0959	24,592	
Barton County Health Department	General Revenue	183,288,449	0.1495	0.1495	274,016	
Liberal R-II School District	Operating Funds-Schools	34,734,622	3.0984	3.0984	1,076,218 ^E	
	Debt Service	34,734,622	0.7158	0.6000	208,408	
Golden City R-III School District	Operating Funds-Schools	19,638,134	3.9000	3.4300	673,588 ^E	
Lamar R-I School District	Operating Funds-Schools	99,373,602	3.7500	3.7500	3,726,510 ^E	
	Debt Service	99,373,602	1.0204	0.5100	506,805	
Barton County	General Revenue	183,288,449	0.2441	0.0500	91,644	
	Hospital	183,288,449	0.4332	0.4332	794,006	
<u>Bates</u>						
Cornland SRD Bates County	Road & Bridge	853,269	0.3500	0.3500	2,986	2019
	Special Road and Bridge	853,269	0.1784	0.1784	1,522	
South Hudson SRD Bates County	Road & Bridge	1,173,893	0.3179	0.3179	3,732	2018
	Special Road and Bridge	1,173,893	0.2972	0.2972	3,489	
City of Adrian	General Revenue	14,079,226	0.5781	0.5781	81,392	
	Parks & Recreation	14,079,226	0.0500	0.0500	7,040	
	Library	14,079,226	0.2011	0.2011	28,313	
City of Amoret	General Revenue	659,261	0.5864	0.5864	3,866	
City of Amsterdam	General Revenue	2,004,202	1.0000	1.0000	20,042	
City of Butler	General Revenue	42,739,739	0.6025	0.6025	257,507	
	Parks & Recreation	42,739,739	0.0282	0.0282	12,053	
	Lake	42,739,739	0.0122	0.0122	5,214	
City of Hume	General Revenue	1,817,680	1.0000	1.0000	18,177	
	Lights	1,817,680	0.4000	0.4000	7,271	
	Water	1,817,680	0.5352	0.5352	9,728	
Village of Merwin	General Revenue	310,132	0.5500	0.5500	1,706	
Village of Passaic	General Revenue	219,280	0.9970	0.9970	2,186	
City of Rich Hill	General Revenue	7,024,630	0.6877	0.6877	48,308	
	Parks & Recreation	7,024,630	0.2774	0.2774	19,486	
	Library	7,024,630	0.2400	0.2400	16,859	
	Health	7,024,630	0.1442	0.1442	10,130	
City of Rockville	General Revenue	1,524,423	0.9000	0.9000	13,720	
	Streets	1,524,423	0.4000	0.4000	6,098	
Village of Foster	General Revenue	558,082	0.7941	0.7941	4,432	
Charlotte Township Bates County	General Revenue	6,170,733	0.1000	0.1000	6,171	

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Bates						
Charlotte Township Bates County	Road & Bridge	6,170,733	0.2997	0.2997	18,494	
	Special Road and Bridge	6,170,733	0.3011	0.3011	18,580 ^A	2021
Deepwater Township Bates County	General Revenue	4,201,748	0.1000	0.1000	4,202	
	Road & Bridge	4,201,748	0.2451	0.2451	10,298	
	Special Road and Bridge	4,201,748	0.3520	0.3520	14,790	2018
Deer Creek Township Bates County	General Revenue	25,832,096	0.0721	0.0721	18,625	
	Road & Bridge	25,832,096	0.2373	0.2373	61,300	
East Boone Township Bates County	General Revenue	13,071,680	0.0895	0.0895	11,699	
	Road & Bridge	13,071,680	0.2463	0.2463	32,196	
	Special Road and Bridge	13,071,680	0.3494	0.3494	45,672	2018
Elkhart Township Bates County	General Revenue	4,467,625	0.0911	0.0911	4,070	
	Road & Bridge	4,467,625	0.2504	0.2504	11,187	
	Special Road and Bridge	4,467,625	0.2891	0.2891	12,916	2020
Grand River Township Bates County	General Revenue	3,882,736	0.1000	0.1000	3,883	
	Road & Bridge	3,882,736	0.2737	0.2737	10,627	
	Special Road and Bridge	3,882,736	0.3551	0.3551	13,788	2020
Homer Township Bates County	General Revenue	8,251,022	0.0937	0.0937	7,731	
	Road & Bridge	8,251,022	0.3162	0.3162	26,090	
	Special Road and Bridge	8,251,022	0.1801	0.1801	14,860	2019
Howard Township Bates County	General Revenue	6,561,672	0.1000	0.1000	6,562	
	Road & Bridge	6,561,672	0.3500	0.3500	22,966	
	Special Road and Bridge	6,561,672	0.3499	0.3499	22,959	2019
Hudson Township Bates County	General Revenue	5,156,694	0.1000	0.1000	5,157	
	Road & Bridge	5,156,694	0.3064	0.3064	15,800	
	Special Road and Bridge	5,156,694	0.3638	0.3638	18,760	2020
Lone Oak Township Bates County	General Revenue	5,215,259	0.0922	0.0922	4,808	
	Road & Bridge	5,215,259	0.2654	0.2654	13,841	
	Special Road and Bridge	5,215,259	0.3112	0.3112	16,230 ^A	2021
Mingo Township Bates County	General Revenue	4,422,847	0.0888	0.0888	3,927	
	Road & Bridge	4,422,847	0.2462	0.2462	10,889	
	Special Road and Bridge	4,422,847	0.1924	0.1924	8,510	2020
Mound Township Bates County	General Revenue	12,102,327	0.0874	0.0874	10,577	
	Road & Bridge	12,102,327	0.2402	0.2402	29,070	
	Special Road and Bridge	12,102,327	0.3588	0.3588	43,423	2020
Mount Pleasant Township Bates Co	General Revenue	56,977,055	0.1000	0.1000	56,977	
	Road & Bridge	56,977,055	0.2224	0.2224	126,717	
New Home Township Bates County	General Revenue	3,852,395	0.1000	0.1000	3,852	
	Road & Bridge	3,852,395	0.2874	0.2874	11,072	
	Special Road and Bridge	3,852,395	0.3672	0.3672	14,146 ^A	2021
Osage Township Bates County	General Revenue	12,507,645	0.1000	0.1000	12,508	
	Road & Bridge	12,507,645	0.2681	0.2681	33,533	
Pleasant Gap Township Bates County	General Revenue	4,800,878	0.1000	0.1000	4,801	
	Road & Bridge	4,800,878	0.3001	0.3001	14,407	
	Special Road and Bridge	4,800,878	0.3522	0.3522	16,909	2018
Rockville Township Bates County	General Revenue	4,205,905	0.1000	0.1000	4,206	
	Road & Bridge	4,205,905	0.2837	0.2837	11,932	
Spruce Township Bates County	General Revenue	4,640,472	0.0796	0.0796	3,694	
	Road & Bridge	4,640,472	0.2388	0.2388	11,081	

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<u>Bates</u>						
Spruce Township Bates County	Special Road and Bridge	4,640,472	0.3676	0.3676	17,058	2018
Summit Township Bates County	General Revenue	4,490,294	0.0759	0.0759	3,408	
	Road & Bridge	4,490,294	0.2606	0.2606	11,702	
	Special Road and Bridge	4,490,294	0.3537	0.3537	15,882	2018
Walnut Township Bates County	General Revenue	6,267,565	0.0991	0.0991	6,211	
	Road & Bridge	6,267,565	0.3112	0.3112	19,505	
	Special Road and Bridge	6,267,565	0.1828	0.1828	11,457	2019
West Boone Township Bates County	General Revenue	9,520,076	0.0772	0.0772	7,349	
	Road & Bridge	9,520,076	0.2428	0.2428	23,115	
	Special Road and Bridge	9,520,076	0.3452	0.3452	32,863	2018
West Point Township Bates County	General Revenue	14,841,680	0.0897	0.0897	13,313	
	Road & Bridge	14,841,680	0.2783	0.2783	41,304	
	Special Road and Bridge	14,841,680	0.1987	0.1987	29,490	2019
Prairie Township Bates County	General Revenue	2,290,199	0.0999	0.0999	2,288	
	Road & Bridge	2,290,199	0.2869	0.2869	6,571	
	Special Road and Bridge	2,290,199	0.2373	0.2373	5,435	2019
Shawnee Township Bates County	General Revenue	4,183,069	0.1000	0.1000	4,183	
	Road & Bridge	4,183,069	0.3083	0.3083	12,896	
	Special Road and Bridge	4,183,069	0.3609	0.3609	15,097	2018
Bates County Health Center	General Revenue	227,913,672	0.0837	0.0837	190,764	
Miami R-I School District	Operating Funds-Schools	17,676,189	3.8974	3.8974	688,912 ^E	
Ballard R-II School District	Operating Funds-Schools	10,822,647	4.2215	4.2215	456,878 ^E	
	Debt Service	10,822,647	0.7957	0.7500	81,170	
Adrian R-III School District	Operating Funds-Schools	43,484,452	3.7081	3.7081	1,612,447 ^E	
	Debt Service	43,484,452	1.0024	0.8023	348,876	
Rich Hill R-IV School District	Operating Funds-Schools	23,938,571	3.3386	3.3386	799,213 ^E	
	Debt Service	23,938,571	1.3316	1.0086	241,444	
Hume R-VIII School District	Operating Funds-Schools	8,463,676	5.2592	5.2592	445,122 ^E	
Hudson R-IX School District	Operating Funds-Schools	7,628,348	3.9134	3.7800	288,352 ^E	
Butler R-V School District	Operating Funds-Schools	75,985,086	3.5913	3.5395	2,689,492 ^E	
	Operating Funds-Temp	75,985,086	0.2100	0.2100	159,569	2025
	Debt Service	75,985,086	0.9543	0.9145	694,884	
Bates County	General Revenue	227,913,672	0.2724	0.2724	620,837	
	Developmental Dis. Board	227,913,672	0.1406	0.1406	320,447	
	Senior Services	227,913,672	0.0503	0.0503	114,641	
<u>Benton</u>						
Warsaw-Lincoln Ambulance District	General Revenue	210,037,486	0.1832	0.0000	0	
Cole Camp Ambulance District	General Revenue	63,427,696	0.2892	0.1802	114,297	
Lincoln Community NHD	General Revenue	64,476,671	0.1935	0.1935	124,762	
Good Samaritan NHD	General Revenue	77,656,637	0.1098	0.1098	85,267	
Brandon SRD Benton County	Road & Bridge	1,517,991	0.3500	0.3500	5,313	
Cole Camp SRD Benton County	Road & Bridge	13,591,218	0.3500	0.3500	47,569	
Ionia SRD Benton County	Road & Bridge	4,129,272	0.2951	0.2951	12,185	
City of Cole Camp	General Revenue	9,138,544	0.4941	0.4941	45,154	
Village of Ionia	General Revenue	633,962	0.7414	0.7414	4,700	
City of Lincoln	General Revenue	9,146,103	0.7700	0.7700	70,425	
	Parks & Recreation	9,146,103	0.1521	0.1521	13,911	
City of Warsaw	General Revenue	26,314,019	0.4615	0.4615	121,439	

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<u>Benton</u>						
City of Warsaw	Parks & Recreation	26,314,019	0.0000	0.0000	0	
Lincoln Community FPD	General Revenue	49,217,203	0.2438	0.2438	119,992	
Deer Creek FPD	General Revenue	18,726,693	0.3000	0.3000	56,180	
Warsaw FPD	General Revenue	125,901,505	0.2862	0.2862	360,330	
Lakeview Heights FPD	General Revenue	15,849,314	0.2855	0.2855	45,250	
Osage Valley FPD	General Revenue	12,902,196	0.2887	0.2887	37,249	
Cole Camp & Rural FPD	General Revenue	35,937,137	0.2973	0.2973	106,841	
Benton County Health Department	General Revenue	264,017,535	0.3883	0.3883	1,025,180	
Lincoln R-II School District	Operating Funds-Schools	47,288,746	3.5321	3.5321	1,670,286	E
	Debt Service	47,288,746	0.6083	0.5000	236,444	
Warsaw R-IX School District	Operating Funds-Schools	155,472,601	2.7500	2.7500	4,275,497	E
	Debt Service	155,472,601	0.9725	0.8000	1,243,781	
Cole Camp R-I School District	Operating Funds-Schools	60,001,897	2.7500	2.7500	1,650,052	F
	Debt Service	60,001,897	0.6230	0.6200	372,012	
Benton County	General Revenue	264,017,535	0.3247	0.1350	356,424	
	Common Road District	244,779,054	0.2232	0.2232	546,347	
	Senior Services	264,017,535	0.0500	0.0500	132,009	
<u>Bollinger</u>						
Village of Glen Allen	General Revenue	754,780	0.5394	0.5394	4,071	
Village of Sedgewickville	General Revenue	1,390,949	0.4493	0.4493	6,250	
Woodland FPD	General Revenue	47,993,810	0.3000	0.3000	143,981	
Sedgewickville FPD	General Revenue	21,344,435	0.2002	0.2002	42,732	
North County FPD	General Revenue	38,567,569	0.2729	0.2729	105,251	
Zalma FPD	General Revenue	17,592,391	0.2754	0.2754	48,449	
Leopold Volunteer FPD	General Revenue	13,589,978	0.3000	0.3000	40,770	
Bollinger County Health Center	General Revenue	139,888,182	0.2458	0.2458	343,845	
Meadow Heights R-II School District	Operating Funds-Schools	42,023,705	2.7500	2.7500	1,155,652	E
	Debt Service	42,023,705	0.4128	0.3500	147,083	
Leopold R-III School District	Operating Funds-Schools	10,674,610	3.4154	2.9500	314,901	E
Zalma R-V School District	Operating Funds-Schools	14,885,780	2.8160	2.7500	409,359	F
Woodland R-IV School District	Operating Funds-Schools	60,410,798	2.7500	2.7500	1,661,297	E
Bollinger County	General Revenue	139,888,182	0.3627	0.2200	307,754	
	Library	139,888,182	0.0983	0.0983	137,510	
	Road & Bridge	139,888,182	0.2592	0.2592	362,590	
	Ambulance	139,888,182	0.1966	0.1966	275,020	
	Developmental Dis. Board	139,888,182	0.0983	0.0983	137,510	
<u>Boone</u>						
Callahan Creek WSD	General Revenue	21,261,191	0.0901	0.0901	19,156	
City of Ashland	General Revenue	66,042,402	0.2480	0.2480	163,785	
City of Centralia	General Revenue	57,875,631	0.6682	0.6673	386,204	
	Parks & Recreation	57,875,631	0.2992	0.2988	172,932	
City of Columbia	General Revenue	2,065,871,018	0.4100	0.4100	8,470,071	
City of Hallsville	General Revenue	18,174,321	0.5867	0.5820	105,775	
	Debt Service	18,174,321	0.7806	0.2580	46,890	
Town of Harrisburg	General Revenue	2,634,502	0.3645	0.3645	9,603	
Village of Hartsburg	General Revenue	1,093,926	0.5461	0.5409	5,917	
City of Rocheport	General Revenue	3,253,796	0.2707	0.2707	8,808	
City of Sturgeon	General Revenue	7,943,125	0.5539	0.5539	43,997	

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<u>Boone</u>						
Centralia Public Library District	General Revenue	49,765,566	0.5508	0.5508	274,109	
Columbia and Boone County PLD	General Revenue	2,825,136,991	0.3091	0.3091	8,732,498	
Boone County FPD	General Revenue	589,335,098	0.6583	0.6342	3,737,563	
	Dispatch	589,335,098	0.0000	0.0000	0	
	Debt Service	589,335,098	0.3327	0.2500	1,473,338	
Southern Boone County FPD	General Revenue	160,793,653	0.2130	0.2130	342,490	
	Dispatch	160,793,653	0.0000	0.0000	0	
	Debt Service	160,793,653	0.1598	0.1598	256,948	
Southern Boone County R-I SD	Operating Funds-Schools	139,190,094	3.6585	3.6585	5,092,270	E
	Debt Service	139,190,094	2.3071	1.4300	1,990,418	
Hallsville R-IV School District	Operating Funds-Schools	85,504,331	4.0522	3.9933	3,414,444	E
	Debt Service	85,504,331	1.5031	1.1100	949,098	
Sturgeon R-V School District	Operating Funds-Schools	38,346,335	3.7784	3.7784	1,448,878	F
	Debt Service	38,346,335	1.6773	1.2700	486,998	
Centralia R-VI School District	Operating Funds-Schools	106,362,214	3.4695	3.4695	3,690,237	E
	Debt Service	106,362,214	0.9556	0.8900	946,624	
Harrisburg R-VIII School District	Operating Funds-Schools	42,463,888	4.1015	4.1015	1,741,656	F
	Debt Service	42,463,888	1.6708	1.1500	488,335	
Columbia 93 School District	Operating Funds-Schools	2,464,948,208	5.5850	5.1706	127,452,612	
	Debt Service	2,464,948,208	1.0650	0.9719	23,956,832	
Boone County	General Revenue	2,874,370,248	0.3155	0.1200	3,449,244	
	Road & Bridge	2,874,370,248	0.2677	0.0500	1,437,185	
	Hospital	2,874,370,248	0.0000	0.0000	0	
	Developmental Dis. Board	2,874,370,248	0.1146	0.1146	3,294,028	
<u>Buchanan</u>						
Village of Agency	General Revenue	8,014,655	0.5391	0.5391	43,207	
Village of DeKalb	General Revenue	1,499,297	0.9318	0.9318	13,970	
City of Easton	General Revenue	1,403,807	0.4799	0.4799	6,737	
Village of Lewis & Clark	General Revenue	1,159,952	0.2130	0.2130	2,471	
	General Revenue-Temp	1,159,952	0.4011	0.4011	4,653	2019
Village of Rushville	General Revenue	1,486,840	0.4970	0.4970	7,390	
City of St. Joseph	General Revenue	1,041,611,720	0.6700	0.6700	6,978,799	
	Parks & Recreation	1,041,611,720	0.2000	0.2000	2,083,223	
	Museum	1,041,611,720	0.0500	0.0500	520,806	
	Health	1,041,611,720	0.2198	0.2198	2,289,463	
St. Joseph Public Library District	General Revenue	696,561,105	0.4139	0.4139	2,883,066	
Rolling Hills Consolidated PLD	General Revenue	864,898,293	0.3071	0.3071	2,656,103	
Colony Hills FPD	General Revenue	10,137,336	1.0753	1.0753	109,007	
	Fire	10,137,336	0.2439	0.2439	24,725	
Lake Contrary FPD	General Revenue	5,453,465	0.8400	0.8400	45,809	
	Fire	5,453,465	0.3826	0.3826	20,865	
Maxwell Heights FPD	General Revenue	22,552,129	1.1580	1.1580	261,154	
South Central Buchanan County FPD	General Revenue	87,863,759	0.3285	0.3285	288,632	B
	General Revenue-Temp	87,863,759	0.3246	0.3246	285,206	A 2028
San Antonio FPD	General Revenue	18,811,357	0.2916	0.2916	54,854	
DeKalb FPD	General Revenue	29,239,759	0.2824	0.2824	82,573	
Easton FPD	General Revenue	12,130,476	0.2601	0.2601	31,551	
Southwest Buchanan County FPD	General Revenue	21,989,505	0.3955	0.3955	86,968	

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<u>Buchanan</u>						
St. Joseph Downtown CID	General Revenue	11,570,140	0.3610	0.3610	41,768	2041
East Buchanan County C-1 SD	Operating Funds-Schools	56,554,304	5.2644	5.2644	2,977,245 ^E	
Mid-Buchanan County R-V SD	Operating Funds-Schools	65,251,697	4.6944	4.6944	3,063,176 ^E	
	Debt Service	65,251,697	0.9243	0.9000	587,265	
Buchanan County R-IV SD	Operating Funds-Schools	22,016,650	4.2464	4.2464	934,915 ^E	
	Debt Service	22,016,650	0.9733	0.8486	186,833	
St. Joseph School District	Operating Funds-Schools	1,083,335,260	3.6445	3.1228	33,830,393	
	Debt Service	1,083,335,260	0.5664	0.5076	5,499,010	
Buchanan County	General Revenue	1,284,351,158	0.3500	0.0689	884,918	
	Road & Bridge	1,284,351,158	0.2895	0.2895	3,718,197	
	Developmental Dis. Board	1,284,351,158	0.1000	0.1000	1,284,351	
<u>Butler</u>						
Naylor-Neelyville AD	General Revenue	45,619,501	0.2977	0.2977	135,809	
City of Fisk	General Revenue	2,279,062	0.7861	0.7861	17,916	
City of Neelyville	General Revenue	2,456,096	0.6593	0.6593	16,193	
City of Poplar Bluff	General Revenue	253,431,328	0.5172	0.5172	1,310,747	
	Pension	253,431,328	0.0976	0.0976	247,349	
City of Qulin	General Revenue	3,243,920	0.5890	0.5890	19,107	
Poplar Bluff Municipal PLD	General Revenue	253,431,328	0.0000	0.0000	0	
Butler County FPD	General Revenue	344,654,913	0.2396	0.2396	825,793	
Qulin Community FPD	General Revenue	19,253,373	0.1576	0.1576	30,343	
Butler County Health Department	General Revenue	616,777,029	0.0963	0.0961	592,723	
Three Rivers Community College	General Revenue	920,206,709	0.2355	0.2355	2,167,087	
Neelyville R-IV School District	Operating Funds-Schools	40,335,206	2.9657	2.9657	1,196,221 ^E	
Poplar Bluff R-I School District	Operating Funds-Schools	472,203,926	3.4703	3.4703	16,386,893 ^E	
	Debt Service	472,203,926	0.2228	0.1800	849,967	
Twin Rivers R-X School District	Operating Funds-Schools	68,099,509	3.0397	3.0397	2,070,021 ^E	
Butler County	General Revenue	616,777,029	0.2289	0.0893	550,782	
	Road & Bridge	616,777,029	0.1658	0.0262	161,596	
	Developmental Dis. Board	616,777,029	0.0963	0.0963	593,956	
	Senior Services	616,777,029	0.0479	0.0479	295,436	
<u>Caldwell</u>						
Caldwell County Ambulance District	General Revenue	159,073,672	0.1791	0.1005	159,869	
Golden Age NHD	General Revenue	51,278,033	0.1109	0.1109	56,867	
City of Braymer	General Revenue	5,561,555	0.8282	0.8282	46,061	
City of Breckenridge	General Revenue	2,036,315	1.0000	1.0000	20,363	
	Lights	2,036,315	0.1000	0.1000	2,036	
	Library	2,036,315	0.0500	0.0500	1,018	
	Fire	2,036,315	0.1500	0.1500	3,054	
City of Cowgill	General Revenue	1,050,719	0.9659	0.9659	10,149	
City of Hamilton	General Revenue	16,477,251	0.9306	0.9306	153,337	
	Parks & Recreation	16,477,251	0.2511	0.2511	41,374	
	Library	16,477,251	0.3034	0.3034	49,992	
	Debt Service	16,477,251	0.8379	0.8379	138,063	
City of Kidder	General Revenue	2,021,652	1.0000	1.0000	20,217	
City of Kingston	General Revenue	1,470,575	1.0000	1.0000	14,706	
City of Polo	General Revenue	4,534,591	0.7458	0.7458	33,819	
	Debt Service	4,534,591	0.4004	0.4004	18,157	

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<u>Caldwell</u>						
Caldwell County Library District	General Revenue	139,187,153	0.1171	0.1171	162,988	
Breckenridge Township Caldwell Co	General Revenue	8,188,765	0.0975	0.0975	7,984	
	Road & Bridge	8,188,765	0.4880	0.4880	39,961	
	Special Road and Bridge	8,188,765	0.3059	0.3059	25,049	2019
Davis Township Caldwell County	General Revenue	17,526,258	0.0789	0.0789	13,828	
	Road & Bridge	17,526,258	0.3766	0.3766	66,004	
	Special Road and Bridge	17,526,258	0.1700	0.1700	29,795	2019
Fairview Township Caldwell County	General Revenue	4,314,240	0.0968	0.0968	4,176	
	Road & Bridge	4,314,240	0.4835	0.4835	20,859	
	Special Road and Bridge	4,314,240	0.3221	0.3221	13,896	2020
Gomer Township Caldwell County	General Revenue	7,738,625	0.0926	0.0926	7,166	
	Road & Bridge	7,738,625	0.4599	0.4599	35,590	
	Special Road and Bridge	7,738,625	0.3493	0.3493	27,031	2020
Grant Township Caldwell County	General Revenue	27,871,159	0.0879	0.0879	24,499	
	Road & Bridge	27,871,159	0.3584	0.3584	99,890	
	Special Road and Bridge	27,871,159	0.2394	0.2394	66,724	2019
Hamilton Township Caldwell County	General Revenue	25,718,911	0.0717	0.0717	18,440	
	Road & Bridge	25,718,911	0.3174	0.3174	81,632	
Kidder Township Caldwell County	General Revenue	13,371,460	0.0947	0.0947	12,663	
	Road & Bridge	13,371,460	0.3889	0.3889	52,002	
	Special Road and Bridge	13,371,460	0.3183	0.3183	42,561	2019
Kingston Township Caldwell County	General Revenue	7,791,498	0.0982	0.0982	7,651	
	Road & Bridge	7,791,498	0.4912	0.4912	38,272	
	Special Road and Bridge	7,791,498	0.3500	0.3500	27,270	2019
Lincoln Township Caldwell County	General Revenue	14,006,093	0.0746	0.0746	10,449	
	Road & Bridge	14,006,093	0.3284	0.3284	45,996	
	Special Road and Bridge	14,006,093	0.3262	0.3262	45,688	2019
Mirabile Township Caldwell County	General Revenue	5,942,066	0.1000	0.1000	5,942	
	Road & Bridge	5,942,066	0.4732	0.4732	28,118	
	Special Road and Bridge	5,942,066	0.3534	0.3534	20,999	2020
New York Township Caldwell County	General Revenue	6,136,243	0.0845	0.0845	5,185	
	Road & Bridge	6,136,243	0.4038	0.4038	24,778	
	Special Road and Bridge	6,136,243	0.3035	0.3035	18,623	2019
Rockford Township Caldwell County	General Revenue	19,278,508	0.0675	0.0675	13,013	
	Road & Bridge	19,278,508	0.2970	0.2970	57,257	
	Special Road and Bridge	19,278,508	0.3475	0.3475	66,993	2020
Hamilton FPD	General Revenue	41,289,434	0.1788	0.1788	73,826	
Caldwell County Health Department	General Revenue	159,073,672	0.2319	0.2319	368,892	
Breckenridge R-I School District	Operating Funds-Schools	7,261,050	4.4948	4.4948	326,370 ^E	
Hamilton R-II School District	Operating Funds-Schools	40,988,828	3.1193	3.1193	1,278,565 ^E	
	Operating Funds-Temp	40,988,828	0.3760	0.3760	154,118	2026
	Debt Service	40,988,828	1.4543	1.3800	565,646	
New York R-IV School District	Operating Funds-Schools	4,350,070	5.0629	4.5900	199,668	
Cowgill R-VI School District	Operating Funds-Schools	4,454,250	3.5875	3.5875	159,796 ^E	
Polo R-VII School District	Operating Funds-Schools	26,163,195	3.4970	3.4970	914,927 ^E	
	Debt Service	26,163,195	1.7158	1.1101	290,438	
Mirabile C-1 School District	Operating Funds-Schools	5,319,650	4.4976	4.4976	239,257 ^E	
Braymer C-4 School District	Operating Funds-Schools	20,599,539	2.7500	2.7500	566,487 ^E	

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<u>Caldwell</u>						
Kingston 42 School District	Operating Funds-Schools	5,301,150	4.4360	4.4360	235,159 ^E	2018
Caldwell County	General Revenue	159,073,672	0.3482	0.2578	410,092	
	Senior Services	159,073,672	0.0495	0.0495	78,741	
<u>Callaway</u>						
Callaway County Ambulance District	General Revenue	865,573,846	0.1226	0.0081	70,111	2020
City of Auxvasse	General Revenue	10,190,169	0.6615	0.6615	67,408	
City of Fulton	General Revenue	127,187,952	0.5353	0.5353	680,837	
Village of Kingdom City	General Revenue	10,388,865	0.2304	0.2304	23,936	2020
City of Mokane	General Revenue	1,322,419	0.7664	0.7664	10,135	
City of New Bloomfield	General Revenue	6,658,748	0.3019	0.3019	20,103	
	Debt Service	6,658,748	0.6322	0.6322	42,097	2020
Callaway County Library District	General Revenue	865,573,846	0.1998	0.1998	1,729,417	
Millersburg FPD	General Revenue	39,224,482	0.4493	0.4493	176,236	
Central Callaway FPD	General Revenue	77,786,359	0.3969	0.3969	308,734	2020
Holts Summit FPD	General Revenue	135,496,600	0.2213	0.2213	299,854	
	Debt Service	135,496,600	0.1851	0.1851	250,804	
South Callaway FPD	General Revenue	314,216,201	0.2005	0.2005	630,003	2020
North Callaway FPD	General Revenue	96,455,587	0.2677	0.2677	258,212	
New Bloomfield FPD	General Revenue	43,562,408	0.2534	0.2534	110,387	
North Callaway County R-I SD	Operating Funds-Schools	105,548,149	3.7761	3.7761	3,985,604 ^{BE}	2020
	Debt Service	105,548,149	0.9276	0.8841	933,151	
New Bloomfield R-III SD	Operating Funds-Schools	53,629,562	2.8323	2.8323	1,518,950 ^E	
	Debt Service	53,629,562	1.6915	1.5381	824,876	2020
Fulton 58 School District	Operating Funds-Schools	210,646,720	4.0083	4.0083	8,443,352 ^{BE}	
	Debt Service	210,646,720	0.7648	0.7612	1,603,443	
South Callaway County R-II SD	Operating Funds-Schools	317,451,516	2.7500	2.7500	8,729,917	2020
Callaway County	General Revenue	865,573,846	0.3359	0.3359	2,907,463	
	Road & Bridge	865,573,846	0.2600	0.2600	2,250,492	
	Developmental Dis. Board	868,384,636	0.0996	0.0996	864,911	2020
<u>Camden</u>						
CAM-MO Ambulance District	General Revenue	664,320,444	0.1066	0.0457	303,594	2020
Camden County Ambulance District	General Revenue	589,079,380	0.2881	0.2796	1,647,066	
Horseshoe Bend SRD 1 Camden County	Special Road and Bridge	306,968,505	0.3552	0.3552	1,090,352	
City of Linn Creek	General Revenue	5,387,097	0.0000	0.0000	0	2020
City of Stoutland	General Revenue	1,205,254	0.7161	0.7161	8,631	
Camden County Library District	General Revenue	1,683,478,983	0.0961	0.0961	1,617,823	
Osage Beach FPD	General Revenue	498,846,000	0.7773	0.7773	3,877,530 ^B	2020
Sunrise Beach FPD	General Revenue	351,081,126	0.5082	0.5082	1,784,194	
	Debt Service	351,081,126	0.1479	0.1479	519,249	
Mid-County FPD Camden County	General Revenue	316,693,682	0.6032	0.6032	1,910,296 ^B	2020
Northwest FPD Camden County	General Revenue	66,917,647	0.2615	0.2615	174,990	
Southwest Camden County FPD	General Revenue	26,915,474	0.2988	0.2988	80,423	
Tri-County FPD	General Revenue	20,801,741	0.2980	0.2980	61,989	2020
Camelot Sewer District	Debt Service	21,495,281	0.1004	0.1004	21,581	
Stoutland R-II School District	Operating Funds-Schools	26,984,289	3.4523	3.4523	931,579 ^E	
Camdenton R-III School District	Operating Funds-Schools	1,178,048,552	2.6600	2.6600	31,336,091 ^E	2020
	Debt Service	1,178,048,552	0.3770	0.3100	3,651,951	
Climax Springs R-IV School District	Operating Funds-Schools	94,900,685	2.7500	2.7500	2,609,769	

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<u>Camden</u>						
Macks Creek R-V School District	Operating Funds-Schools	33,579,700	3.3648	3.3648	1,129,890	E
	Debt Service	33,579,700	4.6614	0.4752	159,571	
Camden County	General Revenue	1,683,478,983	0.2114	0.1100	1,851,827	
	Road & Bridge	1,683,478,983	0.1443	0.1100	1,851,827	
	Developmental Dis. Board	1,683,478,983	0.0575	0.0575	968,000	
	Senior Services	1,683,478,983	0.0459	0.0459	772,717	
<u>Cape Girardeau</u>						
Cape Girardeau SRD	Road & Bridge	805,569,920	0.0000	0.0000	0	
City of Cape Girardeau	General Revenue	653,047,458	0.3037	0.3037	1,983,305	
	Health	653,047,458	0.0569	0.0569	371,584	
City of Delta	General Revenue	3,136,560	0.7225	0.7225	22,662	
Village of Gordonville	General Revenue	8,453,884	0.4330	0.4330	36,605	
City of Jackson	General Revenue	234,467,626	0.5854	0.5854	1,372,573	
	Parks & Recreation	234,467,626	0.1228	0.1228	287,926	
	Cemetery	234,467,626	0.0756	0.0756	177,258	
	Band	234,467,626	0.0756	0.0756	177,258	
Village of Oak Ridge	General Revenue	1,591,106	0.3553	0.3528	5,613	
Village of Pochontas	General Revenue	690,718	0.5520	0.5520	3,813	
Village of Whitewater	General Revenue	665,761	0.7828	0.7828	5,212	
Village of Old Appleton	General Revenue	863,135	0.4003	0.4003	3,455	
Town of Allenville	General Revenue	325,170	0.4876	0.4876	1,586	
Cape Girardeau Library District	General Revenue	553,805,361	0.1643	0.1643	909,902	
	General Revenue-Temp	553,805,361	0.1500	0.1500	830,708	2026
Cape Girardeau County PLD	General Revenue	812,933,250	0.0729	0.0729	592,628	
East County Area FPD	General Revenue	99,449,415	0.3000	0.3000	298,348	
Delta FPD	General Revenue	17,978,318	0.2810	0.2810	50,519	
Fruitland Area FPD	General Revenue	112,319,645	0.7706	0.7706	865,535	
North Cape County Rural FPD	General Revenue	31,806,387	0.2561	0.2561	81,456	
Gordonville FPD	General Revenue	96,410,961	0.3000	0.3000	289,233	
Millersville Rural FPD	General Revenue	69,608,434	0.2763	0.2763	192,328	
Whitewater FPD	General Revenue	16,249,869	0.3877	0.3877	63,001	
Cape Girardeau SBD	General Revenue	3,586,360	0.7076	0.7076	25,377	
Cape Girardeau County Public Health	General Revenue	1,366,738,611	0.0960	0.0960	1,312,069	
Jackson R-II School District	Operating Funds-Schools	533,134,737	3.4275	3.4275	18,273,193	E
	Debt Service	533,134,737	0.7638	0.3725	1,985,927	
Delta R-V School District	Operating Funds-Schools	23,449,662	3.5000	3.5000	820,738	E
	Debt Service	23,449,662	1.1724	0.9500	222,772	
Oak Ridge R-VI School District	Operating Funds-Schools	29,462,318	3.2473	2.9166	859,298	E
	Debt Service	29,462,318	1.1081	0.7652	225,446	
Cape Girardeau 63 School District	Operating Funds-Schools	671,692,720	3.4920	3.4920	23,455,510	E
	Debt Service	671,692,720	0.8670	0.6647	4,464,742	
Nell Holcomb R-IV School District	Operating Funds-Schools	55,174,149	3.5936	3.5936	1,982,738	E
Cape Girardeau County	General Revenue	1,366,738,611	0.3358	0.0587	802,276	
	Road & Bridge	561,168,691	0.0000	0.0000	0	
	Developmental Dis. Board	1,366,738,611	0.0553	0.0553	755,806	
	Mental Health	1,366,738,611	0.0772	0.0772	1,055,122	
	Senior Services	1,366,738,611	0.0478	0.0478	653,301	

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<u>Carroll</u>						
Carroll County Ambulance District	General Revenue	232,351,818	0.2725	0.2725	633,159	
Big Creek Watershed Subdistrict	General Revenue	18,551,140	0.2585	0.2585	47,955	
City of Bogard	General Revenue	1,085,021	1.0000	1.0000	10,850	
City of Bosworth	General Revenue	1,754,856	0.9471	0.9471	16,620	
Town of Carrollton	General Revenue	34,223,003	0.8688	0.8688	297,329	
	Parks & Recreation	34,223,003	0.3000	0.3000	102,669	
	Library	34,223,003	0.3423	0.3423	117,145	
City of De Witt	General Revenue	613,301	0.9868	0.9868	6,052	
City of Hale	General Revenue	2,850,217	0.3807	0.3807	10,851	
	Lights	2,850,217	0.2998	0.2998	8,545	
	Streets	2,850,217	0.1730	0.1730	4,931	
City of Norborne	General Revenue	6,805,263	0.7695	0.7695	52,366	
	Parks & Recreation	6,805,263	0.1869	0.1869	12,719	
	Library	6,805,263	0.1428	0.1428	9,718	
	General Revenue-Temp	6,805,263	0.3000	0.3000	20,416 ^A	2020
Village of Tina	General Revenue	1,113,599	1.0000	1.0000	11,136	
Carrollton Township Carroll County	General Revenue	54,145,287	0.1000	0.1000	54,145	
	Road & Bridge	54,145,287	0.4291	0.4291	232,337	
De Witt Township Carroll County	General Revenue	11,624,009	0.0825	0.0825	9,590	
	Road & Bridge	11,624,009	0.3750	0.3750	43,590	
	Special Road and Bridge	11,624,009	0.3451	0.3451	40,114	2020
Egypt Township Carroll County	General Revenue	16,253,025	0.0950	0.0950	15,440	
	Road & Bridge	16,253,025	0.3482	0.3482	56,593	
	Special Road and Bridge	16,253,025	0.3500	0.3500	56,886	2020
Eugene Township Carroll County	General Revenue	9,724,896	0.0961	0.0961	9,346	
	Road & Bridge	9,724,896	0.4800	0.4800	46,680	
	Special Road and Bridge	9,724,896	0.3485	0.3485	33,891	2020
Fairfield Township Carroll County	General Revenue	3,612,213	0.0815	0.0815	2,944	
	Road & Bridge	3,612,213	0.3973	0.3973	14,351	
	Special Road and Bridge	3,612,213	0.3600	0.3600	13,004	2020
Hill Township Carroll County	General Revenue	11,740,875	0.0628	0.0628	7,373	
	Road & Bridge	11,740,875	0.3141	0.3141	36,878	
	Special Road and Bridge	11,740,875	0.3496	0.3496	41,046	2020
Hurricane Township Carroll County	General Revenue	10,555,186	0.0907	0.0907	9,574	
	Road & Bridge	10,555,186	0.4034	0.4034	42,580	
	Special Road and Bridge	10,555,186	0.3608	0.3608	38,083	2020
Leslie Township Carroll County	General Revenue	9,798,380	0.0693	0.0693	6,790	
	Road & Bridge	9,798,380	0.3317	0.3317	32,501	
	Special Road and Bridge	9,798,380	0.3452	0.3452	33,824	2020
Moss Creek Township Carroll County	General Revenue	9,887,068	0.0857	0.0857	8,473	
	Road & Bridge	9,887,068	0.4284	0.4284	42,356	
	Special Road and Bridge	9,887,068	0.3483	0.3483	34,437	2020
Prairie Township Carroll County	General Revenue	6,037,094	0.0745	0.0745	4,498	
	Road & Bridge	6,037,094	0.3542	0.3542	21,383	
	Special Road and Bridge	6,037,094	0.3544	0.3544	21,395	2020
Ridge Township Carroll County	General Revenue	14,996,397	0.0703	0.0703	10,542	
	Road & Bridge	14,996,397	0.3346	0.3346	50,178	
	Special Road and Bridge	14,996,397	0.3590	0.3590	53,837	2020

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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Carroll</u>						
Rockford Township Carroll County	General Revenue	10,866,056	0.0653	0.0653	7,096	
	Road & Bridge	10,866,056	0.2756	0.2756	29,947	
	Special Road and Bridge	10,866,056	0.3498	0.3498	38,009	2020
Stokes Mound Township Carroll Co	General Revenue	6,931,136	0.0969	0.0969	6,716	
	Road & Bridge	6,931,136	0.4841	0.4841	33,554	
	Special Road and Bridge	6,931,136	0.3527	0.3527	24,446	2020
Sugartree Township Carroll County	General Revenue	2,176,743	0.0868	0.0868	1,889	
	Road & Bridge	2,176,743	0.4336	0.4336	9,438	
	Special Road and Bridge	2,176,743	0.3536	0.3536	7,697	2020
Trotter Township Carroll County	General Revenue	5,609,627	0.0910	0.0910	5,105	
	Road & Bridge	5,609,627	0.4557	0.4557	25,563	
	Special Road and Bridge	5,609,627	0.3503	0.3503	19,651	2020
Van Horn Township Carroll County	General Revenue	17,871,601	0.0961	0.0961	17,175	
	Road & Bridge	17,871,601	0.4667	0.4667	83,407	
	Special Road and Bridge	17,871,601	0.3549	0.1000	17,872	2020
Wakenda Township Carroll County	General Revenue	9,626,371	0.0997	0.0997	9,597	
	Road & Bridge	9,626,371	0.4985	0.4985	47,987	
	Special Road and Bridge	9,626,371	0.3820	0.3820	36,773	2020
Washington Township Carroll County	General Revenue	10,391,388	0.0549	0.0549	5,705	
	Road & Bridge	10,391,388	0.2568	0.2568	26,685	
	Special Road and Bridge	10,391,388	0.3649	0.3649	37,918	2020
Combs Township Carroll County	General Revenue	10,504,467	0.0669	0.0669	7,027	
	Road & Bridge	10,504,467	0.3345	0.3345	35,137	
	Special Road and Bridge	10,504,467	0.3437	0.3437	36,104	2020
North Central Carroll FPD	General Revenue	40,523,134	0.2297	0.2297	93,082	
Carroll County FPD	General Revenue	88,291,095	0.2489	0.2489	219,757	
Norborne FPD	General Revenue	23,296,276	0.2903	0.2903	67,629	
Hale FPD	General Revenue	19,501,914	0.2905	0.2905	56,653	
Carroll County Health Department	General Revenue	232,351,818	0.0954	0.0954	221,664	
Hale R-I School District	Operating Funds-Schools	9,386,907	3.5440	3.5440	332,672	E
Tina-Avalon R-II School District	Operating Funds-Schools	11,769,616	3.6290	3.6290	427,119	E
Bosworth R-V School District	Operating Funds-Schools	13,138,673	4.0522	4.0522	532,405	E
Carrollton R-VII School District	Operating Funds-Schools	67,828,688	3.5742	3.5742	2,424,333	E
	Operating Funds-Temp	67,828,688	1.3407	1.3407	909,379	2026
Norborne R-VIII School District	Operating Funds-Schools	17,769,232	4.1402	4.1402	735,682	E
	Debt Service	17,769,232	0.8800	0.5300	94,177	
Carroll County	General Revenue	232,351,818	0.3499	0.2588	601,327	
	Johnson Grass	232,351,818	0.0099	0.0099	23,003	
	Developmental Dis. Board	232,351,818	0.0954	0.0954	221,664	
<u>Carter</u>						
East Carter Ambulance District	General Revenue	30,777,533	0.3684	0.3684	113,384	
West Carter Ambulance District	General Revenue	37,676,114	0.4407	0.4407	166,039	
City of Grandin	General Revenue	1,525,629	0.8902	0.8902	13,581	
Carter County Library District	General Revenue	68,453,647	0.1840	0.1840	125,955	
Ellsinore Rural FPD	General Revenue	17,281,164	0.1387	0.1387	23,969	
Eastwood FPD	General Revenue	2,642,967	0.2413	0.2413	6,377	
Fremont FPD	General Revenue	2,935,534	0.3402	0.3402	9,987	
Carter County Health Center	General Revenue	68,453,647	0.2301	0.2301	157,512	

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<u>Carter</u>						
East Carter County R-II SD	Operating Funds-Schools	39,171,017	2.7500	2.7500	1,077,203	E
Van Buren R-I School District	Operating Funds-Schools	39,415,345	3.1931	3.1931	1,258,571	E
Carter County	General Revenue	68,453,647	0.3042	0.1288	88,168	
	Road & Bridge	68,453,647	0.2211	0.2211	151,351	
	Developmental Dis. Board	68,453,647	0.0785	0.0785	53,736	
	Senior Services	68,453,647	0.0275	0.0275	18,825	
<u>Cass</u>						
Cass Medical Center	General Revenue	1,638,589,481	0.1318	0.1318	2,159,661	
Mt. Pleasant SRD Cass County	Road & Bridge	298,510,356	0.1960	0.1960	585,080	
City of Archie	General Revenue	11,841,104	0.7412	0.7412	87,766	
City of Belton	General Revenue	267,783,196	0.5261	0.5261	1,408,807	
	Parks & Recreation	267,783,196	0.2341	0.2341	626,880	
	Debt Service	267,783,196	1.1305	1.1305	3,027,289	
City of Cleveland	General Revenue	10,111,449	0.4856	0.4856	49,101	
City of Creighton	General Revenue	2,045,258	0.9805	0.9805	20,054	
City of Drexel	General Revenue	10,065,595	0.6780	0.6780	68,245	
City of East Lynne	General Revenue	2,442,503	0.9673	0.9673	23,626	
	Debt Service	2,442,503	1.1674	1.1674	28,514	
City of Freeman	General Revenue	4,807,176	0.5702	0.5702	27,411	
City of Garden City	General Revenue	14,687,710	0.4187	0.4187	61,497	
City of Harrisonville	General Revenue	135,221,334	0.5430	0.5430	734,252	
	Parks & Recreation	135,221,334	0.1228	0.1228	166,052	
	Debt Service	40,299,638	0.8939	0.8939	360,238	
City of Lake Winnebago	General Revenue	40,299,638	0.7943	0.7943	320,100	
	Debt Service	67,347,087	0.4368	0.4368	294,172	
City of Peculiar	General Revenue	67,347,087	1.0126	1.0126	681,957	
	Debt Service	114,867,357	0.3586	0.3586	411,914	
City of Pleasant Hill	General Revenue	114,867,357	0.0717	0.0717	82,360	
	Parks & Recreation	114,867,357	0.1344	0.1344	154,382	
	Streets	114,867,357	0.0717	0.0717	82,360	
	Health	114,867,357	1.2870	0.3434	394,455	
City of Raymore	General Revenue	334,754,591	0.4480	0.4480	1,499,701	
	Parks & Recreation	334,754,591	0.1206	0.1206	403,714	
	Debt Service	334,754,591	0.9100	0.7170	2,400,190	
City of Strasburg	General Revenue	1,031,928	0.9956	0.9956	10,274	
Village of West Line	General Revenue	1,548,640	0.5073	0.5073	7,856	
Village of Baldwin Park	General Revenue	448,519	0.4999	0.4999	2,242	
City of Lake Annette	General Revenue	583,230	0.1991	0.1991	1,161	
Village of Riverview Estates	General Revenue	1,131,687	0.4978	0.4977	5,632	
Cass County Public Library District	General Revenue	1,638,589,481	0.1454	0.1454	2,382,509	
Central Cass County FPD	General Revenue	130,157,644	0.5638	0.5638	733,829	B
	Ambulance	130,157,644	0.2436	0.2436	317,064	
	Debt Service	130,157,644	0.1624	0.1500	195,236	
Garden City FPD	General Revenue	47,050,430	0.2200	0.2200	103,511	
	Ambulance	47,050,430	0.3000	0.3000	141,151	
	Debt Service	47,050,430	0.4801	0.3000	141,151	
South Metropolitan FPD	General Revenue	434,200,832	0.5470	0.4587	1,991,679	
	Ambulance	434,200,832	0.4285	0.3593	1,560,084	

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<u>Cass</u>						
South Metropolitan FPD	Dispatch	434,200,832	0.0455	0.0381	165,431	
	Debt Service	434,200,832	0.2623	0.2456	1,066,397	
West Peculiar FPD	General Revenue	123,793,666	0.7246	0.7246	897,009	
	Ambulance	123,793,666	0.2905	0.2905	359,621	
	Dispatch	123,793,666	0.0484	0.0484	59,916	
	Ambulance/EMS	123,793,666	0.2905	0.2905	359,621	
	Debt Service	123,793,666	0.1371	0.1371	169,721	
Creighton FPD	General Revenue	10,835,194	0.2575	0.2575	27,901	
	Ambulance	10,835,194	0.2993	0.2993	32,430	
Western Cass FPD	General Revenue	45,239,661	0.3902	0.3902	176,525	
	Dispatch	45,239,661	0.0460	0.0460	20,810	
	Debt Service	45,239,661	0.3362	0.3000	135,719	
Dolan & West Dolan FPD	General Revenue	36,607,922	0.5096	0.5096	186,554	
	Debt Service	36,607,922	0.8357	0.5000	183,040	
East Lynne-Gunn City FPD	General Revenue	21,896,758	0.3000	0.3000	65,690	
Mount Pleasant FPD	General Revenue	99,201,575	0.2848	0.2848	282,526	
Pleasant Hill FPD	General Revenue	197,166,113	0.4394	0.3917	772,300	
	Ambulance	197,166,113	0.2929	0.2452	483,451	
Dikeland Sewer District	General Revenue	1,032,459	0.0000	0.0000	0	
Hubach Hill Rd/North Cass Pkwy CID	General Revenue	9,680	0.5785	0.5785	56	2040
Y Belton CID	General Revenue	580	1.3793	1.3793	8	2043
Y Belton Two CID	General Revenue	270	1.5000	1.5000	4 ^A	2047
Cass County R-V School District	Operating Funds-Schools	36,367,847	3.8930	3.8930	1,415,800 ^E	
	Debt Service	36,367,847	1.4522	0.7200	261,848	
Strasburg C-3 School District	Operating Funds-Schools	14,836,274	4.1236	4.1236	611,789 ^E	
	Debt Service	14,836,274	1.3816	1.3464	199,756	
Raymore-Peculiar R-II SD	Operating Funds-Schools	570,922,412	4.4265	4.4265	25,271,881 ^{BE}	
	Debt Service	570,922,412	0.9653	0.9357	5,342,121	
Sherwood Cass R-VIII SD	Operating Funds-Schools	58,239,638	3.3548	3.3548	1,953,823 ^E	
	Debt Service	58,239,638	1.3871	0.8700	506,685	
East Lynne 40 School District	Operating Funds-Schools	15,932,549	4.8000	4.8288	769,351 ^{EC}	
Pleasant Hill R-III School District	Operating Funds-Schools	165,877,429	3.7274	3.7274	6,182,915 ^E	
	Debt Service	165,877,429	1.0072	1.0071	1,670,552	
Harrisonville R-IX School District	Operating Funds-Schools	211,279,597	4.0435	4.0435	8,543,091 ^E	
	Debt Service	211,279,597	1.0468	1.0337	2,183,997	
Drexel R-IV School District	Operating Funds-Schools	20,531,005	4.3129	4.3129	885,482 ^E	
	Debt Service	20,531,005	1.3926	0.9672	198,576	
Midway R-I School District	Operating Funds-Schools	45,144,693	5.2517	5.2517	2,370,864 ^E	
	Debt Service	45,144,693	1.0276	0.8200	370,186	
Belton 124 School District	Operating Funds-Schools	355,951,628	3.9131	3.9131	13,928,743 ^E	
	Debt Service	355,951,628	1.5721	1.5189	5,406,549	
Cass County	Road & Bridge	1,340,079,125	0.2220	0.2220	2,974,976	
	Developmental Dis. Board	1,638,589,481	0.0484	0.0484	793,077	
<u>Cedar</u>						
Cedar County Memorial Hospital	General Revenue	177,902,070	0.1528	0.1528	271,834	
Bear Creek SRD Cedar County	Special Road and Bridge	6,252,676	0.3572	0.3572	22,335 ^A	2021
Bethel SRD Cedar County	Special Road and Bridge	1,074,365	0.3657	0.3657	3,929 ^A	2021
Caplinger Mills SRD Cedar County	Special Road and Bridge	3,438,967	0.3680	0.3680	12,655 ^A	2021

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<u>Cedar</u>						
Cedar Hall SRD Cedar County	Special Road and Bridge	1,425,824	0.3500	0.3500	4,990 ^A	2021
Eldorado Springs SRD Cedar County	Special Road and Bridge	52,196,780	0.3607	0.3607	188,274 ^A	2021
Independence SRD Cedar County	Special Road and Bridge	1,216,486	0.3564	0.3564	4,336 ^A	2021
Jerico Springs SRD Cedar County	Special Road and Bridge	895,626	0.3582	0.3582	3,208 ^A	2021
Koncord SRD Cedar County	Special Road and Bridge	4,516,822	0.3617	0.3617	16,337 ^A	2021
Madison SRD Cedar County	Special Road and Bridge	1,970,973	0.3656	0.3656	7,206 ^A	2021
Masters SRD Cedar County	Special Road and Bridge	2,330,078	0.3607	0.3607	8,405 ^A	2021
Omer SRD Cedar County	Special Road and Bridge	1,146,641	0.3650	0.3650	4,185	2020
Rowland SRD Cedar County	Special Road and Bridge	6,588,342	0.3568	0.3568	23,507 ^A	2021
Dogwood SRD Cedar County	Special Road and Bridge	887,468	0.3590	0.3590	3,186	2018
City of El Dorado Springs	General Revenue	34,808,791	0.5848	0.5848	203,562	
	Band	34,808,791	0.1407	0.1407	48,976	
	Parks	34,808,791	0.2164	0.2164	75,326	
	Recreation	34,808,791	0.1000	0.1000	34,809	
Village of Jerico Springs	General Revenue	814,600	0.5000	0.5000	4,073	
City of Stockton	General Revenue	25,251,321	0.4427	0.4427	111,788	
Village of Umber View Heights	General Revenue	792,480	0.2520	0.2520	1,997	
Cedar County Library District	General Revenue	177,902,070	0.0815	0.0815	144,990	
Cedar County Chapel Hills FPD	General Revenue	23,591,270	0.2000	0.2000	47,183	
Korth Special Road Subdistrict	Special Road and Bridge	2,882,515	0.3620	0.3620	10,435 ^A	2021
Stockton R-I School District	Operating Funds-Schools	95,374,649	2.8883	2.8883	2,754,706 ^E	
	Debt Service	95,374,649	0.6142	0.6142	585,791	
El Dorado Springs R-II SD	Operating Funds-Schools	94,689,186	3.2207	3.2207	3,049,655 ^E	
	Debt Service	94,689,186	0.6576	0.5400	511,322	
Cedar County	General Revenue	177,902,070	0.3258	0.2070	368,257	
	Road & Bridge	177,902,070	0.2443	0.2394	425,898	
	Senior Services	177,902,070	0.0500	0.0496	88,239	
<u>Chariton</u>						
Chariton County Ambulance District	General Revenue	245,675,177	0.2600	0.2600	638,755	
City of Brunswick	General Revenue	7,548,737	0.9097	0.9097	68,671	
Village of Dalton	General Revenue	570,411	0.4648	0.4648	2,651	
City of Keytesville	General Revenue	2,982,817	0.9089	0.9089	27,111	
	Parks & Recreation	2,982,817	0.1999	0.1999	5,963	
City of Mendon	General Revenue	1,540,282	1.0000	1.0000	15,403	
Village of Rothville	General Revenue	293,882	1.0000	1.0000	2,939	
City of Salisbury	General Revenue	16,193,075	0.7520	0.7520	121,772	
	Parks & Recreation	16,193,075	0.1802	0.1802	29,180	
	Library	16,193,075	0.1000	0.1000	16,193	
	Museum	16,193,075	0.1378	0.1378	22,314	
City of Sumner	General Revenue	1,017,876	0.9998	0.9998	10,177	
	Streets	1,017,876	0.2546	0.2546	2,592	2018
City of Triplett	General Revenue	342,008	0.9982	0.9982	3,414	
Bee Branch Township Chariton County	Road & Bridge	5,710,660	0.4990	0.4990	28,496	
	Special Road and Bridge	5,710,660	0.3500	0.3500	19,987	2018
Bowling Green Township Chariton Co	Road & Bridge	12,221,328	0.2257	0.2257	27,584	
	Special Road and Bridge	12,221,328	0.3163	0.3163	38,656	2018
Brunswick Township Chariton County	Road & Bridge	32,801,787	0.4761	0.4761	156,169	
	Special Road and Bridge	32,801,787	0.2419	0.2419	79,348	2020

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<u>Chariton</u>						
Chariton Township Chariton County	Road & Bridge	10,032,119	0.2634	0.2634	26,425	2020
	Special Road and Bridge	10,032,119	0.1640	0.1640	16,453	
Clark Township Chariton County	Road & Bridge	7,190,558	0.4978	0.4978	35,795	2020
	Special Road and Bridge	7,190,558	0.3563	0.3563	25,620	
Cockrell Township Chariton County	Road & Bridge	4,025,157	0.4672	0.4672	18,806	2018
	Special Road and Bridge	4,025,157	0.3457	0.3457	13,915	
Cunningham Township Chariton County	Parks & Recreation	9,372,824	0.0497	0.0497	4,658	2020
	Road & Bridge	9,372,824	0.4273	0.4273	40,050	
	Special Road and Bridge	9,372,824	0.2589	0.2589	24,266	
Keytesville Township Chariton Co	Road & Bridge	29,807,198	0.3572	0.3572	106,471	2018
	Special Road and Bridge	29,807,198	0.3356	0.3356	100,033	
Mendon Township Chariton County	Road & Bridge	9,892,616	0.4989	0.4989	49,354	2020
	Special Road and Bridge	9,892,616	0.3492	0.3492	34,545	
Musselfork Township Chariton County	Road & Bridge	7,804,382	0.3396	0.3396	26,504	2020
	Special Road and Bridge	7,804,382	0.2276	0.2276	17,763	
Salisbury Township Chariton County	Road & Bridge	75,542,644	0.5000	0.5000	377,713	2018
	Special Road and Bridge	75,542,644	0.1041	0.1041	78,640	
Salt Creek Township Chariton County	Road & Bridge	6,293,043	0.4904	0.4904	30,861	2020
	Special Road and Bridge	6,293,043	0.3433	0.3433	21,604	
Triplett Township Chariton County	Road & Bridge	21,394,890	0.4488	0.4488	96,020	2020
	Special Road and Bridge	21,394,890	0.3074	0.3074	65,768	
Wayland Township Chariton County	Road & Bridge	4,521,884	0.4890	0.4890	22,112	2020
	Special Road and Bridge	4,521,884	0.2245	0.2245	10,152	
Yellow Creek Township Chariton Co	Road & Bridge	9,064,087	0.4473	0.4473	40,544	2018
	Special Road and Bridge	9,064,087	0.3470	0.3470	31,452	
Keytesville FPD	General Revenue	42,045,880	0.1590	0.1590	66,853	
Mendon Public FPD	General Revenue	19,710,700	0.2330	0.2330	45,926	
Sumner Community FPD	General Revenue	8,253,210	0.2555	0.2555	21,087	
Yellow Creek FPD	General Revenue	7,221,181	0.2726	0.2726	19,685	
Chariton County Health Center	General Revenue	245,675,177	0.1000	0.1000	245,675	
Northwestern R-I School District	Operating Funds-Schools	22,211,700	3.6403	3.5225	782,407 ^E	
Brunswick R-II School District	Operating Funds-Schools	21,950,562	2.9775	2.9775	653,578 ^E	
	Debt Service	21,950,562	0.9546	0.8056	176,834	
Keytesville R-III School District	Operating Funds-Schools	16,990,900	4.2455	4.2455	721,349 ^E	
Salisbury R-IV School District	Operating Funds-Schools	64,749,875	4.5331	4.4697	2,894,125 ^E	
Chariton County	General Revenue	245,675,177	0.3900	0.2750	675,607	
	Developmental Dis. Board	245,675,177	0.0900	0.0800	196,540	
	Senior Services	245,675,177	0.0500	0.0500	122,838	
	Township	245,675,177	0.1000	0.1000	245,675	
<u>Christian</u>						
Christian County Ambulance District	General Revenue	1,124,617,595	0.1324	0.1324	1,488,994	
Billings SRD Christian County	Road & Bridge	55,889,155	0.2277	0.2277	127,260	2021
	Special Road and Bridge	55,889,155	0.3592	0.3592	200,754 ^A	
Garrison SRD Christian County	Road & Bridge	1,882,922	0.2425	0.2425	4,566	
Ozark SRD Christian County	Road & Bridge	418,404,308	0.1482	0.1482	620,075	
Selmore SRD Christian County	Road & Bridge	19,357,081	0.1816	0.1816	35,152	
South Sparta SRD Christian County	Road & Bridge	10,681,072	0.1719	0.1719	18,361	
Stoneshire SRD Christian County	Road & Bridge	3,684,558	0.1379	0.1379	5,081	

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<u>Christian</u>						
City of Billings	General Revenue	10,518,109	0.5962	0.5962	62,709	
	Parks & Recreation	10,518,109	0.1733	0.1733	18,228	
City of Clever	General Revenue	24,968,021	0.6274	0.6274	156,649	
City of Nixa	General Revenue	251,184,737	0.3286	0.3286	825,393	
City of Ozark	General Revenue	238,081,012	0.2337	0.2337	556,395	
	Parks & Recreation	238,081,012	0.0585	0.0585	139,277	
City of Sparta	General Revenue	15,595,027	0.3761	0.3748	58,450	
City of Fremont Hills	General Revenue	26,232,156	0.6318	0.6318	165,735	
Village of Saddlebrooke	General Revenue	11,352,270	0.7429	0.7429	84,336	
Christian County Library District	General Revenue	1,232,865,577	0.2037	0.2009	2,476,827	^B
Ozark FPD	General Revenue	503,520,360	0.3877	0.3877	1,952,148	
	Fire	503,520,360	0.2489	0.2489	1,253,262	
Nixa FPD	General Revenue	469,511,558	0.6548	0.6548	3,074,362	
	Debt Service	469,511,558	0.1134	0.0790	370,914	
Billings FPD	General Revenue	61,313,406	0.3998	0.3998	245,131	
Clever FPD	General Revenue	73,434,323	0.3921	0.3921	287,936	
Highlandville Rural FPD	General Revenue	83,015,243	0.3953	0.3953	328,159	
Sparta FPD	General Revenue	42,804,590	0.5878	0.5878	251,605	
Chadwick Rural FPD	General Revenue	11,028,114	0.5466	0.5466	60,280	
Christian County Health Department	General Revenue	1,232,865,577	0.0444	0.0444	547,392	
Chadwick R-I School District	Operating Funds-Schools	13,753,412	3.5971	3.5971	494,724	^E
	Debt Service	13,753,412	1.5575	1.0050	138,222	
Nixa Public School District	Operating Funds-Schools	479,046,178	3.2230	3.2230	15,439,658	^E
	Debt Service	479,046,178	1.4920	1.0666	5,109,507	
Sparta R-III School District	Operating Funds-Schools	41,806,001	3.4149	3.4149	1,427,633	^E
	Debt Service	41,806,001	0.8987	0.6851	286,413	
Billings R-IV School District	Operating Funds-Schools	36,162,780	3.2456	3.2456	1,173,699	^E
	Debt Service	36,162,780	1.7090	0.9500	343,546	
Clever R-V School District	Operating Funds-Schools	72,879,162	3.6094	3.6094	2,630,500	^E
	Debt Service	72,879,162	1.1379	1.0300	750,655	
Ozark R-VI School District	Operating Funds-Schools	471,949,368	3.2624	3.2624	15,396,876	^E
	Debt Service	471,949,368	1.7251	0.8776	4,141,828	
Spokane R-VII School District	Operating Funds-Schools	66,395,127	3.4914	3.4914	2,318,119	^E
	Debt Service	66,395,127	1.0621	0.7445	494,312	
Christian County	General Revenue	1,232,865,577	0.2266	0.0620	764,377	
	Developmental Dis. Board	1,232,865,577	0.0799	0.0799	985,060	
	Senior Services	1,232,865,577	0.0500	0.0500	616,433	
	Common Road District 1	122,454,977	0.1049	0.1049	128,455	
	Common Road District 2	248,870,137	0.0000	0.0000	0	
<u>Clark</u>						
Clark County Ambulance District	General Revenue	117,239,279	0.3000	0.1504	176,328	
Clark County NHD	General Revenue	117,239,279	0.3577	0.3500	410,337	^B
Wayland SRD Clark County	Road & Bridge	14,976,830	0.3500	0.3500	52,419	
City of Alexandria	General Revenue	1,501,654	0.9099	0.9099	13,664	
City of Kahoka	General Revenue	18,544,714	0.7851	0.7851	145,595	
	Parks & Recreation	18,544,714	0.1500	0.1500	27,817	
	Library	18,544,714	0.2400	0.2400	44,507	
Village of Luray	General Revenue	360,161	0.6000	0.6000	2,161	

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<u>Clark</u>						
City of Wayland	General Revenue	4,625,023	0.7010	0.7010	32,421	
	Streets	4,625,023	0.2337	0.2337	10,809	
City of Wyaconda	General Revenue	1,969,839	1.0000	1.0000	19,698	
City of Revere	General Revenue	730,020	1.0000	1.0000	7,300	
Clark County Library District	General Revenue	98,155,906	0.1000	0.1000	98,156	
Alexandria FPD	General Revenue	11,056,017	0.2312	0.2312	25,562	
Clark County Health Department	General Revenue	117,239,279	0.1000	0.1000	117,239	
Clark County R-I School District	Operating Funds-Schools	97,582,884	2.7635	2.7500	2,683,529 ^F	
	Debt Service	97,582,884	0.8743	0.7500	731,872	
Clark County	General Revenue	117,239,279	0.4964	0.3386	396,972	
	Road & Bridge	117,239,279	0.3500	0.3500	410,337	
	Special Road and Bridge	117,239,279	0.3537	0.3537	414,675	2020
	Senior Services	117,239,279	0.0504	0.0504	59,089	
<u>Clay</u>						
Eastern Clay Ambulance District	General Revenue	33,204,351	0.3000	0.3000	99,613	
New Liberty Hospital District	General Revenue	1,209,031,656	0.1480	0.1480	1,789,367	
City of Avondale	General Revenue	4,243,300	0.4616	0.4616	19,587	
	Debt Service	4,243,300	0.7718	0.7718	32,750	
Village of Birmingham	General Revenue	3,244,102	0.3101	0.3101	10,060	
Village of Claycomo	General Revenue	178,935,039	0.3300	0.3300	590,486	
City of Excelsior Springs	General Revenue	153,994,438	0.6411	0.6411	987,258	
	Hospital	153,994,438	0.1805	0.1805	277,960	
	Parks	153,994,438	0.1805	0.1805	277,960	
	Recreation	153,994,438	0.1805	0.1805	277,960	
City of Glenaire	General Revenue	6,362,962	0.6572	0.6572	41,817	
City of Holt	General Revenue	5,244,038	0.4857	0.4857	25,470	
City of Kearney	General Revenue	169,319,671	0.5762	0.5762	975,620	
	Debt Service	169,319,671	0.0504	0.0500	84,660	
City of Liberty	General Revenue	490,974,602	0.8372	0.8203	4,027,465	
	Parks & Recreation	490,974,602	0.1475	0.1445	709,458	
City of Missouri City	General Revenue	1,780,577	0.8761	0.8761	15,600	
City of Mosby	General Revenue	2,713,058	1.0000	1.0000	27,131	
City of North Kansas City	General Revenue	264,461,921	0.4518	0.4518	1,194,839	
	Parks & Recreation	264,461,921	0.2027	0.2027	536,064	
	Library	264,461,921	0.3040	0.3040	803,964	
	Pension	264,461,921	0.2200	0.2200	581,816	
Village of Oaks	General Revenue	2,625,388	0.4911	0.4911	12,893	
	Fire	2,625,388	0.3159	0.3159	8,294 ^A	2019
Village of Oakview	General Revenue	5,903,347	0.4267	0.4267	25,190	
	Fire	5,903,347	0.1300	0.1300	7,674	
	Fire & Ambulance	5,903,347	0.3000	0.3000	17,710	2019
Village of Oakwood	General Revenue	4,682,456	0.2549	0.2549	11,936	
	Fire	4,682,456	0.3053	0.3053	14,296 ^A	2019
Village of Oakwood Park	General Revenue	2,581,457	0.4447	0.4447	11,480	
City of Pleasant Valley	General Revenue	43,766,731	0.7160	0.7160	313,370	
Village of Prathersville	General Revenue	2,972,033	0.2798	0.2798	8,316	
City of Randolph	General Revenue	6,497,378	0.5000	0.5000	32,487	
City of Smithville	General Revenue	163,540,389	0.4773	0.4773	780,578	

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<u>Clay</u>						
Kearney Fire & Rescue Protection	General Revenue	328,866,021	0.5126	0.5126	1,685,767	
	Ambulance	328,866,021	0.2812	0.2812	924,771	
	Dispatch	328,866,021	0.0297	0.0297	97,673	
	Debt Service	328,866,021	0.0887	0.0887	291,704	
Holt Community FPD	General Revenue	75,480,814	0.5689	0.5689	429,410	
	Ambulance	75,480,814	0.2800	0.2800	211,346	
	Debt Service	75,480,814	0.1554	0.1554	117,297	
Fishing River FPD	General Revenue	60,298,860	0.3000	0.3000	180,897	
Historic Downtown Liberty CID	General Revenue	4,021,360	0.5105	0.5000	20,107	^A 2046
Clay County Public Health Center	General Revenue	4,198,115,963	0.0984	0.0984	4,130,946	
210 Highway TDD	General Revenue	44,041,308	0.0689	0.0689	30,344	
Kearney R-I School District	Operating Funds-Schools	365,937,000	4.1553	4.1553	15,205,780	^E
	Debt Service	365,937,000	1.5974	1.1902	4,355,382	
Smithville R-II School District	Operating Funds-Schools	250,067,502	3.3423	3.3423	8,358,006	^E
	Operating Funds-Temp	250,067,502	0.7900	0.7900	1,975,533	2041
	Debt Service	250,067,502	1.2660	1.0467	2,617,457	
Excelsior Springs 40 SD	Operating Funds-Schools	229,080,063	4.1742	4.1742	9,562,260	^E
	Debt Service	229,080,063	1.5833	1.0200	2,336,617	
Liberty 53 School District	Operating Funds-Schools	956,666,688	5.1783	5.1783	49,539,071	^E
	Debt Service	956,666,688	1.8985	1.2767	12,213,764	
Missouri City 56 School District	Operating Funds-Schools	7,904,484	4.2360	4.0352	318,962	
North Kansas City 74 SD	Operating Funds-Schools	2,239,005,680	5.1335	5.1335	114,939,357	^E
	Debt Service	2,239,005,680	1.2900	1.2900	28,883,173	
Clay County	General Revenue	4,198,115,963	0.3088	0.0853	3,580,993	
	Parks & Recreation	4,198,115,963	0.0000	0.0000	0	
	Road & Bridge	4,198,115,963	0.0849	0.0800	3,358,493	
	Developmental Dis. Board	4,198,115,963	0.1180	0.1180	4,953,777	
	Mental Health	4,198,115,963	0.0984	0.0984	4,130,946	
	Senior Services	4,198,115,963	0.0491	0.0491	2,061,275	
<u>Clinton</u>						
Cameron Ambulance District	General Revenue	108,483,211	0.2106	0.0000	0	
Tri-County Ambulance District	General Revenue	230,449,198	0.2678	0.1920	442,462	
Cameron SRD Clinton County	Road & Bridge	65,156,414	0.2585	0.2585	168,429	
	Special Road and Bridge	65,156,414	0.3562	0.3562	232,087	^A 2021
Plattsburg SRD Clinton County	Road & Bridge	38,795,628	0.2768	0.2768	107,386	
	Special Road and Bridge	38,795,628	0.3529	0.3529	136,910	2018
City of Cameron	General Revenue	68,381,346	0.6577	0.6577	449,744	
	Parks & Recreation	68,381,346	0.1615	0.1615	110,436	
	Band	68,381,346	0.0923	0.0923	63,116	
	Library	68,381,346	0.1846	0.1846	126,232	
City of Gower	General Revenue	15,176,163	0.5629	0.5629	85,427	
City of Lathrop	General Revenue	21,348,609	0.5906	0.5906	126,085	
	Parks & Recreation	21,348,609	0.1554	0.1554	33,176	
	Debt Service	21,348,609	0.5057	0.5057	107,960	
City of Plattsburg	General Revenue	26,273,781	0.5930	0.5930	155,804	
	Lights	26,273,781	0.2561	0.1046	27,482	2020
	Cemetery	26,273,781	0.0205	0.0192	5,045	2020
	Police	26,273,781	0.2249	0.2249	59,090	

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<u>Clinton</u>						
City of Plattsburg	Parks	26,273,781	0.1436	0.1436	37,729	
	Recreation	26,273,781	0.0499	0.0499	13,111	
City of Trimble	General Revenue	7,298,996	0.3404	0.3404	24,846	
Village of Turney	General Revenue	1,763,306	0.3382	0.3382	5,964	
Gower FPD	General Revenue	49,909,697	0.2626	0.2626	131,063	
Lathrop Fire & Rescue	General Revenue	66,387,710	0.3495	0.3495	232,025	
Plattsburg FPD	General Revenue	65,258,817	0.4582	0.4500	293,665	
Cameron FPD	General Revenue	50,392,810	0.2844	0.2844	143,317	
Clinton County Health Department	General Revenue	304,005,190	0.0927	0.0927	281,813	
Cameron R-I School District	Operating Funds-Schools	116,697,853	3.3813	3.3813	3,945,905	E
	Debt Service	116,697,853	0.8422	0.8360	975,594	
Lathrop R-II School District	Operating Funds-Schools	65,022,831	4.3275	4.3275	2,813,863	E
	Debt Service	65,022,831	1.0990	0.9725	632,347	
Clinton County R-III SD	Operating Funds-Schools	77,949,633	3.9134	3.9134	3,050,481	E
	Debt Service	77,949,633	1.1480	1.0000	779,496	
Clinton County	General Revenue	304,005,190	0.3603	0.2535	770,653	
	Common Road District	200,053,148	0.2805	0.2805	561,149	
	Special Road and Bridge	200,053,148	0.3522	0.3500	700,186	2022
	Developmental Dis. Board	304,005,190	0.0927	0.0927	281,813	
<u>Cole</u>						
Village of Centertown	General Revenue	4,339,013	0.7500	0.7500	32,543	
City of Jefferson City	General Revenue	894,954,520	0.4619	0.4600	4,116,791	
	Firemen Retirement	894,954,520	0.0965	0.0961	860,051	
City of Lohman	General Revenue	2,087,990	0.3060	0.3060	6,389	
	Debt Service	2,087,990	0.3281	0.3281	6,851	
City of Russellville	General Revenue	7,447,525	0.8028	0.8028	59,789	
City of Taos	General Revenue	16,855,394	0.2790	0.2790	47,027	
Jefferson City-Cole County PLD	General Revenue	1,425,228,723	0.2000	0.2000	2,850,457	
Cole County FPD	General Revenue	193,277,053	0.3000	0.3000	579,831	
Regional West FPD	General Revenue	194,576,542	0.2935	0.2935	571,082	
Osage FPD	General Revenue	133,584,254	0.2996	0.2996	400,218	
Russellville-Lohman FPD	General Revenue	51,411,160	0.3000	0.3000	154,233	
Cole County R-I School District	Operating Funds-Schools	55,944,274	3.8199	3.4600	1,935,672	E
	Debt Service	55,944,274	1.1160	0.9500	531,471	
Cole County R-II School District	Operating Funds-Schools	110,770,477	2.7500	2.7500	3,046,188	E
	Debt Service	110,770,477	1.2536	1.2100	1,340,323	
Cole County R-V School District	Operating Funds-Schools	69,527,653	3.3565	3.0113	2,093,686	F
	Debt Service	69,527,653	0.5987	0.5987	416,262	
Jefferson City School District	Operating Funds-Schools	1,302,021,710	4.2849	3.7900	49,346,623	
	Debt Service	1,302,021,710	1.4763	0.9028	11,754,652	
Cole County	General Revenue	1,425,228,723	0.3389	0.0707	1,007,637	
	Road & Bridge	1,425,228,723	0.2725	0.2725	3,883,748	
	Developmental Dis. Board	1,425,228,723	0.0909	0.0909	1,295,533	
<u>Cooper</u>						
Cooper County NHD	General Revenue	43,758,143	0.1420	0.1420	62,137	
City of Blackwater	General Revenue	1,491,017	0.9627	0.9627	14,354	
City of Boonville	General Revenue	99,275,399	0.7063	0.7063	701,182	
City of Bunceton	General Revenue	2,009,853	1.0000	1.0000	20,099	

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<u>Cooper</u>						
City of Otterville	General Revenue	3,272,542	0.8513	0.8513	27,859	
	Debt Service	3,272,542	4.5399	4.5399	148,570	
City of Pilot Grove	General Revenue	5,306,893	0.7637	0.7637	40,529	
City of Prairie Home	General Revenue	2,359,654	0.9294	0.9294	21,931	
Village of Wooldridge	General Revenue	268,956	0.6916	0.6916	1,860	
Cooper County FPD	General Revenue	77,795,019	0.4800	0.4800	373,416	
	Debt Service	77,795,019	0.3593	0.3593	279,518	
Otterville FPD	General Revenue	14,587,483	0.3000	0.3000	43,762	
Prairie Home Rural FPD	General Revenue	13,214,855	0.2544	0.2544	33,619	
Blackwater Volunteer Rural FPD	General Revenue	19,524,525	0.2500	0.2500	48,811	
Pilot Grove Rural FPD	General Revenue	22,905,815	0.3006	0.3006	68,855	
Cooper County Public Health Center	General Revenue	248,453,646	0.1897	0.1897	471,317	
Blackwater R-II School District	Operating Funds-Schools	9,665,379	3.0785	3.0785	297,549	E
Cooper County R-IV School District	Operating Funds-Schools	9,828,324	4.5587	4.5587	448,044	E
Prairie Home R-V School District	Operating Funds-Schools	14,372,186	4.3700	4.3700	628,065	E
	Debt Service	14,372,186	0.4664	0.4664	67,032	
Otterville R-VI School District	Operating Funds-Schools	15,780,266	3.5260	3.5260	556,412	E
	Debt Service	15,780,266	0.8735	0.6700	105,728	
Pilot Grove C-4 School District	Operating Funds-Schools	20,814,281	3.0773	3.0773	640,518	E
	Operating Funds-Temp	20,814,281	0.6857	0.6857	142,724	2026
	Debt Service	20,814,281	1.0923	1.0700	222,713	
Boonville R-I School District	Operating Funds-Schools	141,631,963	3.3750	3.3750	4,780,079	E
	Debt Service	141,631,963	1.1076	1.0699	1,515,320	
Cooper County	General Revenue	248,453,646	0.4325	0.2338	580,885	
	Road & Bridge	248,453,646	0.3192	0.3192	793,064	
	Developmental Dis. Board	248,453,646	0.1997	0.1997	496,162	
<u>Crawford</u>						
North Crawford Ambulance District	General Revenue	211,179,813	0.2739	0.0918	193,863	
Steelville Ambulance District	General Revenue	76,561,207	0.3238	0.1838	140,719	
City of Bourbon	General Revenue	10,766,219	0.8470	0.8470	91,190	
	Parks & Recreation	10,766,219	0.1000	0.1000	10,766	
	Police	10,766,219	0.4017	0.4017	43,248	
Village of Leasburg	General Revenue	1,918,966	0.4896	0.4896	9,395	
City of Steelville	General Revenue	15,581,739	0.5237	0.5237	81,602	
Crawford County Library District	General Revenue	304,711,498	0.2046	0.2046	623,440	
Bourbon FPD	General Revenue	52,955,403	0.2700	0.1339	70,907	
Steelville FPD	General Revenue	87,639,364	0.1986	0.1986	174,052	
Cuba Community FPD	Fire	119,205,470	0.3063	0.3063	365,126	A
Crawford County R-I SD	Operating Funds-Schools	70,009,616	3.0279	3.0279	2,119,821	E
	Debt Service	70,009,616	1.1757	0.9350	654,590	
Crawford County R-II SD	Operating Funds-Schools	122,432,969	2.9907	2.7500	3,366,907	F
	Debt Service	122,432,969	0.9778	0.5600	685,625	
Steelville R-III School District	Operating Funds-Schools	64,061,228	3.1525	3.1525	2,019,530	E
	Debt Service	64,061,228	0.8277	0.7700	493,271	
Crawford County	General Revenue	308,834,489	0.3032	0.0000	0	
	Road & Bridge	308,834,489	0.2154	0.2154	665,229	
	Developmental Dis. Board	308,834,489	0.0978	0.0978	302,040	
	Senior Services	308,834,489	0.0488	0.0488	150,711	

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<u>Dade</u>						
Dade County NHD	General Revenue	89,288,852	0.2568	0.2568	229,294	
Good Shepherd NHD	General Revenue	31,982,885	0.1548	0.1548	49,510	
	Debt Service	31,982,885	0.4726	0.4300	137,526	
Village of Dadeville	General Revenue	1,579,088	0.4500	0.4500	7,106	
City of Everton	General Revenue	1,769,734	1.0000	1.0000	17,697	
	Parks & Recreation	1,381,220	0.1000	0.1000	1,381	
City of Greenfield	General Revenue	15,006,585	0.4516	0.4516	67,770	
	Parks & Recreation	13,870,739	0.0000	0.0000	0	
	Streets	13,870,739	0.1953	0.1953	27,090	
Village of South Greenfield	General Revenue	924,909	0.4381	0.4381	4,052	
City of Lockwood	General Revenue	7,646,272	0.5975	0.5975	45,686	
	Parks & Recreation	7,297,878	0.1668	0.1668	12,173	
	Library	7,297,878	0.1981	0.1981	14,457	
Dade County Library District	General Revenue	113,781,549	0.0932	0.0932	106,044	
Dadeville Rural FPD	General Revenue	12,469,636	0.1837	0.1837	22,907	
Dade County R-IV Rural FPD	General Revenue	47,471,923	0.1889	0.1889	89,674	
Lockwood FPD	General Revenue	30,056,633	0.3056	0.2000	60,113	
Dade County Health Department	General Revenue	121,346,725	0.0927	0.0927	112,488	
Lockwood R-I School District	Operating Funds-Schools	33,505,969	3.4679	3.4679	1,161,953	E
	Debt Service	33,505,969	0.9958	0.6000	201,036	
Dadeville R-II School District	Operating Funds-Schools	12,071,432	3.8946	3.4300	414,050	E
	Debt Service	12,071,432	1.1090	0.9900	119,507	
Everton R-III School District	Operating Funds-Schools	11,832,310	4.3346	4.3346	512,883	E
	Debt Service	11,832,310	0.9837	0.5500	65,078	
Greenfield R-IV School District	Operating Funds-Schools	41,246,879	2.9649	2.9649	1,222,929	E
	Debt Service	41,246,879	0.5858	0.5858	241,624	
Dade County	General Revenue	121,346,725	0.3437	0.2236	271,331	
	Road & Bridge	101,366,475	0.6135	0.5000	506,832	A
<u>Dallas</u>						
City of Buffalo	General Revenue	32,462,464	0.5801	0.5801	188,315	
City of Urbana	General Revenue	3,223,296	0.7131	0.7131	22,985	
Dallas County Library District	General Revenue	162,231,478	0.1000	0.1000	162,231	
Southern Dallas County FPD	General Revenue	27,931,299	0.2790	0.2790	77,928	
Elkland FPD	General Revenue	16,855,467	0.2815	0.2815	47,448	
Dallas County Health Department	General Revenue	162,231,478	0.1005	0.1005	163,043	
Dallas County R-I School District	Operating Funds-Schools	127,475,651	3.3079	3.3079	4,216,767	E
Dallas County	General Revenue	177,885,564	0.3508	0.1552	276,078	
	Road & Bridge	177,885,564	0.2607	0.2607	463,748	
	Senior Services	177,885,564	0.0500	0.0500	88,943	
<u>Daviess</u>						
Community Ambulance District	General Revenue	120,518,508	0.3477	0.3477	419,043	
West Fork of Big Creek WSD	General Revenue	1,318,798	0.1490	0.1490	1,965	
Jamesport SRD Daviess County	Road & Bridge	13,050,954	0.3852	0.3852	50,272	
	Special Road and Bridge	13,050,954	0.2700	0.2700	35,238	2020
Lock Springs SRD Daviess County	Road & Bridge	4,876,166	0.3129	0.3129	15,258	
	Special Road and Bridge	4,876,166	0.3523	0.3523	17,179	2020
Daviess County SRD 1	Road & Bridge	24,618,330	0.2122	0.2122	52,240	
	Special Road and Bridge	24,618,330	0.3522	0.3522	86,706	2019

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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Daviess						
Village of Altamont	General Revenue	866,296	0.6500	0.6500	5,631	
City of Coffey	General Revenue	526,273	0.9967	0.9967	5,245	
City of Gallatin	General Revenue	13,943,520	0.6322	0.6322	88,151	
	Parks & Recreation	13,943,520	0.2249	0.2249	31,359	
	Band	13,943,520	0.0200	0.0200	2,789	
City of Jamesport	General Revenue	4,012,655	0.7021	0.7021	28,173	
	Parks & Recreation	4,012,655	0.1663	0.1663	6,673	
Village of Jameson	General Revenue	505,552	0.5000	0.5000	2,528	
	General Revenue-Temp	505,552	0.2056	0.2056	1,039 ^A	2021
Village of Lock Springs	General Revenue	374,049	0.4107	0.4107	1,536	
City of Pattonsburg	General Revenue	1,919,636	1.0000	1.0000	19,196	
Village of Winston	General Revenue	1,162,162	0.5000	0.5000	5,811	
	Streets	1,162,162	0.3071	0.3071	3,569	2019
Daviess County Library District	General Revenue	137,886,393	0.1837	0.1837	253,297	
Benton Township Daviess County	General Revenue	6,942,943	0.1000	0.1000	6,943	
	Road & Bridge	6,942,943	0.5000	0.5000	34,715	
Colfax Township Daviess County	General Revenue	7,062,383	0.0987	0.0987	6,971	
	Road & Bridge	7,062,383	0.4938	0.4938	34,874	
	Special Road and Bridge	7,062,383	0.2519	0.2519	17,790	2020
Grand River Township Daviess County	General Revenue	5,561,426	0.1000	0.1000	5,561	
	Road & Bridge	5,561,426	0.5000	0.5000	27,807	
	Special Road and Bridge	5,561,426	0.3571	0.3571	19,860	2020
Harrison Township Daviess County	General Revenue	4,272,765	0.0782	0.0782	3,341	
	Road & Bridge	4,272,765	0.3863	0.3863	16,506	
	Special Road and Bridge	4,272,765	0.3508	0.3508	14,989	2020
Jackson Township Daviess County	General Revenue	13,155,770	0.0898	0.0898	11,814	
	Road & Bridge	8,252,994	0.5000	0.5000	41,265	
	Special Road and Bridge	8,252,994	0.3611	0.3611	29,802	2020
Jamesport Township Daviess County	General Revenue	13,050,954	0.0912	0.0912	11,902	
Jefferson Township Daviess County	General Revenue	5,893,101	0.1000	0.1000	5,893	
	Road & Bridge	5,893,101	0.4757	0.4757	28,033	
	Special Road and Bridge	5,893,101	0.3552	0.3552	20,932	2020
Liberty Township Daviess County	General Revenue	31,406,370	0.0642	0.0642	20,163	
	Road & Bridge	6,788,040	0.5000	0.5000	33,940	
Lincoln Township Daviess County	General Revenue	5,026,221	0.0997	0.0997	5,011	
	Road & Bridge	5,026,221	0.4982	0.4982	25,041	
	Special Road and Bridge	5,026,221	0.3590	0.3500	17,592	2020
Marion Township Daviess County	General Revenue	5,033,557	0.0791	0.0791	3,982	
	Road & Bridge	5,033,557	0.4842	0.4842	24,372	
	Special Road and Bridge	5,033,557	0.3585	0.3585	18,045	2020
Monroe Township Daviess County	General Revenue	3,845,006	0.0999	0.0999	3,841	
	Road & Bridge	3,845,006	0.4957	0.4957	19,060	
	Special Road and Bridge	3,845,006	0.3537	0.3537	13,600	2020
Salem Township Daviess County	General Revenue	6,742,345	0.1000	0.1000	6,742	
	Road & Bridge	6,742,345	0.5000	0.5000	33,712	
	Special Road and Bridge	6,742,345	0.3527	0.3527	23,780	2020
Sheridan Township Daviess County	General Revenue	5,573,592	0.0963	0.0963	5,367	
	Road & Bridge	5,573,592	0.4474	0.4474	24,936	

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<u>Daviess</u>						
Sheridan Township Daviess County	Special Road and Bridge	5,573,592	0.3539	0.3539	19,725	2020
Union Township Daviess County	General Revenue	20,653,499	0.0498	0.0498	10,285	
	Road & Bridge	20,653,499	0.3791	0.3791	78,297	
Washington Township Daviess County	General Revenue	3,661,808	0.1000	0.1000	3,662	
	Road & Bridge	3,661,808	0.5000	0.5000	18,309	
	Special Road and Bridge	3,661,808	0.3570	0.3570	13,073	2020
K.A.W. FPD	General Revenue	30,260,475	0.5047	0.5047	152,725	
Jameson FPD	General Revenue	6,476,483	0.3000	0.3000	19,429	
Coffey FPD	General Revenue	5,361,021	0.2959	0.2959	15,863	
Pattonsburg Rescue & FPD	General Revenue	14,486,084	0.2964	0.2964	42,937	
Gallatin FPD	General Revenue	31,814,915	0.2965	0.2965	94,331	
Daviess County Health Department	General Revenue	137,886,393	0.2407	0.2407	331,893	
Pattonsburg R-II School District	Operating Funds-Schools	14,866,298	4.6199	4.6199	686,808 ^E	
	Debt Service	14,866,298	1.5844	0.5623	83,593	
Winston R-VI School District	Operating Funds-Schools	24,300,768	2.9501	2.9501	716,897 ^E	
	Operating Funds-Temp	24,300,768	1.2500	1.2500	303,760	2035
North Daviess R-III School District	Operating Funds-Schools	11,783,904	5.2838	5.2838	622,638 ^E	
Gallatin R-V School District	Operating Funds-Schools	47,017,262	4.4029	4.4029	2,070,123 ^E	
Tri-County R-VII School District	Operating Funds-Schools	22,072,760	4.2372	4.2372	935,267 ^E	
	Operating Funds-Temp	22,072,760	0.2665	0.2665	58,824 ^A	2023
Daviess County	General Revenue	137,886,393	0.1193	0.1193	164,498	
	Developmental Dis. Board	137,886,393	0.0926	0.0922	127,131	
	Senior Services	137,886,393	0.0498	0.0498	68,667	
<u>DeKalb</u>						
DeKalb-Clinton Ambulance District 1	General Revenue	125,815,416	0.2342	0.2342	294,660	
Grindstone-Lost-Muddy-Creek WSD	General Revenue	50,233,522	0.1283	0.1283	64,450	
Village of Amity	General Revenue	376,236	0.4847	0.4847	1,824	
City of Clarksdale	General Revenue	1,558,613	0.7508	0.7508	11,702	
	Lights	1,558,613	0.2346	0.2346	3,657	
	Streets	1,558,613	0.2580	0.2580	4,021	
City of Maysville	General Revenue	9,310,885	0.8562	0.8562	79,720	
	Streets	9,310,885	0.5063	0.5063	47,141	2019
City of Stewartsville	General Revenue	6,426,724	0.5399	0.5399	34,698	
	Lights	6,426,724	0.2815	0.2815	18,091	
	Streets	6,426,724	0.1821	0.1821	11,703	
City of Union Star	General Revenue	2,143,941	0.5063	0.5063	10,855	
	Lights	2,143,941	0.2260	0.2260	4,845	
	Streets	2,143,941	0.3894	0.3894	8,349	
	Debt Service	2,143,941	1.4267	0.9000	19,295	
Village of Weatherby	General Revenue	449,506	0.5000	0.5000	2,248	
	General Revenue-Temp	449,506	0.4287	0.4287	1,927	2019
City of Osborn	General Revenue	3,531,783	0.7970	0.7970	28,148	
Adams Township DeKalb County	General Revenue	8,148,328	0.1000	0.1000	8,148	
	Road & Bridge	8,148,328	0.4134	0.4134	33,685	
	Special Road and Bridge	8,148,328	0.1421	0.1421	11,579	2018
Camden Township DeKalb County	General Revenue	27,550,940	0.1000	0.1000	27,551	
	Road & Bridge	27,550,940	0.3629	0.3601	99,211	
Colfax Township DeKalb County	General Revenue	27,189,915	0.1000	0.1000	27,190	

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<u>DeKalb</u>						
Colfax Township DeKalb County	Road & Bridge	27,189,915	0.4422	0.4422	120,234	2019
	Special Road and Bridge	27,189,915	0.3500	0.3500	95,165	
Dallas Township DeKalb County	General Revenue	5,120,919	0.1000	0.1000	5,121	2021
	Road & Bridge	5,120,919	0.4306	0.4306	22,051	
	Special Road and Bridge	5,120,919	0.3683	0.3683	18,860 ^A	
Grand River Township DeKalb County	General Revenue	37,854,946	0.1000	0.1000	37,855	
	Road & Bridge	37,854,946	0.4401	0.4401	166,600	
Grant Township DeKalb County	General Revenue	6,214,546	0.1000	0.1000	6,215	2019
	Road & Bridge	6,214,546	0.5000	0.5000	31,073	
	Special Road and Bridge	6,214,546	0.3571	0.3571	22,192	
Polk Township DeKalb County	General Revenue	37,115,969	0.0996	0.0996	36,968	
	Road & Bridge	37,115,969	0.4435	0.4435	164,609	
Sherman Township DeKalb County	General Revenue	24,871,350	0.0604	0.0604	15,022	2019
	Road & Bridge	24,871,350	0.2461	0.2461	61,208	
	Special Road and Bridge	24,871,350	0.2608	0.2608	64,864	
Washington Township DeKalb County	General Revenue	25,561,555	0.0773	0.0773	19,759	
	Road & Bridge	25,561,555	0.2921	0.2921	74,665	
Osborn FPD	General Revenue	25,358,573	0.2351	0.2351	59,618	
Stewartsville FPD	General Revenue	30,813,338	0.2317	0.2317	71,395	
Central DeKalb County FPD	General Revenue	52,621,548	0.2591	0.2591	136,342	
Clarksdale FPD	General Revenue	18,124,456	0.3154	0.3154	57,165	
Union Star FPD	General Revenue	33,645,917	0.2692	0.2692	90,575	
Osborn R-O School District	Operating Funds-Schools	20,939,244	4.7367	4.3000	900,387 ^E	
	Debt Service	20,939,244	0.7813	0.4600	96,321	
Maysville R-I School District	Operating Funds-Schools	70,993,780	3.4743	3.4743	2,466,537 ^E	2021
	Operating Funds-Temp	70,993,780	0.5148	0.5148	365,476	
	Operating Funds-Schools	29,080,887	4.8900	4.8900	1,422,055 ^E	
Union Star R-II School District	Operating Funds-Schools	18,759,164	3.8519	3.8519	722,584 ^E	
Stewartsville C-2 School District	Operating Funds-Schools	18,759,164	0.5433	0.5015	94,077	
	Debt Service	18,759,164	0.5433	0.5015	94,077	
DeKalb County	General Revenue	199,648,295	0.3691	0.1732	345,791	
	Developmental Dis. Board	199,648,295	0.0875	0.0875	174,692	
	Senior Services	199,648,295	0.0292	0.0292	58,297	
<u>Dent</u>						
Salem Memorial Hospital District	General Revenue	250,878,183	0.1938	0.1925	482,941	
City of Salem	General Revenue	48,069,732	0.6533	0.6533	314,040	
	Library	48,069,732	0.2950	0.2950	141,806	
Dent County FPD	General Revenue	101,842,918	0.2338	0.2338	238,109	
Dent County Health Center	General Revenue	169,739,228	0.0953	0.0953	161,761	
Salem R-80 School District	Operating Funds-Schools	70,089,776	2.7500	2.7500	1,927,469 ^E	
	Debt Service	70,089,776	0.6500	0.4500	315,404	
Oak Hill R-I School District	Operating Funds-Schools	15,484,455	3.0821	3.0610	473,979 ^E	2026
	Operating Funds-Temp	15,484,455	0.3690	0.3690	57,138	
	Operating Funds-Schools	21,397,340	2.7500	2.7500	588,427 ^E	
Green Forest R-II School District	Operating Funds-Schools	34,531,443	2.7500	2.7500	949,615 ^E	
Dent-Phelps R-III School District	Operating Funds-Schools	21,037,617	3.0590	3.0500	641,647 ^{BE}	
North Wood R-IV School District	Operating Funds-Schools	169,739,228	0.3019	0.0000	0	
Dent County	General Revenue	169,739,228	0.3019	0.0000	0	
	Road & Bridge	169,739,228	0.2534	0.2534	430,119	
	Developmental Dis. Board	169,739,228	0.1341	0.1341	227,620	

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<u>Dent</u>						
Dent County	Senior Services	169,739,228	0.0477	0.0477	80,966	
<u>Douglas</u>						
Ava Ambulance District	General Revenue	118,426,138	0.1129	0.0000	0	
Douglas County Library District	General Revenue	157,079,664	0.0812	0.0812	127,549	
Douglas County Health Department	General Revenue	157,079,664	0.2006	0.2006	315,102	
Skyline R-II School District	Operating Funds-Schools	10,851,059	2.7536	2.7536	298,795	E
Plainview R-VIII School District	Operating Funds-Schools	7,630,933	2.7746	2.7746	211,728	E
Ava R-I School District	Operating Funds-Schools	109,395,103	2.7500	2.7500	3,008,365	E
Douglas County	General Revenue	157,079,664	0.2938	0.1300	204,204	
	Road & Bridge	157,079,664	0.2127	0.2127	334,108	
	Developmental Dis. Board	157,079,664	0.0812	0.0812	127,549	
<u>Dunklin</u>						
City of Arbyrd	General Revenue	2,895,480	1.0000	1.0000	28,955	
City of Campbell	General Revenue	9,554,179	0.0000	0.0000	0	
City of Cardwell	General Revenue	2,521,426	0.6935	0.6935	17,486	
	Streets	2,521,426	0.2000	0.2000	5,043	
City of Clarkton	General Revenue	5,127,421	0.7038	0.7038	36,087	
City of Holcomb	General Revenue	3,283,403	0.7586	0.7586	24,908	
City of Hornersville	General Revenue	3,418,108	0.9555	0.9555	32,660	
City of Kennett	General Revenue	92,115,225	0.0000	0.0000	0	
	Parks & Recreation	92,115,225	0.0000	0.0000	0	
	Parks	92,115,225	0.0000	0.0000	0	
City of Malden	General Revenue	29,365,134	0.7841	0.7841	230,252	
City of Senath	General Revenue	10,020,016	0.6568	0.6546	65,591	
	Health	10,020,016	0.1153	0.1149	11,513	
Buffalo Township Dunklin County	General Revenue	9,786,725	0.1000	0.1000	9,787	
	Road & Bridge	9,786,725	0.3262	0.3262	31,924	
Clay Township Dunklin County	General Revenue	19,029,488	0.1000	0.1000	19,029	
	Road & Bridge	19,029,488	0.3437	0.3437	65,404	
Cotton Hill Township Dunklin County	General Revenue	47,360,243	0.1000	0.1000	47,360	
	Road & Bridge	47,360,243	0.3185	0.3185	150,842	
Freeborn Township Dunklin County	General Revenue	13,251,084	0.1000	0.1000	13,251	
	Road & Bridge	13,251,084	0.2680	0.2680	35,513	
Holcomb Township Dunklin County	General Revenue	12,013,585	0.1000	0.1000	12,014	
	Road & Bridge	12,013,585	0.2731	0.2731	32,809	
Independence Township Dunklin Co	General Revenue	118,540,289	0.1000	0.1000	118,540	
	Road & Bridge	118,540,289	0.2676	0.2676	317,214	
Salem Township Dunklin County	General Revenue	28,594,847	0.1000	0.1000	28,595	
	Road & Bridge	28,594,847	0.3156	0.3156	90,245	
Union Township Dunklin County	General Revenue	57,388,393	0.1000	0.1000	57,388	
	Road & Bridge	57,388,393	0.3891	0.3891	223,298	
Dunklin County Health Department	General Revenue	305,964,654	0.1000	0.1000	305,965	
Malden R-I School District	Operating Funds-Schools	45,824,279	2.9118	2.9118	1,334,311	E
	Debt Service	45,824,279	0.7711	0.7711	353,351	
Campbell R-II School District	Operating Funds-Schools	47,233,764	3.3541	3.2722	1,545,583	E
	Debt Service	47,233,764	1.0007	0.7635	360,630	
Holcomb R-III School District	Operating Funds-Schools	22,367,422	3.3000	3.3000	738,125	E
	Debt Service	22,367,422	0.8077	0.7405	165,631	

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<u>Dunklin</u>						
Clarkton C-4 School District	Operating Funds-Schools	13,986,259	3.4323	3.4300	479,729	E
	Debt Service	13,986,259	0.9958	0.7000	97,904	
Senath-Hornersville C-8 SD	Operating Funds-Schools	50,466,153	3.5468	3.5161	1,774,440	E
Southland C-9 School District	Operating Funds-Schools	15,440,426	3.8156	3.8156	589,145	E
Kennett 39 School District	Operating Funds-Schools	93,375,738	3.5821	3.5821	3,344,812	E
	Debt Service	93,375,738	1.7264	1.0300	961,770	
Dunklin County	General Revenue	305,964,654	0.0000	0.0000	0	
	Library	305,964,654	0.2500	0.2500	764,912	
	Johnson Grass	305,964,654	0.0000	0.0000	0	
	Ambulance	305,964,654	0.1424	0.1424	435,694	
	Developmental Dis. Board	305,964,654	0.1000	0.1000	305,965	
<u>Franklin</u>						
Gerald Ambulance District	General Revenue	120,623,459	0.2998	0.2998	361,629	
Meramec Ambulance District	General Revenue	560,740,873	0.4247	0.3521	1,974,369	
	Dispatch	560,740,873	0.0299	0.0299	167,662	
St. Clair Ambulance District	General Revenue	216,188,149	0.3510	0.2437	526,851	
Union Ambulance District	General Revenue	355,218,881	0.1799	0.0205	72,820	
Washington Area Ambulance District	General Revenue	480,459,225	0.1686	0.0000	0	
New Haven Ambulance District	General Revenue	101,147,579	0.3000	0.2112	213,624	
City of Berger	General Revenue	1,859,376	0.9436	0.9436	17,545	
City of Gerald	General Revenue	16,448,914	0.8529	0.7161	117,791	
	Parks & Recreation	16,448,914	0.2341	0.2341	38,507	
Village of Leslie	General Revenue	1,121,932	0.4915	0.4800	5,385	
City of New Haven	General Revenue	41,684,057	0.7332	0.7000	291,788	
	Parks & Recreation	41,684,057	0.1881	0.1800	75,031	
Village of Oak Grove	General Revenue	9,269,065	0.1600	0.1600	14,831	
City of Pacific	General Revenue	125,947,338	0.4420	0.4420	556,687	
Village of Parkway	General Revenue	6,382,543	0.2579	0.2579	16,461	
City of St. Clair	General Revenue	58,841,050	0.5549	0.5549	326,509	
	Parks & Recreation	58,841,050	0.1732	0.1732	101,913	
City of Sullivan	General Revenue	82,294,325	0.4324	0.4324	355,841	
City of Union	General Revenue	188,295,427	0.5868	0.5868	1,104,918	
	Parks & Recreation	188,295,427	0.1413	0.1413	266,061	
City of Washington	General Revenue	328,823,029	0.6049	0.6049	1,989,051	
Washington Public Library District	General Revenue	135,889,708	0.1000	0.1000	135,890	
Scenic Regional Library District	General Revenue	2,643,444,798	0.2008	0.2008	5,308,037	
Beaufort-Leslie FPD	General Revenue	59,340,438	0.4594	0.4594	272,610	
Boles FPD	General Revenue	295,885,407	0.9549	0.9549	2,825,410	
	Debt Service	295,885,407	0.2183	0.2183	645,918	
Pacific FPD	General Revenue	255,994,180	0.6865	0.6865	1,757,400	
	Pension	255,994,180	0.0493	0.0493	126,205	
	Joint Dispatch	255,994,180	0.0493	0.0493	126,205	
	Debt Service	255,994,180	0.0939	0.0700	179,196	
	General Revenue	225,679,034	0.6071	0.5242	1,183,009	
St. Clair FPD	General Revenue	225,679,034	0.6071	0.5242	1,183,009	
Sullivan FPD	General Revenue	203,067,018	0.3974	0.1374	279,014	
	Debt Service	203,067,018	0.1283	0.1283	260,535	
Union FPD	General Revenue	343,991,261	0.2945	0.1294	445,125	
Gerald-Rosebud FPD	General Revenue	71,837,449	0.2572	0.2572	184,766	

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<u>Franklin</u>						
New Haven-Berger FPD	General Revenue	106,892,692	0.2500	0.2500	267,232	
Washington FPD	General Revenue	158,718,979	0.2892	0.2892	459,015	
Crestview Sewer District	General Revenue	1,113,977	0.4795	0.4795	5,342	
St. Clair Sewer District	General Revenue	9,495,637	0.3270	0.3270	31,051	
Sylvan Manor Sunset Acres SwrD	General Revenue	1,658,446	0.5534	0.5534	9,178	
Calvey Creek Sewer District	General Revenue	18,198,619	0.3954	0.3954	71,957	
East Central College	General Revenue	1,767,069,595	0.3700	0.3700	6,538,158	
	Debt Service	1,767,069,595	0.1427	0.0841	1,486,106	
Franklin County R-II SD	Operating Funds-Schools	33,423,426	3.8389	3.8389	1,283,092	^E
Meramec Valley R-III SD	Operating Funds-Schools	336,437,553	3.6020	3.6020	12,118,481	^F
	Debt Service	336,437,553	1.1431	0.8800	2,960,650	
Union R-XI School District	Operating Funds-Schools	324,320,747	2.9991	2.7900	9,048,549	^F
	Debt Service	324,320,747	1.0950	1.0500	3,405,368	
Lonedell R-XIV School District	Operating Funds-Schools	38,806,624	3.5634	3.5634	1,382,835	^E
	Debt Service	38,806,624	0.4248	0.3470	134,659	
Spring Bluff R-XV School District	Operating Funds-Schools	27,105,329	3.1688	3.1688	858,914	^E
	Debt Service	27,105,329	0.8606	0.7478	202,694	
Strain-Japan R-XVI School District	Operating Funds-Schools	12,266,283	3.7798	3.7798	463,641	^E
	Debt Service	12,266,283	0.2077	0.1800	22,079	
St. Clair R-XIII School District	Operating Funds-Schools	146,794,386	3.2750	3.2000	4,697,420	^E
	Debt Service	146,794,386	0.6617	0.6200	910,125	
Sullivan C-2 School District	Operating Funds-Schools	166,168,938	3.0941	3.0941	5,141,433	^E
	Debt Service	166,168,938	1.7763	1.1073	1,839,989	
New Haven School District	Operating Funds-Schools	36,370,724	4.3368	4.0500	1,473,014	^E
	Debt Service	36,370,724	0.8586	0.7500	272,780	
Washington School District	Operating Funds-Schools	790,322,268	3.7162	3.7162	29,369,956	^E
	Debt Service	790,322,268	0.4820	0.4700	3,714,515	
Franklin County	General Revenue	1,935,406,485	0.3022	0.1258	2,434,741	
	Road & Bridge	1,935,406,485	0.2172	0.2156	4,172,736	
	Developmental Dis. Board	1,935,406,485	0.1000	0.1000	1,935,406	
<u>Gasconade</u>						
Owensville Ambulance District	General Revenue	98,419,926	0.3189	0.0872	85,822	
Hermann Area Ambulance District	General Revenue	140,788,138	0.2887	0.1374	193,443	
Hermann Area Hospital District	General Revenue	133,641,194	1.0000	1.0000	1,336,412	
Gasconade Manor NHD	General Revenue	139,363,544	0.1260	0.1260	175,598	
Morrison Levee District	General Revenue	77,430	0.7258	0.7258	562	
Morrison SRD 4 Gasconade County	Road & Bridge	6,083,061	0.2481	0.2481	15,092	
City of Bland	General Revenue	3,387,901	0.9914	0.9914	33,588	
	Parks & Recreation	3,387,901	0.2653	0.2653	8,988	
City of Gasconade	General Revenue	1,569,861	0.6471	0.6471	10,159	
	Debt Service	1,569,861	2.0462	2.0462	32,122	
City of Hermann	General Revenue	40,957,830	0.3625	0.3625	148,472	
	Parks & Recreation	40,957,830	0.0093	0.0093	3,809	
	Band	40,957,830	0.0102	0.0102	4,178	
City of Morrison	General Revenue	1,367,818	0.5504	0.5504	7,528	
City of Owensville	General Revenue	38,283,501	0.3358	0.3358	128,556	
	Parks & Recreation	38,283,501	0.3358	0.3358	128,556	
	Debt Service	38,283,501	0.7178	0.7178	274,799	

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<u>Gasconade</u>						
City of Rosebud	General Revenue	4,635,395	0.4327	0.4327	20,057	
Bland FPD	General Revenue	22,730,268	0.2195	0.2195	49,893	
Gasconade County Health Department	General Revenue	236,770,961	0.0965	0.0965	228,484	
Gasconade County R-II SD	Operating Funds-Schools	162,856,754	3.3774	3.1800	5,178,845	F
	Debt Service	162,856,754	0.7849	0.6700	1,091,140	
Gasconade County R-I SD	Operating Funds-Schools	122,922,143	3.5396	3.5396	4,350,952	E
	Debt Service	122,922,143	1.2915	0.7500	921,916	
Gasconade County	General Revenue	236,770,961	0.3639	0.1474	349,000	
	Common Road District	230,687,903	0.2668	0.2668	615,475	
	Developmental Dis. Board	236,770,961	0.0965	0.0965	228,484	
	Mental Health	236,770,961	0.0799	0.0799	189,180	
<u>Gentry</u>						
Grand River Regional AD	General Revenue	166,029,234	0.4459	0.4459	740,324	
City of Albany	General Revenue	16,917,957	0.6797	0.6797	114,991	
	Parks & Recreation	16,917,957	0.3010	0.3010	50,923	
	Library	16,917,957	0.6256	0.6256	105,839	
	Health	16,917,957	0.1896	0.1896	32,076	
	General Revenue	305,853	0.4981	0.4981	1,523	
Village of Darlington	General Revenue	305,156	0.5000	0.5000	1,526	
City of King City	General Revenue	7,595,181	0.7316	0.7316	55,566	
	Parks & Recreation	7,595,181	0.1802	0.1802	13,687	
	Health	7,595,181	0.1802	0.1802	13,687	
	Police	7,595,181	0.1526	0.1526	11,590	A 2021
	General Revenue	590,275	0.7500	0.7500	4,427	
City of Stanberry	General Revenue	12,346,228	0.6650	0.6650	82,102	
	Parks & Recreation	12,346,228	0.1700	0.1700	20,989	
	Streets	12,346,228	0.3924	0.3924	48,447	
	General Revenue	80,395,337	0.3027	0.3027	243,357	
Athens Township Gentry County	General Revenue	25,445,719	0.1000	0.1000	25,446	
	Road & Bridge	25,445,719	0.4051	0.4051	103,081	
	Special Road District	25,445,719	0.2041	0.2041	51,935	2020
	Special Road and Bridge	25,445,719	0.2551	0.2551	64,912	2019
Bogle Township Gentry County	General Revenue	6,878,660	0.1000	0.1000	6,879	
	Road & Bridge	6,878,660	0.5000	0.5000	34,393	
	Special Road and Bridge	6,878,660	0.3483	0.3483	23,958	2019
	Gravel	6,878,660	0.3810	0.3810	26,208	2019
	Gravel & Maintenance	6,878,660	0.4599	0.4599	31,635	A 2021
Cooper Township Gentry County	General Revenue	21,531,942	0.1000	0.1000	21,532	
	Road & Bridge	21,531,942	0.4931	0.4931	106,174	
	Special Road and Bridge	21,531,942	0.1531	0.1531	32,965	2019
Howard Township Gentry County	General Revenue	2,295,671	0.1000	0.1000	2,296	
	Road & Bridge	2,295,671	0.5000	0.5000	11,478	
	Special Road and Bridge	2,295,671	0.3607	0.3607	8,280	2019
	Gravel	2,295,671	0.3092	0.3092	7,098	2019
Huggins Township Gentry County	General Revenue	3,425,388	0.1000	0.1000	3,425	
	Road & Bridge	3,425,388	0.5000	0.5000	17,127	
	Special Road and Bridge	3,425,388	0.3430	0.3430	11,749	2019
Jackson Township Gentry County	General Revenue	23,854,131	0.1000	0.1000	23,854	

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<u>Gentry</u>						
Jackson Township Gentry County	Road & Bridge	23,854,131	0.4841	0.4841	115,478	
	Special Road District	23,854,131	0.2503	0.2503	59,707	2018
	Special Road and Bridge	23,854,131	0.1210	0.1210	28,863	2019
Miller Township Gentry County	General Revenue	9,466,009	0.1000	0.1000	9,466	
	Road & Bridge	9,466,009	0.5000	0.5000	47,330	
	Special Road District	9,466,009	0.3706	0.3706	35,081	2020
	Special Road and Bridge	9,466,009	0.3500	0.3500	33,131	2018
Wilson Township Gentry County	General Revenue	4,881,300	0.1000	0.1000	4,881	
	Road & Bridge	4,881,300	0.5000	0.5000	24,407	
	Special Road and Bridge	4,881,300	0.2900	0.2900	14,156	2020
	Gravel & Maintenance 1	4,881,300	0.3653	0.3653	17,831	2019
	Gravel	4,881,300	0.3104	0.3104	15,152 ^A	2019
	Gravel & Maintenance	4,881,300	0.3104	0.3104	15,152 ^A	2021
Albany Community FPD	General Revenue	40,482,704	0.1750	0.1750	70,845	
	Fire	40,482,704	0.1500	0.1500	60,724	
Stanberry Rural FPD	General Revenue	28,075,064	0.4000	0.4000	112,300	
McFall FPD	General Revenue	4,470,719	0.2990	0.2990	13,367	
King City FPD	General Revenue	47,279,890	0.3000	0.3000	141,840	
King City R-I School District	Operating Funds-Schools	47,152,245	4.2742	4.0740	1,920,982	
	Debt Service	47,152,245	0.7357	0.5100	240,476	
Stanberry R-II School District	Operating Funds-Schools	27,816,863	4.1000	4.1000	1,140,491 ^E	
	Operating Funds-Temp	27,816,863	1.3300	1.3300	369,964	2026
Albany R-III School District	Operating Funds-Schools	39,194,126	4.4893	4.4893	1,759,542 ^E	
Gentry County	General Revenue	97,777,819	0.3582	0.3582	350,240	
	Senior Services	97,777,819	0.0500	0.0500	48,889	
	General Revenue-Temp	97,777,819	0.1903	0.1903	186,071	2018
<u>Greene</u>						
City of Ash Grove	General Revenue	13,883,903	0.5644	0.5644	78,361	
City of Battlefield	General Revenue	61,378,970	0.3325	0.3325	204,085	
City of Fair Grove	General Revenue	16,775,133	0.5425	0.5425	91,005	
	Debt Service	16,775,133	0.1683	0.1683	28,233	
City of Republic	General Revenue	194,833,432	0.4408	0.4408	858,826	
	Parks & Recreation	194,833,432	0.1188	0.1188	231,462	
	Lights	194,833,432	0.0678	0.0678	132,097	
City of Springfield	General Revenue	3,029,764,713	0.2674	0.2674	8,101,591	2025
	Parks & Recreation	3,029,764,713	0.1874	0.1874	5,677,779	
	Museum	3,029,764,713	0.0393	0.0393	1,190,698	
	Health	3,029,764,713	0.1277	0.1277	3,869,010	
City of Strafford	General Revenue	33,085,802	0.3515	0.3515	116,297	
City of Walnut Grove	General Revenue	5,865,088	0.6738	0.6738	39,519	
City of Willard	General Revenue	50,966,595	0.3915	0.3915	199,534	
	Parks & Recreation	50,966,595	0.1198	0.1198	61,058	
Springfield-Greene County PLD	General Revenue	4,997,756,754	0.2467	0.2467	12,329,466	
Battlefield FPD	General Revenue	577,319,170	0.5913	0.5913	3,413,688	
Strafford Volunteer FPD	General Revenue	186,834,925	0.7309	0.7309	1,365,576	
Fair Grove FPD	General Revenue	73,851,541	0.9598	0.9598	708,827	
Brookline FPD	General Revenue	131,690,627	0.2488	0.2488	327,646	
Logan-Rogersville FPD	General Revenue	436,292,880	0.6068	0.6068	2,647,425	

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<u>Greene</u>						
Willard FPD	General Revenue	161,164,092	0.7753	0.7753	1,249,505	
Walnut Grove FPD	General Revenue	40,406,924	0.2982	0.2982	120,493	
West Republic FPD	General Revenue	29,695,840	0.2728	0.2728	81,010	
Ebenezer FPD	General Revenue	149,627,185	0.8579	0.8579	1,283,652	
Bois D'Arc FPD	General Revenue	28,059,932	0.3147	0.3147	88,305	
Ash Grove FPD	General Revenue	27,962,266	0.5142	0.5142	143,782	
Convention & Entertainment CID	General Revenue	20,408,790	2.5281	2.5281	515,955	
	Debt Service	20,408,790	8.3142	0.8781	179,210	
Southern Hills CID Greene County	General Revenue	14,615,650	0.2961	0.2961	43,277 ^A	2042
Ozarks Technical Community College	General Revenue	7,321,501,290	0.1000	0.1000	7,321,501	
	General Revenue-Temp	7,321,501,290	0.1023	0.1023	7,489,896 ^B	2038
Willard R-II School District	Operating Funds-Schools	386,841,399	3.1405	3.1405	12,148,754 ^E	
	Debt Service	386,841,399	1.8569	0.9879	3,821,606	
Republic R-III School District	Operating Funds-Schools	384,074,023	3.3949	3.3454	12,848,812 ^E	
	Debt Service	384,074,023	1.7402	0.9400	3,610,296	
Ash Grove R-IV School District	Operating Funds-Schools	60,743,925	3.1326	3.1326	1,902,864 ^E	
	Debt Service	60,743,925	0.6857	0.5000	303,720	
Walnut Grove R-V School District	Operating Funds-Schools	20,622,227	4.0530	4.0530	835,819 ^E	
Strafford R-VI School District	Operating Funds-Schools	210,079,772	2.7500	2.7500	5,777,194 ^F	
	Debt Service	210,079,772	0.9289	0.7000	1,470,558	
Logan-Rogersville R-VIII SD	Operating Funds-Schools	255,917,687	3.0734	3.0734	7,865,374 ^E	
	Debt Service	255,917,687	1.0123	0.9394	2,404,091	
Springfield R-XII School District	Operating Funds-Schools	3,652,603,254	3.5558	3.5558	129,879,267 ^E	
	Debt Service	3,652,603,254	0.8589	0.5500	20,089,318	
Fair Grove R-X School District	Operating Funds-Schools	71,695,382	3.0118	3.0118	2,159,322 ^E	
	Debt Service	71,695,382	1.7776	0.9000	645,258	
Greene County	General Revenue	4,997,756,754	0.2550	0.1218	6,087,268	
	Road & Bridge	4,997,756,754	0.2550	0.1218	6,087,268	
	Developmental Dis. Board	4,997,756,754	0.0473	0.0473	2,363,939	
	Senior Services	4,997,756,754	0.0500	0.0500	2,498,878	
<u>Grundy</u>						
Grundy County NHD	General Revenue	132,390,269	0.1449	0.1449	191,833	
Spickard SRD Grundy County	Special Road and Bridge	1,947,277	0.3800	0.3800	7,400 ^A	2021
Village of Brimson	General Revenue	291,841	0.2478	0.2000	584	
City of Galt	General Revenue	1,992,248	0.9491	0.9491	18,908	
City of Laredo	General Revenue	908,499	0.7000	0.7000	6,359	
	Streets	908,499	0.3000	0.3000	2,725	
City of Spickard	General Revenue	1,363,789	0.9732	0.9732	13,272	
City of Tindall	General Revenue	688,861	0.4428	0.4428	3,050	
City of Trenton	General Revenue	57,849,966	0.9036	0.9036	522,732	
	Parks & Recreation	57,849,966	0.1663	0.1663	96,204	
Jewett Norris-Grundy County PLD	General Revenue	132,390,269	0.1951	0.1951	258,293	
Franklin Township Grundy County	General Revenue	6,167,895	0.0900	0.0900	5,551	
	Road & Bridge	4,220,618	0.4858	0.4858	20,504	
	Special Road and Bridge	4,220,618	0.3500	0.3500	14,772	2018
Harrison Township Grundy County	General Revenue	2,299,459	0.1000	0.1000	2,299	
	Road & Bridge	2,299,459	0.5000	0.5000	11,497	
	Special Road and Bridge	2,299,459	0.3500	0.3500	8,048	2020

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Grundy						
Jackson Township Grundy County	General Revenue	4,942,239	0.0891	0.0891	4,404	2018
	Road & Bridge	4,942,239	0.3660	0.3660	18,089	
	Special Road and Bridge	4,942,239	0.3496	0.3496	17,278	
	Debt Service	4,942,239	0.2663	0.2663	13,161	
Jefferson Township Grundy County	General Revenue	9,274,912	0.0852	0.0852	7,902	2018
	Road & Bridge	9,274,912	0.4323	0.4323	40,095	
	Special Road and Bridge	9,274,912	0.3492	0.3492	32,388	
Liberty Township Grundy County	General Revenue	5,118,759	0.0973	0.0973	4,981	2020
	Road & Bridge	5,118,759	0.4868	0.4868	24,918	
	Special Road and Bridge	5,118,759	0.3500	0.3500	17,916	
Lincoln Township Grundy County	General Revenue	10,337,738	0.0887	0.0887	9,170	2020
	Road & Bridge	10,337,738	0.2691	0.2691	27,819	
	Special Road and Bridge	10,337,738	0.3500	0.3500	36,182	
Madison Township Grundy County	General Revenue	7,277,137	0.0976	0.0976	7,102	2018
	Road & Bridge	7,277,137	0.4881	0.4881	35,520	
	Special Road and Bridge	7,277,137	0.3567	0.3567	25,958	
Marion Township Grundy County	General Revenue	6,216,733	0.0909	0.0909	5,651	2018
	Road & Bridge	6,216,733	0.4537	0.4537	28,205	
	Special Road and Bridge	6,216,733	0.3456	0.3456	21,485	
	Debt Service	6,216,733	0.0874	0.0874	5,433	
Myers Township Grundy County	General Revenue	1,993,015	0.1000	0.1000	1,993	2018
	Road & Bridge	1,993,015	0.5000	0.5000	9,965	
	Special Road and Bridge	1,993,015	0.3713	0.3713	7,400	
Taylor Township Grundy County	General Revenue	1,889,173	0.1000	0.1000	1,889	2020
	Road & Bridge	1,889,173	0.5000	0.5000	9,446	
	Special Road and Bridge	1,889,173	0.3707	0.3707	7,003	
Trenton Township Grundy County	General Revenue	69,667,700	0.0617	0.0611	42,567	2018
	Road & Bridge	69,667,700	0.2761	0.2738	190,750	
Wilson Township Grundy County	General Revenue	5,521,715	0.0995	0.0995	5,494	2018
	Road & Bridge	5,521,715	0.4976	0.4976	27,476	
	Special Road and Bridge	5,521,715	0.3500	0.3500	19,326	
Washington Township Grundy County	General Revenue	1,683,795	0.0977	0.0977	1,645	2018
	Road & Bridge	1,683,795	0.4882	0.4882	8,220	
Grundy County Rural FPD	General Revenue	40,251,731	0.2537	0.2537	102,119	
Laredo FPD	General Revenue	12,707,983	0.2708	0.2663	33,841	
Spickard FPD	General Revenue	16,519,631	0.2664	0.2664	44,008	
Galt FPD	General Revenue	13,725,735	0.3000	0.3000	41,177	
Grundy County Health Department	General Revenue	132,390,269	0.2927	0.2927	387,506	
North Central Missouri College	General Revenue	93,978,503	0.3855	0.3855	362,287	
Grundy County R-V School District	Operating Funds-Schools	12,295,181	5.9207	5.9207	727,961 ^E	
Spickard R-II School District	Operating Funds-Schools	4,509,060	4.2497	4.2497	191,622 ^E	
Pleasant View R-VI School District	Operating Funds-Schools	8,186,670	4.7616	4.7616	389,816 ^E	
Laredo R-VII School District	Operating Funds-Schools	6,357,302	4.9000	4.5900	291,800 ^E	
	Operating Funds-Temp	6,357,302	1.4075	1.4075	89,479	2018
Trenton R-IX School District	Operating Funds-Schools	80,498,373	3.2450	3.2450	2,612,172 ^E	
	Debt Service	80,498,373	0.9405	0.9000	724,485	
Grundy County	General Revenue	132,390,269	0.3823	0.2374	314,294	
	Developmental Dis. Board	132,390,269	0.0976	0.0976	129,213	

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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Grundy						
Grundy County	Senior Services	132,390,269	0.0488	0.0488	64,606	
Harrison						
North Harrison Ambulance District	General Revenue	36,023,017	0.4899	0.4899	176,477	
Noel Adams Ambulance District	General Revenue	90,679,556	0.2797	0.0000	0	
Harrison County Hospital District	General Revenue	119,618,265	0.4420	0.4420	528,713	
Panther Creek Watershed Subdistrict	General Revenue	1,770,550	0.2323	0.2323	4,113	
West Fork of Big Creek Subdistrict	General Revenue	14,319,000	0.3872	0.3872	55,443	
East Fork of Big Creek Subdistrict	General Revenue	6,367,630	0.3388	0.3388	21,574	
City of Bethany	General Revenue	33,220,657	0.5536	0.5536	183,910	
	Parks & Recreation	33,220,657	0.0000	0.0000	0	
	Streets	33,220,657	0.3131	0.3131	104,014	
Village of Blythedale	General Revenue	765,771	0.9840	0.9840	7,535	
City of Cainsville	General Revenue	1,599,259	0.5369	0.5369	8,586	
	Fire	1,599,259	0.0000	0.0000	0	
	General Revenue-Temp	1,599,259	0.3043	0.3043	4,867	2019
	Gravel	1,599,259	0.5369	0.5369	8,586	
	Debt Service	1,599,259	0.0086	0.0000	0	
City of Gilman City	General Revenue	1,794,509	0.5284	0.5284	9,482	
	Parks & Recreation	1,794,509	0.0500	0.0500	897	
	Streets	1,794,509	0.1913	0.1913	3,433	
Village of Mount Moriah	General Revenue	528,042	0.4798	0.4798	2,534	
City of New Hampton	General Revenue	1,056,790	0.6800	0.6800	7,186	
	Lights	1,056,790	0.1500	0.1500	1,585	
	Streets	1,056,790	0.3000	0.3000	3,170	
City of Ridgeway	General Revenue	2,086,231	1.0000	1.0000	20,862	
	Parks & Recreation	2,086,231	0.0500	0.0500	1,043	
Adams Township Harrison County	General Revenue	3,047,093	0.1000	0.1000	3,047	
	Road & Bridge	3,047,093	0.5000	0.5000	15,235	
	Special Road and Bridge	3,047,093	0.3519	0.3519	10,723	2019
Bethany Township Harrison County	General Revenue	42,785,149	0.0967	0.0967	41,373	
	Road & Bridge	42,785,149	0.3430	0.3430	146,753	
Butler Township Harrison County	General Revenue	2,404,243	0.0970	0.0970	2,332	
	Road & Bridge	2,404,243	0.4303	0.4303	10,345	
	Special Road and Bridge	2,404,243	0.3583	0.3583	8,614	2019
Clay Township Harrison County	General Revenue	2,912,453	0.0938	0.0938	2,732	
	Road & Bridge	2,912,453	0.4691	0.4691	13,662	
	Special Road and Bridge	2,912,453	0.3514	0.3514	10,234	2019
Colfax Township Harrison County	General Revenue	7,590,707	0.1000	0.1000	7,591	
	Road & Bridge	7,590,707	0.4871	0.4871	36,974	
	Special Road and Bridge	7,590,707	0.3500	0.3500	26,567	2019
Cypress Township Harrison County	General Revenue	2,983,489	0.1000	0.1000	2,983	
	Road & Bridge	2,983,489	0.4386	0.4386	13,086	
	Special Road and Bridge	2,983,489	0.3516	0.3516	10,490	2019
Dallas Township Harrison County	General Revenue	2,585,534	0.0986	0.0986	2,549	
	Road & Bridge	2,585,534	0.4292	0.4292	11,097	
	Special Road and Bridge	2,585,534	0.3544	0.3544	9,163	2019
Fox Creek Township Harrison County	General Revenue	2,476,543	0.0930	0.0930	2,303	
	Road & Bridge	2,476,543	0.4435	0.4435	10,983	

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Harrison						
Fox Creek Township Harrison County	Special Road and Bridge	2,476,543	0.3500	0.3500	8,668	2019
Grant Township Harrison County	General Revenue	4,302,697	0.0993	0.0993	4,273	
	Road & Bridge	4,302,697	0.4963	0.4963	21,354	
	Special Road and Bridge	4,302,697	0.3518	0.3518	15,137	2019
Hamilton Township Harrison County	General Revenue	3,231,482	0.1000	0.1000	3,231	
	Road & Bridge	3,231,482	0.5000	0.5000	16,157	
	Special Road and Bridge	3,231,482	0.3508	0.3508	11,336	2019
Jefferson Township Harrison County	General Revenue	5,003,532	0.0957	0.0957	4,788	
	Road & Bridge	5,003,532	0.4534	0.4534	22,686	
	Special Road and Bridge	5,003,532	0.3494	0.3494	17,482	2019
Lincoln Township Harrison County	General Revenue	2,562,750	0.1000	0.1000	2,563	
	Road & Bridge	2,562,750	0.5000	0.5000	12,814	
	Special Road and Bridge	2,562,750	0.3509	0.3509	8,993	2019
Madison Township Harrison County	General Revenue	5,244,363	0.0972	0.0972	5,098	
	Road & Bridge	5,244,363	0.4859	0.4859	25,482	
	Special Road and Bridge	5,244,363	0.3533	0.3533	18,528	2019
Marion Township Harrison County	General Revenue	7,537,366	0.0904	0.0904	6,814	
	Road & Bridge	7,537,366	0.4157	0.4157	31,333	
	Special Road and Bridge	7,537,366	0.3538	0.3538	26,667	2019
Sherman Township Harrison County	General Revenue	4,737,025	0.0990	0.0990	4,690	
	Road & Bridge	4,737,025	0.4949	0.4949	23,444	
	Special Road and Bridge	4,737,025	0.3525	0.3525	16,698	2019
Sugar Creek Township Harrison Co	General Revenue	4,634,003	0.0983	0.0983	4,555	
	Road & Bridge	4,634,003	0.3888	0.3888	18,017	
	Special Road and Bridge	4,634,003	0.3518	0.3518	16,302	2019
Trail Creek Township Harrison Co	General Revenue	3,409,047	0.1000	0.1000	3,409	
	Road & Bridge	3,409,047	0.5000	0.5000	17,045	
	Special Road and Bridge	3,409,047	0.3500	0.3500	11,932	2019
Union Township Harrison County	General Revenue	4,752,304	0.0993	0.0993	4,719	
	Road & Bridge	4,752,304	0.4962	0.4962	23,581	
	Special Road and Bridge	4,752,304	0.3535	0.3535	16,799	2019
Washington Township Harrison County	General Revenue	2,145,899	0.1000	0.1000	2,146	
	Road & Bridge	2,145,899	0.5000	0.5000	10,729	
	Special Road and Bridge	2,145,899	0.3500	0.3500	7,511	2019
White Oak Township Harrison County	General Revenue	5,272,586	0.0960	0.0960	5,062	
	Road & Bridge	5,272,586	0.4503	0.4503	23,742	
	Special Road and Bridge	5,272,586	0.3505	0.3505	18,480	2019
Ridgeway FPD	General Revenue	8,375,935	0.3000	0.3000	25,128	
Gilman City FPD	General Revenue	12,911,424	0.2996	0.2996	38,683	
New Hampton FPD	General Revenue	11,207,857	0.2956	0.2956	33,130	
North Harrison FPD	General Revenue	22,372,593	0.2880	0.2880	64,433	
Cainsville FPD	General Revenue	9,285,645	0.2588	0.2588	24,031	
Harrison County Health Department	General Revenue	119,618,265	0.2947	0.2947	352,515	
Cainsville R-I School District	Operating Funds-Schools	6,129,059	5.7932	5.7932	355,069 ^E	
South Harrison County R-II SD	Operating Funds-Schools	70,926,769	3.6243	3.6243	2,570,599 ^E	
	Operating Funds-Temp	70,926,769	0.4639	0.4000	283,707	2034
North Harrison County R-III SD	Operating Funds-Schools	20,550,819	4.3999	4.3999	904,215 ^E	
Gilman City R-IV School District	Operating Funds-Schools	12,090,875	5.0274	5.0274	607,857 ^E	

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Harrison						
Ridgeway R-V School District	Operating Funds-Schools	7,676,095	6.1236	6.1236	470,053 ^E	
Harrison County	General Revenue	119,618,265	0.3714	0.3714	444,262	
	Senior Services	119,618,265	0.0491	0.0491	58,733	
Henry						
Windsor Ambulance District	General Revenue	52,154,228	0.2862	0.2862	149,265	
Bethlehem SRD 2 Henry County	Road & Bridge	2,856,627	0.5706	0.5706	16,300	
Deerfield Creek SRD Henry County	Road & Bridge	6,937,597	0.1776	0.1776	12,321	
Fields Creek SRD 1 Henry County	Road & Bridge	25,990,043	0.3679	0.3679	95,617	
Honey Creek SRD 1 Henry County	Road & Bridge	3,272,508	0.3388	0.3388	11,087	
Montrose SRD Henry County	Road & Bridge	3,854,404	0.3234	0.3234	12,465	
Mt. Hope SRD Henry County	Road & Bridge	1,852,950	0.4335	0.4335	8,033	
Osage SRD 1 Henry County	Road & Bridge	6,427,733	0.3369	0.3369	21,655	
Shawnee SRD 1 Henry County	Road & Bridge	5,958,384	0.2806	0.2806	16,719	
Wagner SRD Henry County	Road & Bridge	1,183,281	0.3886	0.3886	4,598	
Windsor SRD Henry County	Road & Bridge	35,292,763	0.2748	0.2748	96,985	
Clinton Country Club SRD Henry Co	Road & Bridge	2,667,071	0.2680	0.2680	7,148	
	Special Road and Bridge	2,586,046	0.5708	0.5590	14,456 ^A	2021
City of Blairstown	General Revenue	502,232	1.0000	1.0000	5,022	
	Streets	502,232	0.5532	0.5532	2,778	2018
Village of Brownington	General Revenue	401,531	1.0000	1.0000	4,015	
City of Calhoun	General Revenue	2,096,794	0.6622	0.6622	13,885	
	Police	2,096,794	0.2500	0.2500	5,242	2020
	Fire	2,096,794	0.2000	0.2000	4,194	2020
City of Clinton	General Revenue	133,325,281	0.5312	0.5312	708,224	
	Parks & Recreation	133,325,281	0.1487	0.1487	198,255	
City of Deepwater	General Revenue	2,383,848	0.8600	0.8600	20,501	
	Lights	2,383,848	0.1500	0.1500	3,576	
	Cemetery	2,383,848	0.1000	0.1000	2,384	
City of Montrose	General Revenue	3,173,708	0.9548	0.9548	30,303	
City of Urich	General Revenue	3,774,912	0.9163	0.9163	34,590	
	Parks & Recreation	3,774,912	0.2827	0.2827	10,672	
City of Windsor	General Revenue	24,091,103	0.6308	0.6308	151,967	
	Library	24,091,103	0.0000	0.0000	0	
	Parks	24,091,103	0.2400	0.2400	57,819	
	Pool	24,091,103	0.1200	0.1200	28,909	
	Recreation	24,091,103	0.0600	0.0600	14,455	
Henry County Library District	General Revenue	349,575,401	0.1952	0.1952	682,371	
Bear Creek Township Henry County	General Revenue	4,146,428	0.1809	0.1809	7,501	
	Road & Bridge	4,146,428	0.3168	0.3168	13,136	
	Special Road and Bridge	4,205,000	0.2504	0.2504	10,529 ^A	2021
Bethlehem Township Henry County	General Revenue	13,252,375	0.1219	0.1219	16,155	
	Road & Bridge	9,899,958	0.2732	0.2732	27,047	
Bogard Township Henry County	General Revenue	12,046,174	0.1602	0.1602	19,298	
	Road & Bridge	12,046,174	0.3390	0.3390	40,837	
	Special Road and Bridge	12,046,174	0.2500	0.2500	30,115	2020
Clinton Township Henry County	General Revenue	113,180,412	0.0516	0.0516	58,401	
	Road & Bridge	113,180,412	0.1032	0.1032	116,802	
Davis Township Henry County	General Revenue	8,369,325	0.2000	0.2000	16,739	

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<u>Henry</u>						
Davis Township Henry County	Road & Bridge	8,369,325	0.5000	0.5000	41,847	
Deepwater Township Henry County	General Revenue	9,192,547	0.1659	0.1659	15,250	
	Road & Bridge	2,302,232	0.3379	0.3379	7,779	
Deer Creek Township Henry County	General Revenue	9,459,741	0.1460	0.1460	13,811	
	Road & Bridge	5,800,751	0.4283	0.4283	24,845	
Fairview Township Henry County	General Revenue	8,530,260	0.1531	0.1531	13,060	
	Road & Bridge	8,530,260	0.3266	0.3266	27,860	
Fields Creek Township Henry County	General Revenue	49,587,126	0.1647	0.1647	81,670	
	Road & Bridge	18,148,800	0.3022	0.3022	54,846	
Honey Creek Township Henry County	General Revenue	4,850,427	0.1454	0.1454	7,053	
	Road & Bridge	1,577,918	0.1662	0.1662	2,622	
Leesville Township Henry County	General Revenue	18,195,486	0.1325	0.1325	24,109	
	Road & Bridge	18,195,486	0.2653	0.2653	48,273	
Osage Township Henry County	General Revenue	12,581,519	0.1372	0.1372	17,262	
	Road & Bridge	6,153,786	0.3214	0.3214	19,778	
Shawnee Township Henry County	General Revenue	9,894,935	0.1537	0.1537	15,209	
	Road & Bridge	3,936,551	0.4141	0.4141	16,301	
Springfield Township Henry County	General Revenue	5,849,448	0.1697	0.1697	9,927	
	Road & Bridge	5,849,448	0.4243	0.4243	24,819	
Tebo Township Henry County	General Revenue	10,520,634	0.1650	0.1650	17,359	
	Road & Bridge	10,520,634	0.3594	0.3594	37,811	
	Special Road and Bridge	10,520,634	0.1788	0.1788	18,811	2019
Walker Township Henry County	General Revenue	7,582,841	0.1639	0.1639	12,428	
	Road & Bridge	7,582,841	0.4097	0.2500	18,957	
White Oak Township Henry County	General Revenue	8,823,289	0.1866	0.1866	16,464	
	Road & Bridge	8,823,289	0.3938	0.3938	34,746	
Windsor Township Henry County	General Revenue	34,992,763	0.1450	0.1450	50,740	
Big Creek Township Henry County	General Revenue	8,219,672	0.1839	0.1839	15,116	
	Road & Bridge	8,219,672	0.2992	0.2992	24,593	
Tightwad FPD	General Revenue	18,172,586	0.2859	0.2859	51,955	
Henry County Health Center	General Revenue	349,575,401	0.0974	0.0974	340,486	
Henry County R-I School District	Operating Funds-Schools	47,964,135	3.1146	3.0606	1,467,990 ^E	
	Debt Service	47,964,135	0.5871	0.5000	239,821	
Shawnee R-III School District	Operating Funds-Schools	10,589,195	4.0008	4.0008	423,653 ^E	
	Debt Service	10,589,195	0.4744	0.4584	48,541	
Calhoun R-VIII School District	Operating Funds-Schools	12,057,538	3.8375	3.8375	462,708 ^E	
Leesville R-IX School District	Operating Funds-Schools	17,695,185	3.3328	3.3328	589,745 ^E	
Davis R-XII School District	Operating Funds-Schools	13,213,809	3.5600	3.5600	470,412 ^E	
Montrose R-XIV School District	Operating Funds-Schools	11,826,981	4.3342	4.3342	512,605 ^E	
	Debt Service	11,826,981	0.8000	0.8000	94,616	
Clinton School District	Operating Funds-Schools	180,632,165	3.5166	3.5166	6,352,111 ^E	
	Operating Funds-Temp	180,632,165	0.0000	0.0000	0	2027
	Debt Service	180,632,165	1.4307	0.8768	1,583,783	
Henry County	General Revenue	349,575,401	0.2482	0.0684	239,110	
	Senior Services	349,575,401	0.0486	0.0486	169,894	
<u>Hickory</u>						
City of Cross Timbers	General Revenue	893,366	0.4241	0.4149	3,707	
City of Hermitage	General Revenue	5,282,294	0.4966	0.4966	26,232	

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<u>Hickory</u>						
City of Weaubleau	General Revenue	2,734,977	0.3871	0.3871	10,587	
City of Wheatland	General Revenue	4,316,535	0.3226	0.3226	13,925	
Hickory County Library District	General Revenue	127,010,662	0.1302	0.1302	165,368	
Hickory County Health Department	General Revenue	127,010,662	0.1516	0.1516	192,548	
Hickory County R-I School District	Operating Funds-Schools	46,677,839	2.8544	2.8544	1,332,372	E
	Debt Service	46,677,839	0.8567	0.8101	378,137	
Wheatland R-II School District	Operating Funds-Schools	39,867,816	2.9358	2.9358	1,170,439	E
	Debt Service	39,867,816	0.5194	0.4136	164,893	
Weaubleau R-III School District	Operating Funds-Schools	25,098,173	2.7500	2.7500	690,200	E
	Debt Service	25,098,173	1.2069	0.8900	223,374	
Hermitage R-IV School District	Operating Funds-Schools	44,082,780	2.7500	2.7500	1,212,276	E
	Debt Service	44,082,780	0.4827	0.4500	198,373	
Hickory County	General Revenue	127,010,662	0.3162	0.1863	236,621	
	Road & Bridge	127,010,662	0.2418	0.2418	307,112	
<u>Holt</u>						
Corning SRD Holt County	Special Road and Bridge	4,565,512	0.3520	0.3520	16,071	A 2021
S Union Twsp Independent SRD Holt	Special Road and Bridge	2,994,266	0.3688	0.3688	11,043	2020
Village of Bigelow	General Revenue	477,056	0.7563	0.7563	3,608	
Village of Corning	General Revenue	178,229	0.3524	0.3524	628	
	Lights	178,229	0.1801	0.1801	321	
City of Craig	General Revenue	1,417,899	1.0000	1.0000	14,179	
	Motor Fuel	1,417,899	0.4000	0.4000	5,672	
City of Forest City	General Revenue	2,874,476	1.0000	1.0000	28,745	
	Police	2,874,476	0.3053	0.3053	8,776	A 2025
Village of Fortescue	General Revenue	408,221	0.6741	0.6741	2,752	
City of Maitland	General Revenue	2,325,250	0.9889	0.9889	22,994	
	Lights	2,325,250	0.3500	0.3500	8,138	
	Health	2,325,250	0.1500	0.1500	3,488	
	General Revenue-Temp	2,325,250	0.2584	0.2584	6,008	2020
City of Mound City	General Revenue	13,209,928	0.7822	0.7822	103,328	
	Parks & Recreation	13,209,928	0.2793	0.2793	36,895	
	Library	13,209,928	0.4080	0.4080	53,897	
	Health	13,209,928	0.1676	0.1676	22,140	
	Lights	13,209,928	0.3132	0.3132	41,373	A 2021
City of Oregon	General Revenue	7,593,636	1.0000	1.0000	75,936	
	Library	7,593,636	0.3895	0.3895	29,577	
	Health	7,593,636	0.1854	0.1854	14,079	
Village of Big Lake	General Revenue	6,025,055	0.2991	0.2991	18,021	
	Health	6,025,055	0.1327	0.1327	7,995	
	General Revenue-Temp	6,025,055	0.3024	0.3024	18,220	2020
Mound City Rural FPD	General Revenue	49,169,524	0.1988	0.1988	97,749	
Southern FPD of Holt County	General Revenue	46,781,494	0.2189	0.2189	102,405	
Northwest Holt County FPD	General Revenue	24,741,503	0.4061	0.4061	100,475	
Maitland Volunteer FPD	General Revenue	8,747,601	0.2886	0.2886	25,246	
Craig R-III School District	Operating Funds-Schools	25,760,006	4.4376	4.4376	1,143,126	E
Mound City R-2 School District	Operating Funds-Schools	35,024,174	3.2649	3.2649	1,143,504	E
	Operating Funds-Temp	35,024,174	0.4245	0.4245	148,678	2033
South Holt County R-I SD	Operating Funds-Schools	35,308,746	3.3087	3.3087	1,168,260	E

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<u>Holt</u>						
Holt County	General Revenue	147,078,737	0.4016	0.3384	497,714	
	Johnson Grass	147,078,737	0.0369	0.0369	54,272	
	Road & Bridge	147,078,737	0.4066	0.4066	598,022	
	Senior Services	147,078,737	0.0461	0.0461	67,803	
<u>Howard</u>						
Howard County Ambulance District	General Revenue	129,016,085	0.3000	0.3000	387,048	
Moniteau Creek WSD	General Revenue	14,183,190	0.3200	0.3200	45,386	
Armstrong SRD Howard County	Special Road and Bridge	9,288,826	0.3570	0.3570	33,161	2020
Glasgow SRD 60 Howard County	Special Road and Bridge	25,385,172	0.3556	0.3556	90,270	2020
City of Armstrong	General Revenue	1,690,605	0.8800	0.8800	14,877	
City of Fayette	General Revenue	17,942,337	0.5671	0.5671	101,751	
City of Franklin	General Revenue	470,813	1.0000	1.0000	4,708	
City of New Franklin	General Revenue	7,628,545	0.6391	0.6391	48,754	
City of Glasgow	General Revenue	12,114,886	0.5713	0.5713	69,212	
	Parks & Recreation	12,114,886	0.2687	0.2687	32,553	
	Library	12,114,886	0.2500	0.2500	30,287	
	Debt Service	12,114,886	0.3651	0.3651	44,231	
Howard County Library District	General Revenue	117,480,012	0.1000	0.1000	117,480	
Howard County FPD	General Revenue	73,184,055	0.3000	0.3000	219,552	
	Debt Service	73,184,055	0.2589	0.1475	107,946	
Armstrong FPD	General Revenue	17,472,707	0.2896	0.2896	50,601	
Glasgow Volunteer FPD	General Revenue	36,874,241	0.2695	0.2695	99,376	
New Franklin R-I School District	Operating Funds-Schools	28,822,001	3.4065	3.4065	981,821	E
	Debt Service	28,822,001	1.1999	0.7020	202,330	
Fayette R-III School District	Operating Funds-Schools	54,664,116	3.5000	3.5000	1,913,244	E
	Debt Service	54,664,116	1.0546	0.7762	424,303	
Howard County R-II School District	Operating Funds-Schools	27,321,552	4.8435	4.8431	1,323,210	E
Howard County	General Revenue	129,016,085	0.4110	0.2706	349,118	
	Road & Bridge	94,342,087	0.3063	0.3063	288,970	
	Developmental Dis. Board	129,016,085	0.1000	0.1000	129,016	
<u>Howell</u>						
South Howell Ambulance District	General Revenue	343,176,685	0.2000	0.2000	686,353	
Willow Springs Ambulance District	General Revenue	80,367,019	0.2110	0.2108	169,414	
Mountain View-Summersville AD	General Revenue	82,560,586	0.1913	0.1913	157,938	
City of Mountain View	General Revenue	25,280,716	0.0000	0.0000	0	
	Library	25,280,716	0.0000	0.0000	0	
City of West Plains	General Revenue	156,651,776	0.3180	0.3180	498,153	
	Library	156,651,776	0.2000	0.2000	313,304	
City of Willow Springs	General Revenue	19,118,537	0.5173	0.5173	98,900	
	Library	19,118,537	0.1651	0.1651	31,565	
Howell County Rural FPD 1	General Revenue	109,285,084	0.2676	0.2676	292,447	
Pomona FPD	General Revenue	22,899,240	0.3000	0.3000	68,698	
Brandsville FPD	General Revenue	11,252,273	0.2946	0.2946	33,149	
Pumpkin Center FPD	General Revenue	3,994,370	0.3000	0.3000	11,983	
Howell County Health Department	General Revenue	466,388,441	0.0971	0.0970	452,397	
Howell Valley R-I School District	Operating Funds-Schools	25,431,890	4.0310	4.0310	1,025,159	E
Mountain View-Birch Tree R-III SD	Operating Funds-Schools	70,574,493	2.7863	2.7863	1,966,417	E
	Operating Funds-Temp	70,574,493	0.8607	0.8607	607,435	2028

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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Howell</u>						
Willow Springs R-IV School District	Operating Funds-Schools	71,690,883	2.7500	2.7500	1,971,499	E
Richards R-V School District	Operating Funds-Schools	41,295,703	2.7500	2.7500	1,135,632	F
West Plains R-VII School District	Operating Funds-Schools	160,892,330	3.8144	3.8144	6,137,077	E
Glenwood R-VIII School District	Operating Funds-Schools	29,402,380	3.1460	3.1460	924,999	E
Junction Hill C-12 School District	Operating Funds-Schools	18,308,730	3.5111	3.4300	627,989	BE
Fairview R-XI School District	Operating Funds-Schools	48,941,550	3.6577	3.6577	1,790,135	E
Howell County	General Revenue	470,739,391	0.2832	0.0000	0	
	Road & Bridge	470,739,391	0.2152	0.1775	835,562	
	Developmental Dis. Board	466,388,441	0.0582	0.0582	271,438	
<u>Iron</u>						
Iron County Ambulance District	General Revenue	205,250,362	0.1401	0.0068	13,957	
Iron County SRD 1	Road & Bridge	205,250,362	0.2821	0.2821	579,011	
City of Annapolis	General Revenue	15,168,163	0.4385	0.4385	66,512	
City of Arcadia	General Revenue	5,336,980	0.4744	0.4744	25,319	
Village of Des Arc	General Revenue	691,017	0.4279	0.4279	2,957	
City of Ironton	General Revenue	14,162,707	0.5929	0.5929	83,971	
	Parks & Recreation	14,162,707	0.1695	0.1695	24,006	
City of Pilot Knob	General Revenue	6,166,252	0.4346	0.4346	26,799	
City of Viburnum	General Revenue	8,851,797	1.0000	1.0000	88,518	
	Parks & Recreation	8,851,797	0.2300	0.2300	20,359	
	Solid Waste Landfill	8,851,797	0.1000	0.1000	8,852	
	Health	8,851,797	0.2000	0.2000	17,704	
Iron County Library District	General Revenue	205,250,362	0.2083	0.2083	427,537	
Quad County FPD	General Revenue	88,939,430	0.3525	0.3525	313,511	
Southern Iron County FPD	General Revenue	37,800,170	0.2321	0.2321	87,734	
Pilot Knob FPD	General Revenue	62,269,490	0.2840	0.2840	176,845	
Iron County Health Department	General Revenue	205,250,362	0.0936	0.0936	192,114	
South Iron County R-I SD	Operating Funds-Schools	34,991,929	3.9021	3.9021	1,365,420	E
Arcadia Valley R-II School District	Operating Funds-Schools	55,125,576	2.7500	2.7500	1,515,953	F
	Debt Service	55,125,576	0.9188	0.6200	341,779	
Bellevue R-III School District	Operating Funds-Schools	10,876,290	2.7500	2.7500	299,098	E
Iron County C-4 School District	Operating Funds-Schools	86,499,121	3.4300	3.4300	2,966,920	BE
Iron County	General Revenue	205,250,362	0.3967	0.3017	619,240	
	Developmental Dis. Board	205,250,362	0.0936	0.0936	192,114	
<u>Jackson</u>						
PWSD 17 Jackson County	General Revenue	99,392,192	0.0575	0.0575	57,151	
City of Blue Springs	General Revenue	870,057,897	0.5675	0.5675	4,937,579	
	Debt Service	870,057,897	0.2835	0.1500	1,305,087	
	General Revenue	26,022,487	0.5900	0.5900	153,533	
City of Buckner	General Revenue	204,403,777	0.5706	0.5554	1,135,259	
City of Grain Valley	Parks & Recreation	204,403,777	0.1260	0.1226	250,599	
	Health	204,403,777	0.0502	0.0489	99,953	
	Debt Service	204,403,777	0.9075	0.9025	1,844,744	
	General Revenue	295,859,648	0.9776	0.9776	2,892,324	
City of Grandview	Parks & Recreation	295,859,648	0.1173	0.1173	347,043	
	Debt Service	295,859,648	0.3932	0.3800	1,124,267	
	General Revenue	82,606,902	0.4298	0.4298	355,044	
City of Greenwood	Fire	82,606,902	0.5833	0.5833	481,846	2019

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Jackson						
City of Greenwood	Hydrant	82,606,902	0.0186	0.0186	15,365	2019
	Debt Service	82,606,902	0.3356	0.3356	277,229	
City of Independence	General Revenue	1,118,763,977	0.4830	0.4830	5,403,630	
	Health & Recreation	1,118,763,977	0.2275	0.2275	2,545,188	
	Indep. Sq. Spec. Benefit	4,504,078	0.5749	0.5749	25,894	
City of Kansas City	General Revenue	8,093,855,782	0.6923	0.6923	56,033,764	2022
	Museum	8,093,855,782	0.0192	0.0192	1,554,020	
	Health	8,093,855,782	0.4810	0.4810	38,931,446	
	Health-Temp	8,093,855,782	0.2116	0.2116	17,126,599	
	Debt Service	8,093,855,782	1.0272	0.2742	22,193,353	
City of Lake Lotawana	General Revenue	94,000,028	0.4194	0.4194	394,236	
City of Lake Tapawingo	General Revenue	17,707,916	0.9272	0.9272	164,188	
	Debt Service	17,707,916	3.2645	1.8000	318,742	
City of Levasy	General Revenue	908,999	0.8390	0.8390	7,627	
City of Lone Jack	General Revenue	23,174,114	0.7119	0.7119	164,977	
	Debt Service	23,174,114	0.4112	0.4112	95,292	
City of Oak Grove	General Revenue	100,203,770	0.6434	0.6434	644,711	
	Debt Service	100,203,770	1.0957	0.1985	198,904	
City of Raytown	General Revenue	329,860,727	0.3435	0.3435	1,133,072	
	Parks & Recreation	329,860,727	0.1714	0.1714	565,381	
Village of Sibley	General Revenue	3,742,278	0.4078	0.4078	15,261	
City of Sugar Creek	General Revenue	50,769,109	0.9265	0.9265	470,376	
	Health	50,769,109	0.1204	0.1204	61,126	
City of Lee's Summit	General Revenue	2,032,705,197	0.8886	0.8886	18,062,618	
	Parks & Recreation	2,032,705,197	0.1571	0.1571	3,193,380	
	Debt Service	2,032,705,197	0.5341	0.4697	9,547,616	
Village of River Bend	General Revenue	2,865,264	0.4163	0.4163	11,928	
Mid Continent Library District	General Revenue	13,801,700,536	0.3963	0.3963	54,696,139	
Kansas City Public Library District	General Revenue	3,539,699,998	0.4844	0.5065	17,928,580 ^C	
Central Jackson County FPD	General Revenue	1,115,312,696	1.0460	0.8633	9,628,495	
	Ambulance	1,115,312,696	0.1494	0.1494	1,666,277	
	Dispatch	1,115,312,696	0.0192	0.0192	214,140	
	Debt Service	1,115,312,696	0.1247	0.1200	1,338,375	
Lone Jack Community FPD	General Revenue	96,838,446	0.8234	0.8234	797,368	
	Ambulance	96,838,446	0.2912	0.2912	281,994	
Prairie Township FPD	General Revenue	150,101,170	0.7295	0.7295	1,094,988	
	Ambulance	150,101,170	0.2958	0.2958	443,999	
Raytown FPD	General Revenue	314,912,523	0.7800	0.7800	2,456,318	
	Pension	314,912,523	0.0500	0.0500	157,456	
	Debt Service	314,912,523	0.2286	0.2086	656,908	
Lotawana FPD	General Revenue	99,356,993	0.4622	0.4622	459,228	
	Ambulance	99,356,993	0.2195	0.2195	218,089	
	Debt Service	99,356,993	0.0034	0.0034	3,378	
Fort Osage FPD	General Revenue	185,735,475	0.8509	0.8509	1,580,423	
	Ambulance	185,735,475	0.4924	0.4924	914,561	
	Dispatch	185,735,475	0.0295	0.0295	54,792	
	Debt Service	185,735,475	0.3864	0.2800	520,059	
Inter City FPD	General Revenue	14,800,924	0.5857	0.2830	41,887	

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Jackson						
Inter City FPD	Ambulance	14,800,924	0.3091	0.3091	45,750	
	Ambulance/EMS	14,800,924	0.4121	0.4121	60,995	
	Debt Service	14,800,924	0.3379	0.3379	50,012	
Jackson County Health Department	General Revenue	10,735,382,364	0.3040	0.2259	24,251,229	
Metropolitan Community College	General Revenue	14,760,081,201	0.2305	0.2305	34,021,987	
Fort Osage R-I School District	Operating Funds-Schools	284,752,418	5.2117	5.0943	14,506,142	E
	Debt Service	284,752,418	1.7432	1.2757	3,632,587	
Blue Springs R-IV School District	Operating Funds-Schools	1,449,206,738	5.3287	4.8869	70,821,284	B
	Debt Service	1,449,206,738	1.5351	0.8417	12,197,973	
Grain Valley R-V School District	Operating Funds-Schools	310,721,193	3.7163	3.7163	11,547,332	E
	Debt Service	310,721,193	2.1408	1.7000	5,282,260	
Oak Grove R-VI School District	Operating Funds-Schools	137,933,624	3.7167	3.7167	5,126,579	E
	Debt Service	137,933,624	1.4027	1.3200	1,820,724	
Lee's Summit R-VII School District	Operating Funds-Schools	2,010,328,801	5.0017	4.8111	96,718,929	F
	Debt Service	2,010,328,801	1.0970	1.0700	21,510,518	
Hickman Mills C-1 School District	Operating Funds-Schools	400,897,673	5.4717	5.9402	23,814,124	EC
	Debt Service	400,897,673	1.4344	1.1000	4,409,874	
Raytown C-2 School District	Operating Funds-Schools	663,279,677	5.0211	5.0211	33,303,936	E
	Debt Service	663,279,677	1.6708	1.2989	8,615,340	
Grandview C-4 School District	Operating Funds-Schools	473,300,858	4.8255	4.8255	22,839,133	E
	Debt Service	473,300,858	1.2647	0.8000	3,786,407	
Lone Jack C-6 School District	Operating Funds-Schools	59,891,797	3.9557	3.9557	2,369,140	E
	Debt Service	59,891,797	1.7298	1.3927	834,113	
Independence 30 School District	Operating Funds-Schools	1,000,610,832	4.5725	4.5725	45,752,930	E
	Debt Service	1,000,610,832	1.4709	1.2285	12,292,504	
Kansas City 33 School District	Operating Funds-Schools	3,177,637,367	3.2464	2.9237	92,904,584	
	Article X, Section 11(g)	3,177,637,367	2.0362	2.0362	64,703,052	G
Center 58 School District	Operating Funds-Schools	437,640,488	5.7139	5.7139	25,006,340	E
	Debt Service	437,640,488	1.4795	0.9000	3,938,764	
Jackson County	General Revenue	10,735,382,364	0.2842	0.1349	14,482,031	
	Parks & Recreation	10,735,382,364	0.1531	0.1416	15,201,301	
	Road & Bridge	10,735,382,364	0.2842	0.1989	21,352,676	
	Developmental Dis. Board	10,735,382,364	0.0720	0.0720	7,729,475	
	Mental Health	10,735,382,364	0.1171	0.1171	12,571,133	
Jasper						
Carl Junction SRD Jasper County	Road & Bridge	69,368,658	0.3073	0.3073	213,170	
Carthage SRD Jasper County	Road & Bridge	331,311,472	0.2430	0.2430	805,087	
Joplin SRD Newton-Jasper County	Road & Bridge	1,226,827,352	0.2270	0.2270	2,784,898	
City of Alba	General Revenue	3,781,804	0.6521	0.6521	24,661	
	Parks & Recreation	3,781,804	0.1719	0.1719	6,501	
City of Asbury	General Revenue	2,159,839	0.4949	0.4949	10,689	
Village of Avilla	General Revenue	947,692	0.1910	0.1910	1,810	
City of Carl Junction	General Revenue	86,714,977	0.4892	0.4892	424,210	
	Debt Service	86,714,977	0.4350	0.4350	377,210	
City of Cartersville	General Revenue	9,801,722	0.6464	0.6464	63,358	
	Debt Service	9,801,722	1.4785	1.4785	144,918	
City of Carthage	General Revenue	123,081,383	0.3541	0.3541	435,831	
	Parks & Recreation	123,081,383	0.1528	0.1528	188,068	

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Jasper						
City of Carthage	Library	123,081,383	0.1768	0.1768	217,608	
	Health	123,081,383	0.0805	0.0805	99,081	
City of Duenweg	General Revenue	9,886,682	0.7366	0.7366	72,825	
City of Jasper	General Revenue	7,656,049	0.7773	0.7773	59,510	
City of La Russell	General Revenue	855,229	0.0000	0.0000	0	
City of Neck City	General Revenue	1,321,604	0.2558	0.2558	3,381	
City of Oronogo	General Revenue	22,615,282	0.2766	0.2728	61,694	
	Streets	22,615,282	0.1320	0.1302	29,445	
City of Purcell	General Revenue	3,085,334	0.2943	0.2943	9,080	
Village of Reeds	General Revenue	866,980	0.1693	0.1693	1,468	
City of Sarcoxie	General Revenue	10,265,559	0.5751	0.5751	59,037	
	Parks & Recreation	10,265,559	0.1099	0.1099	11,282	
	Health	10,265,559	0.0000	0.0000	0	
City of Waco	General Revenue	672,527	0.2500	0.2500	1,681	
City of Webb City	General Revenue	109,014,889	0.3796	0.3796	413,821	
	Parks & Recreation	109,014,889	0.0861	0.0861	93,862	
	Library	109,014,889	0.2556	0.2556	278,642	
City of Joplin	Parks & Recreation	603,564,882	0.0599	0.0599	361,535	
	Library	531,627,815	0.2545	0.2545	1,352,993	
	Solid Waste Landfill	603,564,882	0.0599	0.0599	361,535	
	Health	603,564,882	0.0599	0.0599	361,535	
Carthage FPD	General Revenue	156,894,002	0.2756	0.2700	423,614	
Duenweg Volunteer FPD	General Revenue	109,266,760	0.3000	0.3000	327,800	
Carl Junction FPD	General Revenue	218,865,905	0.2560	0.2560	560,297	
Oronogo FPD	General Revenue	49,950,874	0.5873	0.5873	293,361	
Central Jasper County FPD	General Revenue	30,778,316	0.2880	0.2880	88,642	
Tri-Cities FPD	General Revenue	32,579,817	0.6313	0.6313	205,676	B
Asbury FPD	General Revenue	17,381,718	0.2971	0.2971	51,641	
Jasper Volunteer FPD	General Revenue	35,581,966	0.3000	0.3000	106,746	
Sarcoxie Rural FPD	General Revenue	34,140,586	0.2439	0.2439	83,269	
Carl Junction R-I School District	Operating Funds-Schools	245,277,941	3.0230	3.0230	7,414,752	E
	Debt Service	245,277,941	1.3401	0.9900	2,428,252	
Avilla R-XIII School District	Operating Funds-Schools	21,207,146	3.5800	3.5625	755,505	E
Jasper County R-V School District	Operating Funds-Schools	42,469,321	3.4176	3.4176	1,451,432	E
Sarcoxie R-II School District	Operating Funds-Schools	37,466,084	3.4076	3.3000	1,236,381	E
	Debt Service	37,466,084	0.3890	0.0000	0	
Carthage R-IX School District	Operating Funds-Schools	310,881,476	2.8667	2.8474	8,852,039	E
	Operating Funds-Temp	310,881,476	0.3026	0.3026	940,727	2024
	Debt Service	310,881,476	1.0800	0.8300	2,580,316	
Webb City R-VII School District	Operating Funds-Schools	252,081,525	2.7500	2.7500	6,932,242	E
	Debt Service	252,081,525	1.0083	0.6800	1,714,154	
Joplin R-VIII School District	Operating Funds-Schools	927,352,615	2.7864	2.7864	25,839,753	E
	Debt Service	927,352,615	1.2322	0.9100	8,438,909	
Jasper County	General Revenue	1,671,667,348	0.3183	0.1005	1,680,026	
	Common Road District	417,484,094	0.2154	0.2154	899,261	
	Developmental Dis. Board	1,671,667,348	0.0867	0.0867	1,449,336	
	Mental Health	1,671,667,348	0.0867	0.0867	1,449,336	

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Jefferson						
Big River Ambulance District	General Revenue	307,681,941	0.3963	0.3040	935,353	
Joachim-Plattin Ambulance District	General Revenue	879,794,434	0.3215	0.1499	1,318,812	
North Jefferson Ambulance District	General Revenue	377,121,326	0.4763	0.2876	1,084,601	
	Pension	377,121,326	0.0481	0.0481	181,395	
Valle Ambulance District	General Revenue	408,503,722	0.4397	0.3201	1,307,620	
Rock Township Ambulance District	General Revenue	1,262,596,068	0.2023	0.1307	1,650,213	
Festus SRD Jefferson County	Road & Bridge	530,866,628	0.1800	0.1800	955,560	
Hillsboro SRD Jefferson County	Road & Bridge	27,993,438	0.1963	0.1963	54,951	
City of Arnold	General Revenue	297,847,293	0.3911	0.3911	1,164,881	
Village of Cedar Hill Lakes	General Revenue	2,182,065	0.4766	0.4766	10,400	
City of Crystal City	General Revenue	79,812,492	0.5098	0.5098	406,884	
	Parks & Recreation	79,812,492	0.1346	0.1346	107,428	
	Library	79,812,492	0.1346	0.1346	107,428	
City of De Soto	General Revenue	70,260,785	0.4418	0.4418	310,412	
	Parks & Recreation	70,260,785	0.1128	0.1128	79,254	
	Library	70,260,785	0.1882	0.1882	132,231	
City of Festus	General Revenue	175,600,279	0.3625	0.3625	636,551	
	Parks & Recreation	175,600,279	0.1103	0.1103	193,687	
	Library	175,600,279	0.1103	0.1103	193,687	
	Health	175,600,279	0.0801	0.0801	140,656	
City of Herculaneum	General Revenue	73,867,465	0.7265	0.7265	536,647	
City of Hillsboro	General Revenue	40,928,196	0.4512	0.4512	184,668	
	Parks & Recreation	40,928,196	0.0809	0.0809	33,111	
City of Kimmswick	General Revenue	2,532,835	0.0000	0.0000	0	
City of Olympian Village	General Revenue	4,530,676	0.2458	0.2458	11,136	
	Streets	4,530,676	0.1277	0.1277	5,786	
Village of Parkdale	General Revenue	1,619,537	0.1918	0.1918	3,106	
City of Pevely	General Revenue	98,048,589	0.8934	0.8934	875,966	
Village of Scotsdale	General Revenue	3,302,029	0.3300	0.3300	10,897	
City of Byrnes Mill	General Revenue	43,032,153	0.3888	0.3888	167,309	
Village of Lake Tekakwitha	General Revenue	1,975,810	0.4704	0.4704	9,294	
Northwest Library Subdistrict	General Revenue	639,545,857	0.2800	0.2800	1,790,728	
Windsor-Fox Library Subdistrict	General Revenue	1,240,722,869	0.2800	0.2800	3,474,024	
Antonia FPD	General Revenue	225,118,704	1.0167	0.9400	2,116,116	
	Pension	225,118,704	0.0434	0.0434	97,702	
	Dispatch	225,118,704	0.0259	0.0259	58,306	
Cedar Hill FPD	General Revenue	178,873,230	1.3013	1.3013	2,327,677	
	Pension	178,873,230	0.0459	0.0459	82,103	
Dunklin FPD	General Revenue	172,998,554	0.6497	0.6497	1,123,972	
	Pension	172,998,554	0.0487	0.0487	84,250	
Goldman FPD	General Revenue	66,895,182	1.1517	1.1517	770,432	
	Dispatch	66,895,182	0.0458	0.0458	30,638	
Hematite FPD	General Revenue	76,756,173	0.6836	0.6836	524,705 ^B	
High Ridge FPD	General Revenue	447,627,723	1.0352	0.8303	3,716,653 ^B	
	Pension	447,627,723	0.0740	0.0740	331,245	
	Dispatch	447,627,723	0.0462	0.0462	206,804	
	Debt Service	447,627,723	0.0947	0.0947	423,903	
Hillsboro FPD	General Revenue	141,334,705	0.6208	0.5198	734,658	

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<u>Jefferson</u>						
Jefferson R-7 FPD	General Revenue	205,042,757	0.5902	0.5902	1,210,162	
Rock Community FPD	General Revenue	788,025,753	1.2931	1.0217	8,051,259	
	Pension	788,025,753	0.0921	0.0921	725,772	
	Dispatch	788,025,753	0.0455	0.0455	358,552	
	Debt Service	788,025,753	0.0865	0.0865	681,642	
De Soto Rural FPD	General Revenue	211,364,536	1.1468	1.1468	2,423,928	
Mapaville FPD	General Revenue	58,762,069	0.9891	0.9891	581,216	
Saline Valley FPD	General Revenue	264,624,970	1.4454	1.4454	3,824,889	
	Pension	264,624,970	0.0859	0.0859	227,313	
	Dispatch	264,624,970	0.0382	0.0382	101,087	
Jefferson County Health Department	General Revenue	3,336,694,028	0.1079	0.1079	3,600,293	
Jefferson College	General Revenue	3,263,659,924	0.3316	0.3316	10,822,296	
Northwest R-I School District	Operating Funds-Schools	602,638,658	3.8873	3.8873	23,426,373	E
	Debt Service	602,638,658	0.7992	0.5896	3,553,158	
Grandview R-II School District	Operating Funds-Schools	56,382,060	3.6837	3.5982	2,028,739	BE
	Debt Service	56,382,060	1.2123	1.0795	608,644	
Hillsboro R-III School District	Operating Funds-Schools	281,322,066	3.6185	3.0393	8,550,222	
	Debt Service	281,322,066	1.7928	1.5792	4,442,638	
Dunklin R-V School District	Operating Funds-Schools	158,724,147	4.0522	4.0522	6,431,820	E
	Debt Service	158,724,147	1.2375	0.8238	1,307,570	
Festus R-VI School District	Operating Funds-Schools	273,730,531	3.7462	3.7462	10,254,493	E
Jefferson County R-VII SD	Operating Funds-Schools	200,728,433	3.7793	3.7793	7,586,130	E
	Debt Service	200,728,433	0.8469	0.8174	1,640,754	
Sunrise R-IX School District	Operating Funds-Schools	38,502,571	3.2994	3.2994	1,270,354	E
	Debt Service	38,502,571	1.1362	1.1362	437,466	
Windsor C-1 School District	Operating Funds-Schools	230,431,919	3.4256	3.4256	7,893,676	E
	Debt Service	230,431,919	1.5246	1.3167	3,034,097	
Fox C-6 School District	Operating Funds-Schools	965,970,917	4.1371	4.1371	39,963,183	E
	Debt Service	965,970,917	0.3901	0.3901	3,768,253	
Crystal City 47 School District	Operating Funds-Schools	62,159,528	4.1267	4.0618	2,524,796	E
	Debt Service	62,159,528	0.8504	0.8000	497,276	
De Soto 73 School District	Operating Funds-Schools	195,160,283	3.4235	3.4235	6,681,312	E
	Debt Service	195,160,283	0.9397	0.9397	1,833,921	
Jefferson County	General Revenue	3,336,694,028	0.1830	0.0000	0	
	Parks & Recreation	3,336,694,028	0.0273	0.0273	910,917	
	Road & Bridge	2,777,827,364	0.2415	0.2385	6,625,118	
	Developmental Dis. Board	3,336,694,028	0.0915	0.0915	3,053,075	
	Mental Health	3,336,694,028	0.0915	0.0915	3,053,075	
	Police	1,884,698,041	0.3551	0.3500	6,596,443	A
<u>Johnson</u>						
Johnson County Ambulance District	General Revenue	647,970,066	0.2934	0.2934	1,901,144	
Western Missouri Medical Center	General Revenue	655,277,765	0.1464	0.1464	959,327	
South Fork of Blackwater WSD	General Revenue	42,204,350	0.0988	0.0988	41,698	
City of Centerview	General Revenue	1,547,187	0.8210	0.8210	12,702	
City of Chilhowee	General Revenue	1,501,074	1.0000	1.0000	15,011	
City of Holden	General Revenue	20,039,133	0.7248	0.7243	145,143	
	Debt Service	20,039,133	0.3433	0.2545	51,000	
City of Kingsville	General Revenue	4,375,121	0.7500	0.7500	32,813	

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<u>Johnson</u>						
City of Knob Noster	General Revenue	23,436,099	0.6894	0.6894	161,568	2020
	Fire	23,436,099	0.3111	0.3000	70,308	
	Debt Service	23,436,099	0.3801	0.3200	74,996	
City of Leeton	General Revenue	3,445,907	0.9098	0.8957	30,865	
City of Warrensburg	General Revenue	221,996,700	0.3608	0.3608	800,964	
	Parks & Recreation	221,996,700	0.1960	0.1960	435,114	
	Debt Service	221,996,700	0.9273	0.5900	1,309,781	
Trails Consolidated PLD	General Revenue	1,090,375,499	0.2579	0.2579	2,812,078	
Johnson County FPD 2	General Revenue	136,118,667	0.3557	0.3557	484,174	
Johnson County FPD	General Revenue	245,060,014	0.6254	0.6254	1,532,605	B
	Debt Service	245,060,014	0.2112	0.1800	441,108	
Johnson County Community Health	General Revenue	655,277,765	0.0978	0.0978	640,862	
Kingsville R-I School District	Operating Funds-Schools	25,209,154	3.7500	3.7500	945,343	E
	Debt Service	25,209,154	1.1217	1.0662	268,780	
Holden R-III School District	Operating Funds-Schools	102,481,136	3.7500	3.7500	3,843,043	E
	Debt Service	102,481,136	0.8907	0.8400	860,842	
Chilhowee R-IV School District	Operating Funds-Schools	10,304,239	5.3628	5.3628	552,596	E
Johnson County R-VII SD	Operating Funds-Schools	42,885,056	3.7125	3.6500	1,565,305	E
	Debt Service	42,885,056	1.4088	1.0000	428,851	
Knob Noster R-VIII School District	Operating Funds-Schools	63,430,784	3.1666	3.1666	2,008,599	E
Leeton R-X School District	Operating Funds-Schools	16,948,189	3.8709	3.8709	656,047	E
	Debt Service	16,948,189	0.8861	0.8600	145,754	
Warrensburg R-VI School District	Operating Funds-Schools	296,084,598	4.5348	4.5348	13,426,844	E
	Debt Service	296,084,598	0.7524	0.7200	2,131,809	
Johnson County	General Revenue	655,277,765	0.1275	0.1275	835,479	
	Road & Bridge	655,277,765	0.2381	0.2381	1,560,216	
	Developmental Dis. Board	655,277,765	0.1174	0.1174	769,296	
<u>Knox</u>						
Knox County Ambulance District	General Revenue	82,245,708	0.3418	0.3418	281,116	
	Dispatch	82,245,708	0.0293	0.0293	24,098	
Knox County NHD	General Revenue	81,139,478	0.2946	0.2946	239,037	
City of Baring	General Revenue	1,102,165	0.9248	0.9248	10,193	
City of Edina	General Revenue	10,490,807	0.7500	0.7500	78,681	
	Lights	10,490,807	0.1500	0.1500	15,736	
City of Hurdland	General Revenue	851,968	0.9002	0.9002	7,669	
	Fire	851,968	0.3328	0.3328	2,835	
City of Knox City	General Revenue	1,383,367	1.0000	1.0000	13,834	
	Streets	1,383,367	0.5162	0.5162	7,141	A 2021
Village of Newark	General Revenue	638,769	0.5729	0.5729	3,660	
Village of Novelty	General Revenue	798,118	1.0000	1.0000	7,981	
	Streets	798,118	0.2587	0.2587	2,065	2019
Knox County Library District	General Revenue	82,245,708	0.0977	0.0977	80,354	
Knox County Health Department	General Revenue	82,245,708	0.0977	0.0977	80,354	
Knox County R-I School District	Operating Funds-Schools	68,855,114	3.6215	3.6215	2,493,588	E
	Debt Service	68,855,114	0.2827	0.2000	137,710	
Knox County	General Revenue	82,245,708	0.4252	0.3318	272,891	
	Road & Bridge	82,245,708	0.3084	0.3084	253,646	
	Special Road and Bridge	82,245,708	0.3522	0.3522	289,669	2018

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<u>Laclede</u>						
Lebanon SRD 1 Laclede County	Road & Bridge	278,924,239	0.3327	0.3327	927,981	
	Special Road and Bridge	278,924,239	0.2040	0.2040	569,005 A	2021
Phillipsburg SRD 3 Laclede County	Road & Bridge	17,454,384	0.2651	0.2651	46,272	
	Special Road and Bridge	17,454,384	0.2332	0.2332	40,704 A	2021
Laclede County SRD	Road & Bridge	132,279,130	0.2436	0.0000	0	
Conway SRD 2 Laclede County	Road & Bridge	12,806,198	0.2397	0.2397	30,696	
	Special Road and Bridge	12,806,198	0.3503	0.3503	44,860	2019
City of Conway	General Revenue	4,891,161	0.0000	0.0000	0	
City of Lebanon	General Revenue	213,580,197	0.2607	0.2607	556,804	
	Parks & Recreation	213,580,197	0.2607	0.2607	556,804	
Village of Phillipsburg	General Revenue	1,365,690	0.4843	0.4843	6,614	
Village of Evergreen	Buildings Maint.	1,496,069	0.3105	0.3105	4,645 A	2021
	Fire Equipment Maint.	1,496,069	0.3105	0.3105	4,645 A	2021
	Fire Truck Maint.	1,496,069	0.3105	0.3105	4,645 A	2021
	Police Vehicle Maint.	1,496,069	0.3105	0.3105	4,645 A	2021
Lebanon-Laclede County PLD	General Revenue	441,689,004	0.1356	0.1356	598,930	
Lebanon Rural FPD	General Revenue	117,063,537	0.1881	0.1881	220,197	
Bennett Spring FPD	General Revenue	10,887,345	0.3000	0.3000	32,662	
Competition Volunteer FPD	General Revenue	11,427,100	0.3000	0.3000	34,281	
Nebo Falcon FPD	General Revenue	12,468,438	0.3000	0.3000	37,405	
Lebanon SBD	General Revenue	3,475,570	0.7576	0.7576	26,331	
Lebanon Marketplace CID	General Revenue	727,740	0.9999	0.9999	7,277	
Laclede County Health Department	General Revenue	441,689,004	0.1000	0.1000	441,689	
Laclede County R-I School District	Operating Funds-Schools	38,898,110	2.7500	2.7500	1,069,698 F	
	Debt Service	38,898,110	0.8325	0.4900	190,601	
Gasconade C-4 School District	Operating Funds-Schools	9,696,760	3.6975	3.6975	358,538 E	
Lebanon R-III School District	Operating Funds-Schools	324,227,423	3.1117	3.0500	9,888,936 BE	
	Debt Service	324,227,423	1.3569	0.8400	2,723,510	
Laclede County C-5 School District	Operating Funds-Schools	30,697,224	3.2882	3.2882	1,009,386 E	
Laclede County	General Revenue	441,689,004	0.3027	0.1000	441,689	
	Developmental Dis. Board	441,689,004	0.0676	0.0676	298,582	
	Dev. Dis. Board-LEEP	441,689,004	0.0658	0.0658	290,631	
<u>Lafayette</u>						
Little Sni A Bar WSD	General Revenue	7,907,730	0.4000	0.4000	31,631 B	
Tabo Creek Watershed Subdistrict	General Revenue	18,044,284	0.4000	0.3000	54,133 B	
Wellington Napoleon WSD	General Revenue	5,238,030	0.4000	0.4000	20,952 B	
Alma SRD Lafayette County	Special Road and Bridge	16,648,811	0.3000	0.2763	46,001	2020
Corder SRD Lafayette County	Special Road and Bridge	13,585,484	0.3500	0.3500	47,549	2020
Concordia SRD Lafayette County	Special Road and Bridge	54,488,459	0.3300	0.3300	179,812	2020
Dover SRD Lafayette County	Special Road and Bridge	12,172,242	0.3477	0.3477	42,323	2019
Higginsville SRD Lafayette County	Special Road and Bridge	65,337,759	0.3616	0.3616	236,261	2019
Mayview SRD Lafayette County	Special Road and Bridge	14,881,726	0.3562	0.3562	53,009 A	2021
Odessa SRD Lafayette County	Special Road and Bridge	115,734,594	0.3056	0.3056	353,685	2018
Waverly SRD Lafayette County	Special Road and Bridge	21,345,241	0.2778	0.2778	59,297	2018
Wellington Napoleon SRD Lafayette	Special Road and Bridge	32,045,522	0.3563	0.3000	96,137 A	2021
City of Alma	General Revenue	4,683,417	0.4982	0.4982	23,333	
	Streets	4,683,417	0.4000	0.4000	18,734	2020
	General Revenue - Temp	4,683,417	0.3018	0.3018	14,135 A	2021

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<u>Lafayette</u>						
Village of Aullville	General Revenue	772,761	0.4587	0.4587	3,545	
City of Bates City	General Revenue	4,986,155	0.3156	0.3154	15,726	
City of Concordia	General Revenue	30,070,971	0.5397	0.5397	162,293	
City of Corder	General Revenue	2,929,384	0.6064	0.6064	17,764	
	Parks & Recreation	2,929,384	0.1493	0.1493	4,374	
Village of Dover	General Revenue	903,413	0.2924	0.2924	2,642	
City of Higginsville	General Revenue	45,471,664	0.4485	0.4485	203,940	
	Parks & Recreation	45,471,664	0.3704	0.3704	168,427	
	Library	33,292,031	0.1850	0.1850	61,590	
City of Lexington	General Revenue	43,771,027	0.5593	0.5593	244,811	
	Parks & Recreation	43,771,027	0.2841	0.2841	124,353	
	Health	43,771,027	0.1516	0.1516	66,357	
City of Mayview	General Revenue	1,501,050	0.7526	0.7526	11,297	
City of Napoleon	General Revenue	2,811,543	0.8015	0.8015	22,535	
City of Odessa	General Revenue	56,206,371	0.5561	0.5561	312,564	
	Parks & Recreation	56,206,371	0.1468	0.1468	82,511	
City of Waverly	General Revenue	8,063,863	0.5532	0.5532	44,609	
	Streets	8,063,863	0.2233	0.2233	18,007	
City of Wellington	General Revenue	6,833,931	0.5005	0.5005	34,204	
City of Lake Lafayette	General Revenue	1,861,522	1.0000	1.0000	18,615	
	Streets	1,583,500	0.3000	0.3000	4,751	2020
Corder FPD	General Revenue	22,033,912	0.2799	0.2799	61,673	
Sni Valley FPD	General Revenue	193,792,499	0.5595	0.5595	1,084,269 ^B	
	Dispatch	193,792,499	0.0289	0.0289	56,006	
	Fire & Ambulance	193,792,499	0.1446	0.1446	280,224	
	Debt Service	193,792,499	0.2237	0.2237	433,514	
Concordia FPD	General Revenue	68,488,871	0.2924	0.2924	200,261	
Alma FPD	General Revenue	21,994,903	0.3716	0.3716	81,733	
Wellington-Napoleon FPD	General Revenue	34,585,761	0.2548	0.2548	88,125	
	Ambulance	34,585,761	0.3367	0.3367	116,450	
Odessa Fire & Rescue Protection	General Revenue	111,344,525	0.4414	0.4414	491,475	
Mayview FPD	General Revenue	13,305,944	0.3257	0.3257	43,337	
Higginsville FPD	General Revenue	69,397,936	0.2765	0.2765	191,885	
Wellington-Napoleon R-IX RRD	Parks & Recreation	30,077,724	0.1894	0.1894	56,967	
Lafayette County Health Department	General Revenue	468,389,763	0.0713	0.0713	333,962	
Concordia R-II School District	Operating Funds-Schools	51,629,110	4.0087	4.0087	2,069,656 ^E	
	Debt Service	51,629,110	0.4497	0.4087	211,008	
Lafayette County C-1 SD	Operating Funds-Schools	77,477,151	3.6282	3.6282	2,811,026 ^E	
	Debt Service	77,477,151	1.1577	1.1131	862,398	
Odessa R-VII School District	Operating Funds-Schools	141,266,168	3.4840	3.4840	4,921,713 ^E	
	Debt Service	141,266,168	1.1966	1.1623	1,641,937	
Santa Fe R-X School District	Operating Funds-Schools	34,838,100	4.3032	4.3032	1,499,153 ^E	
	Debt Service	34,838,100	1.1313	0.6041	210,457	
Wellington-Napoleon R-IX SD	Operating Funds-Schools	30,077,724	3.3936	3.3936	1,020,718 ^E	
	Debt Service	30,077,724	1.0163	0.8859	266,459	
Lexington R-V School District	Operating Funds-Schools	58,838,716	4.0450	4.0450	2,380,026 ^E	
	Debt Service	58,838,716	1.9471	1.0500	617,807	
Lafayette County	General Revenue	468,389,763	0.2854	0.1900	889,941	

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<u>Lafayette</u>						
Lafayette County	Road & Bridge	468,389,763	0.2105	0.2105	985,960	
	Common Road District	415,861	0.3588	0.3588	1,492	2019
	Developmental Dis. Board	468,389,763	0.0626	0.0626	293,212	
	Common Road District 2-W	38,330,087	0.3300	0.3300	126,489	2020
	Common Road District I-E	19,135,508	0.3483	0.3483	66,649	2019
	Noxious Weed	468,389,763	0.0116	0.0116	54,333	
<u>Lawrence</u>						
Mt. Vernon Ambulance District	General Revenue	176,649,185	0.1410	0.1410	249,075	
Lawrence County NHD	General Revenue	489,147,936	0.1062	0.1062	519,475	
Aurora SRD Lawrence County	Special Road and Bridge	111,656,086	0.1700	0.1700	189,815	2020
Buck Prairie SRD Lawrence County	Special Road and Bridge	41,388,233	0.3192	0.3192	132,111 ^A	2021
Freistatt SRD Lawrence County	Special Road and Bridge	9,644,777	0.3375	0.3375	32,551	2018
Green Benefit SRD Lawrence County	Special Road and Bridge	8,698,035	0.2200	0.2200	19,136	2020
Midway Benefit SRD Lawrence County	Special Road and Bridge	3,035,114	0.2400	0.2400	7,284 ^A	2021
Miller Benefit SRD Lawrence County	Special Road and Bridge	24,940,235	0.1954	0.1954	48,733 ^A	2021
Mt. Pleasant Benefit SRD Lawrence	Special Road and Bridge	5,036,720	0.2053	0.2053	10,340 ^A	2021
Mt. Vernon Benefit SRD Lawrence	Special Road and Bridge	111,542,990	0.1613	0.1613	179,919 ^A	2021
Pierce Benefit SRD Lawrence County	Special Road and Bridge	29,931,876	0.1900	0.1900	56,871	2020
Red Oak Benefit SRD Lawrence County	Special Road and Bridge	5,458,689	0.2059	0.2059	11,239 ^A	2021
Verona Benefit SRD Lawrence County	Special Road and Bridge	36,437,010	0.1958	0.1958	71,344 ^A	2021
Vineyard Benefit SRD Lawrence	Special Road and Bridge	5,328,941	0.2200	0.2200	11,724	2020
City of Aurora	General Revenue	79,770,968	0.3671	0.3671	292,839	
Village of Freistatt	General Revenue	1,405,816	0.2604	0.2604	3,661	
City of Marionville	General Revenue	17,900,476	0.5907	0.5907	105,738	
City of Miller	General Revenue	5,042,845	0.9941	0.9941	50,131	
City of Pierce City	General Revenue	10,628,844	0.4582	0.4530	48,149	
	Parks & Recreation	10,628,844	0.1170	0.1157	12,298	
City of Stotts City	General Revenue	1,085,086	0.5171	0.5171	5,611	
City of Verona	General Revenue	10,128,988	0.9085	0.9085	92,022	
Aurora Rural FPD	General Revenue	66,886,628	0.2972	0.2972	198,787	
Pierce City FPD	General Revenue	42,376,799	0.2891	0.2891	122,511	
Miller Rural FPD	General Revenue	29,602,140	0.1660	0.1660	49,140	
Mt. Vernon FPD	General Revenue	94,338,914	0.3078	0.3000	283,017 ^A	
Miller R-II School District	Operating Funds-Schools	51,791,820	3.4472	3.3988	1,760,300 ^E	
	Operating Funds-Temp	51,791,820	0.0000	0.0000	0	2026
	Debt Service	51,791,820	0.8548	0.6600	341,826	
Pierce City R-VI School District	Operating Funds-Schools	42,882,785	2.7500	2.7500	1,179,277 ^F	
	Debt Service	42,882,785	0.7915	0.7900	338,774	
Marionville R-IX School District	Operating Funds-Schools	41,414,738	2.8895	2.7500	1,138,905 ^F	
	Debt Service	41,414,738	1.0757	0.9800	405,864	
Mt. Vernon R-V School District	Operating Funds-Schools	119,395,114	2.7500	2.7500	3,283,366 ^E	
	Debt Service	119,395,114	0.6854	0.5700	680,552	
Aurora R-VIII School District	Operating Funds-Schools	120,102,349	2.3560	2.3560	2,829,611 ^F	
	Operating Funds-Temp	120,102,349	0.3940	0.3940	473,203	2024
	Debt Service	120,102,349	1.2966	1.0500	1,261,075	
Verona R-VII School District	Operating Funds-Schools	31,946,231	2.9568	2.9427	940,082 ^E	
	Debt Service	31,946,231	1.6178	1.0073	321,794	
Lawrence County	General Revenue	489,147,936	0.2803	0.1205	589,423	

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<u>Lawrence</u>						
Lawrence County	Road & Bridge	489,147,936	0.2028	0.1000	489,148	
	Developmental Dis. Board	489,147,936	0.0867	0.0867	424,091	
	Senior Services	489,147,936	0.0477	0.0477	233,324	
	Common Road District 1	37,905,824	0.2196	0.2196	83,241 ^A	2021
	Common Road District 2	14,257,170	0.2112	0.2112	30,111 ^A	2021
<u>Lewis</u>						
Lewis County Ambulance District	General Revenue	144,808,425	0.2350	0.1254	181,590	
Lewis County NHD	General Revenue	144,808,425	0.1399	0.1399	202,587	
Buck & Doe Run Creeks WSD	General Revenue	4,773,570	0.2255	0.2255	10,764	
Durgens Creek Watershed Subdistrict	General Revenue	3,472,540	0.3515	0.3515	12,206	
Troublesome Watershed Subdistrict	General Revenue	11,360,066	0.3693	0.3693	41,953	
Grassey Creek Watershed Subdistrict	General Revenue	8,149,700	0.3907	0.3907	31,841	
Canton SRD Lewis County	Road & Bridge	38,102,801	0.2348	0.2302	87,713	
Dickerson SRD Lewis County	Road & Bridge	963,703	0.3270	0.3270	3,151	
La Grange SRD Lewis County	Road & Bridge	21,545,825	0.3333	0.3333	71,812	
City of Canton	General Revenue	24,243,962	0.6616	0.6616	160,398	
	Parks & Recreation	24,243,962	0.1842	0.1842	44,657	
	Library	24,243,962	0.2302	0.2302	55,810	
	Levee	24,243,962	0.1842	0.1842	44,657	
	Debt Service	24,243,962	0.8999	0.6454	156,471	
City of Ewing	General Revenue	3,383,089	0.6707	0.6707	22,690	
City of La Belle	General Revenue	4,651,225	0.7807	0.7807	36,312	
	Streets	4,651,225	0.1010	0.1010	4,698	2020
	Streets-Temp	4,651,225	0.3552	0.3552	16,521	2019
City of La Grange	General Revenue	11,645,202	0.4807	0.4807	55,978	
	Cemetery	11,645,202	0.1318	0.1318	15,348	
	Streets	11,645,202	0.2650	0.2650	30,860	
City of Lewistown	General Revenue	4,818,557	0.6630	0.6630	31,947	
Village of Monticello	General Revenue	1,075,943	0.6209	0.6209	6,681	
Lewis County Library District	General Revenue	120,497,996	0.0937	0.0937	112,907	
Canton R-V FPD	General Revenue	58,667,917	0.2371	0.2371	139,102	
	Debt Service	58,667,917	0.0718	0.0718	42,124	
Ewing-Maywood R-4 FPD	General Revenue	29,461,594	0.4400	0.4400	129,631	
Western Lewis County FPD	General Revenue	31,468,155	0.4300	0.4300	135,313	
	Debt Service	31,468,155	0.0758	0.0758	23,853	
Lewis County Health Department	General Revenue	144,808,425	0.2460	0.2460	356,229	
Canton R-V School District	Operating Funds-Schools	44,620,801	3.1693	3.1693	1,414,167 ^E	
	Debt Service	44,620,801	0.5622	0.5500	245,414	
Lewis County C-1 School District	Operating Funds-Schools	85,029,510	3.5096	3.5096	2,984,196 ^E	
Lewis County	General Revenue	144,808,425	0.3889	0.2562	370,999	
	Road & Bridge	79,877,936	0.2712	0.2712	216,629	
	Common Road District	79,877,936	0.2271	0.2100	167,744 ^A	2021
<u>Lincoln</u>						
Lincoln County Ambulance District	General Revenue	857,485,260	0.2609	0.1015	870,348	
Clarence Cannon Memorial WSD	General Revenue	11,430,312	0.1820	0.1820	20,803	
City of Elsberry	General Revenue	16,315,654	0.5161	0.5161	84,205	
	Cemetery	16,315,654	0.1548	0.1548	25,257	
City of Foley	General Revenue	909,367	0.7641	0.7641	6,948	

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<u>Lincoln</u>						
City of Hawk Point	General Revenue	5,466,736	0.3581	0.3462	18,926	
City of Moscow Mills	General Revenue	35,174,563	0.2554	0.2554	89,836	
	General Revenue & Water	35,174,563	0.4999	0.4999	175,838	
City of Old Monroe	General Revenue	4,154,684	0.3773	0.3773	15,676	
City of Silex	General Revenue	2,173,604	0.2769	0.2769	6,019	
	Debt Service	2,173,604	1.2930	1.2930	28,105	
City of Troy	General Revenue	207,834,338	0.1753	0.1753	364,334	
City of Winfield	General Revenue	15,423,591	0.3297	0.3297	50,852	
Village of Truxton	General Revenue	364,856	0.4635	0.4635	1,691	
Village of Chain of Rocks	General Revenue	1,251,056	0.4124	0.4124	5,159	
Village of Fountain 'N Lakes	General Revenue	483,234	0.4894	0.4894	2,365	
Winfield-Foley FPD	General Revenue	113,421,538	0.2362	0.2362	267,902	
Lincoln County FPD	General Revenue	520,675,886	0.4958	0.4958	2,581,511	
Elsberry FPD	General Revenue	56,999,740	0.2817	0.2817	160,568	
Hawk Point FPD	General Revenue	48,442,278	0.2556	0.2556	123,818	
Old Monroe FPD	General Revenue	43,350,201	0.2691	0.2691	116,655	
Lincoln County Health Department	General Revenue	857,485,260	0.1820	0.1820	1,560,623	
Silex R-I School District	Operating Funds-Schools	37,294,229	3.2521	3.2521	1,212,846	E
	Debt Service	37,294,229	1.0479	0.9629	359,106	
Elsberry R-II School District	Operating Funds-Schools	52,727,438	3.0649	3.0000	1,581,823	BE
	Debt Service	52,727,438	1.5503	1.1300	595,820	
Troy R-III School District	Operating Funds-Schools	560,380,168	3.1579	3.1579	17,696,245	E
	Debt Service	560,380,168	1.6066	1.6021	8,977,851	
Winfield R-IV School District	Operating Funds-Schools	115,706,358	3.0089	2.9891	3,458,579	E
	Debt Service	115,706,358	1.3537	1.3503	1,562,383	
Lincoln County	General Revenue	857,485,260	0.3167	0.2000	1,714,971	
	Road & Bridge	857,485,260	0.2421	0.2421	2,075,972	
	Hospital	857,485,260	0.1583	0.1583	1,357,399	
	Developmental Dis. Board	857,485,260	0.0910	0.0910	780,312	
	Debt Service	857,485,260	0.0885	0.0885	758,874	
<u>Linn</u>						
Linn County Ambulance District	General Revenue	161,300,301	0.2827	0.0953	153,719	
East Yellow Creek WSD	General Revenue	11,337,282	0.3609	0.3609	40,916	
Marceline SRD Linn County	General Revenue	24,454,371	0.0993	0.0993	24,283	
	Road & Bridge	24,454,371	0.3684	0.3684	90,090	
Purdin SRD Linn County	General Revenue	1,962,189	0.0000	0.0000	0	
	Road & Bridge	1,962,189	0.5000	0.5000	9,811	
	Special Road and Bridge	1,962,189	0.3500	0.3500	6,868	2018
City of Brookfield	General Revenue	39,515,420	0.8782	0.8782	347,024	
	Parks & Recreation	39,515,420	0.2000	0.2000	79,031	
	Cemetery	39,515,420	0.1000	0.1000	39,515	
	Library	39,515,420	0.3738	0.3738	147,709	
City of Browning	General Revenue	802,317	1.0000	1.0000	8,023	
City of Bucklin	General Revenue	3,314,331	0.9663	0.9663	32,026	
	Streets	3,314,331	0.4831	0.4831	16,012	
	Special Road and Bridge	3,314,331	0.6000	0.6000	19,886	2018
City of Laclede	General Revenue	2,471,360	0.9283	0.9283	22,942	
	Cemetery	2,471,360	0.1000	0.1000	2,471	

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<u>Linn</u>						
City of Linneus	General Revenue	1,463,836	0.6000	0.6000	8,783	
	Streets	1,463,836	0.4000	0.4000	5,855	
City of Marceline	General Revenue	23,343,597	0.5019	0.5019	117,162	
	Library	23,343,597	0.2092	0.2092	48,835	
	Debt Service	23,343,597	0.4274	0.4274	99,771	
City of Meadville	General Revenue	3,443,321	0.3704	0.3704	12,754	
City of Purdin	General Revenue	604,389	1.0000	1.0000	6,044	
Baker Township Linn County	General Revenue	4,095,682	0.1000	0.1000	4,096	
	Road & Bridge	4,095,682	0.5000	0.5000	20,478	
	Special Road and Bridge	4,095,682	0.3500	0.3500	14,335	2018
North Benton Township Linn County	General Revenue	2,250,171	0.1000	0.1000	2,250	
	Road & Bridge	2,250,171	0.5000	0.5000	11,251	
	Special Road and Bridge	2,250,171	0.3520	0.3520	7,921	2018
Brookfield Township Linn County	General Revenue	54,183,733	0.0997	0.0997	54,021	
	Road & Bridge	54,183,733	0.3977	0.3977	215,489	
Bucklin Township Linn County	General Revenue	11,290,549	0.0927	0.0927	10,466	
	Road & Bridge	11,290,549	0.4449	0.4449	50,232	
	Special Road and Bridge	11,290,549	0.3457	0.3457	39,031	2018
Clay Township Linn County	General Revenue	5,754,337	0.0973	0.0973	5,599	
	Road & Bridge	5,754,337	0.4860	0.4860	27,966	
	Special Road and Bridge	5,754,337	0.3500	0.3500	20,140	2018
Enterprise Township Linn County	General Revenue	1,988,223	0.1000	0.1000	1,988	
	Road & Bridge	1,988,223	0.5000	0.5000	9,941	
	Special Road and Bridge	1,988,223	0.3500	0.3500	6,959	2018
Grantsville Township Linn County	General Revenue	4,086,522	0.1000	0.1000	4,087	
	Road & Bridge	4,086,522	0.5000	0.5000	20,433	
	Special Road and Bridge	4,086,522	0.3500	0.3500	14,303	2018
Jackson Township Linn County	General Revenue	3,723,911	0.0979	0.0979	3,646	
	Road & Bridge	3,723,911	0.4895	0.4895	18,229	
	Special Road and Bridge	3,723,911	0.3500	0.3500	13,034	2018
Jefferson Township Linn County	General Revenue	12,938,446	0.0932	0.0932	12,059	
	Road & Bridge	12,938,446	0.3634	0.3634	47,018	
	Special Road and Bridge	12,938,446	0.3500	0.3500	45,285	2019
Locust Creek Township Linn County	General Revenue	6,895,037	0.1000	0.1000	6,895	
	Road & Bridge	6,895,037	0.5000	0.5000	34,475	
	Special Road and Bridge	6,895,037	0.3500	0.3500	24,133	2018
Marceline Township Linn County	General Revenue	6,300,657	0.0935	0.0935	5,891	
	Road & Bridge	6,300,657	0.4675	0.4675	29,456	
	Special Road and Bridge	6,300,657	0.3320	0.3320	20,918	2018
North Salem Township Linn County	General Revenue	2,824,259	0.1000	0.1000	2,824	
	Road & Bridge	2,824,259	0.5000	0.5000	14,121	
	Special Road and Bridge	2,824,259	0.3800	0.3800	10,732	2018
Parson Creek Township Linn County	General Revenue	10,131,023	0.0966	0.0966	9,787	
	Road & Bridge	10,131,023	0.4629	0.4629	46,897	
	Special Road and Bridge	10,131,023	0.3500	0.3500	35,459	2018
Yellow Creek Township Linn County	General Revenue	8,421,191	0.0788	0.0788	6,636	
	Road & Bridge	8,421,191	0.3600	0.3600	30,316	
	Special Road and Bridge	8,421,191	0.3500	0.3500	29,474	2018

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<u>Linn</u>						
Laclede Community FPD	General Revenue	12,938,446	0.2380	0.2380	30,794	
Linneus FPD	General Revenue	10,519,438	0.2982	0.2982	31,369	
Meadville FPD	General Revenue	14,574,267	0.3000	0.3000	43,723	A
Linn County Health Department	General Revenue	161,300,301	0.2340	0.2340	377,443	
Linn County R-I School District	Operating Funds-Schools	20,486,993	3.8415	3.8415	787,008	E
Bucklin R-II School District	Operating Funds-Schools	12,501,914	5.2755	5.2755	659,538	E
Meadville R-IV School District	Operating Funds-Schools	18,884,343	4.2828	3.7642	710,844	E
	Debt Service	18,884,343	1.4325	1.0500	198,286	
Marceline R-V School District	Operating Funds-Schools	42,539,734	3.8172	3.8172	1,623,827	E
	Debt Service	42,539,734	1.3900	0.8000	340,318	
Brookfield R-III School District	Operating Funds-Schools	63,968,564	3.9909	3.9909	2,552,921	E
	Operating Funds-Temp	63,968,564	0.4239	0.4239	271,163	2023
	Debt Service	63,968,564	0.8008	0.6600	422,193	
Linn County	General Revenue	161,300,301	0.2948	0.0725	116,943	
	Developmental Dis. Board	161,300,301	0.1950	0.1950	314,536	
	Senior Services	161,300,301	0.0491	0.0491	79,198	
<u>Livingston</u>						
Livingston Ambulance District	General Revenue	185,078,175	0.1204	0.1204	222,834	
Livingston County NHD	General Revenue	185,078,175	0.1500	0.1500	277,617	
City of Chillicothe	General Revenue	95,567,977	0.6917	0.6917	661,044	
	Parks & Recreation	95,567,977	0.1945	0.1945	185,880	
	Industrial Improvements	95,567,977	0.0000	0.0000	0	
City of Chula	General Revenue	2,352,824	0.7259	0.7259	17,079	
Village of Ludlow	General Revenue	609,459	1.0000	1.0000	6,095	
Village of Mooresville	General Revenue	560,942	0.5300	0.5300	2,973	
City of Wheeling	General Revenue	1,074,802	0.7500	0.7500	8,061	
Livingston County Memorial PLD	General Revenue	185,078,175	0.2700	0.2700	499,711	
	Debt Service	185,078,175	0.1629	0.1629	301,492	
Blue Mound Township Livingston Co	General Revenue	6,858,472	0.1000	0.1000	6,858	
	Road & Bridge	6,858,472	0.5000	0.5000	34,292	
	Special Road and Bridge	6,858,472	0.3228	0.3228	22,139	2018
Chillicothe Township Livingston Co	General Revenue	114,119,826	0.1000	0.1000	114,120	
	Road & Bridge	114,119,826	0.2878	0.2878	328,437	
Cream Ridge Township Livingston Co	General Revenue	8,860,261	0.0873	0.0873	7,735	
	Road & Bridge	8,860,261	0.3711	0.3711	32,880	
	Special Road and Bridge	8,860,261	0.3500	0.3500	31,011	A 2021
Grand River Township Livingston Co	General Revenue	4,884,581	0.1000	0.1000	4,885	
	Road & Bridge	4,884,581	0.5000	0.5000	24,423	
	Special Road and Bridge	4,884,581	0.3519	0.3519	17,189	2020
Green Township Livingston County	General Revenue	4,667,155	0.0954	0.0954	4,452	
	Road & Bridge	4,667,155	0.4762	0.4762	22,225	
Jackson Township Livingston County	General Revenue	9,337,688	0.0946	0.0946	8,833	
	Road & Bridge	9,337,688	0.2852	0.2852	26,631	
	Special Road and Bridge	9,337,688	0.3389	0.3389	31,645	2018
Medicine Township Livingston County	General Revenue	2,631,834	0.1000	0.1000	2,632	
	Road & Bridge	2,631,834	0.4341	0.4341	11,425	
	Special Road and Bridge	2,631,834	0.3500	0.3500	9,211	2018
Monroe Township Livingston County	General Revenue	4,955,242	0.0944	0.0944	4,678	

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<u>Livingston</u>						
Monroe Township Livingston County	Road & Bridge	4,955,242	0.4408	0.4408	21,843	2020
	Special Road and Bridge	4,955,242	0.3546	0.3546	17,571	
Mooresville Township Livingston Co	General Revenue	3,886,772	0.1000	0.1000	3,887	2020
	Road & Bridge	3,886,772	0.5000	0.5000	19,434	
	Special Road and Bridge	3,886,772	0.3532	0.3532	13,728	
Rich Hill Township Livingston Co	General Revenue	9,692,326	0.0999	0.0999	9,683	2018
	Road & Bridge	9,692,326	0.4560	0.4560	44,197	
	Special Road and Bridge	9,692,326	0.3374	0.3374	32,702	
Sampsel Township Livingston County	General Revenue	4,869,761	0.0996	0.0996	4,850	2021
	Road & Bridge	4,869,761	0.4836	0.4836	23,550	
	Special Road and Bridge	4,869,761	0.3559	0.3559	17,331 ^A	
Wheeling Township Livingston County	General Revenue	4,434,284	0.0970	0.0970	4,301	2020
	Road & Bridge	4,434,284	0.4850	0.4850	21,506	
	Special Road and Bridge	4,434,284	0.3591	0.3591	15,924	
Fairview Township Livingston County	General Revenue	5,879,968	0.1000	0.1000	5,880	2020
	Road & Bridge	5,879,968	0.4666	0.4666	27,436	
	Special Road and Bridge	5,879,968	0.3506	0.3506	20,615	
Green Township FPD	General Revenue	4,667,155	0.5253	0.5253	24,517	
Mooresville Township FPD	General Revenue	3,886,772	0.3000	0.3000	11,660	
Livingston County Health Center	General Revenue	185,078,175	0.3414	0.3414	631,857	
Southwest Livingston County R-I SD	Operating Funds-Schools	12,352,873	4.4656	4.4656	551,630 ^E	
Livingston County R-III SD	Operating Funds-Schools	8,941,232	5.1897	4.7344	423,314	
Chillicothe R-II School District	Capital Improvements	145,391,264	0.1200	0.1200	174,470	2023
	Operating Funds-Schools	145,391,264	3.6300	3.6300	5,277,703 ^E	
	Debt Service	145,391,264	1.3431	0.9660	1,404,480	
Livingston County	General Revenue	185,078,175	0.3354	0.0379	70,145	
	Developmental Dis. Board	185,078,175	0.1000	0.1000	185,078	
	Senior Services	185,078,175	0.0510	0.0510	94,390	
<u>McDonald</u>						
City of Anderson	General Revenue	15,711,909	0.2482	0.2482	38,997	2021
	General Revenue-Temp	15,711,909	0.3658	0.3658	57,474	
City of Goodman	General Revenue	7,752,103	0.6861	0.6861	53,187	
City of Lanagan	General Revenue	1,451,237	0.8244	0.8244	11,964	
City of Pineville	General Revenue	7,170,236	0.5012	0.5012	35,937	
City of Southwest City	General Revenue	14,933,652	0.6500	0.6500	97,069	
McDonald County Library District	General Revenue	263,015,143	0.1000	0.1000	263,015	
Goodman Area FPD	General Revenue	30,313,818	0.3000	0.3000	90,941	
McDonald County R-I School District	Operating Funds-Schools	228,155,805	2.8500	2.7500	6,274,285 ^F	
	Debt Service	228,155,805	0.7317	0.6700	1,528,644	
McDonald County	Road & Bridge	263,015,143	0.0000	0.0000	0	
<u>Macon</u>						
Macon County Ambulance District	General Revenue	232,962,996	0.1418	0.1418	330,342	
Samaritan Memorial Hospital	General Revenue	232,962,996	0.1892	0.1892	440,766	
La Plata NHD	General Revenue	49,809,927	0.1403	0.1403	69,883	
Macon County NHD	General Revenue	187,406,570	0.1424	0.1424	266,867	
Hudson SRD Macon County	Road & Bridge	91,483,234	0.2822	0.2822	258,166	2020
	Special Road and Bridge	91,483,234	0.2000	0.2000	182,966	
La Plata SRD Macon County	Road & Bridge	15,561,723	0.3148	0.3148	48,988	

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<u>Macon</u>						
La Plata SRD Macon County	Special Road and Bridge	15,561,723	0.3654	0.3654	56,863	2020
City of Atlanta	General Revenue	2,008,078	1.0000	1.0000	20,081	
City of Bevier	General Revenue	5,322,827	0.7834	0.7834	41,699	
	Lights	5,322,827	0.2186	0.2186	11,636	
City of Callao	General Revenue	1,367,578	0.9860	0.9860	13,484	
City of Elmer	General Revenue	592,445	0.9899	0.9899	5,865	
City of Ethel	General Revenue	484,474	0.8246	0.8246	3,995	
City of La Plata	General Revenue	9,954,194	0.8342	0.8342	83,038	
	Parks & Recreation	9,954,194	0.1911	0.1911	19,022	
	Library	9,954,194	0.1911	0.1911	19,022	
City of Macon	General Revenue	69,418,526	0.5937	0.5937	412,138	2032
	Library	69,418,526	0.2375	0.2375	164,869	
City of New Cambria	General Revenue	1,127,693	0.9000	0.9000	10,149	
Village of South Gifford	General Revenue	117,324	0.4881	0.4881	573	
La Plata Community FPD	General Revenue	38,205,705	0.4040	0.4040	154,351	
Bevier FPD	General Revenue	25,981,286	0.2909	0.2909	75,580	
Callao Town & Country Volunteer FPD	General Revenue	12,753,161	0.3602	0.3602	45,937	
Macon County Health Department	General Revenue	232,962,996	0.1418	0.1418	330,342	
Atlanta C-3 School District	Operating Funds-Schools	16,893,094	3.7775	3.7775	638,137 ^E	
Bevier C-4 School District	Operating Funds-Schools	14,984,496	3.7461	3.7461	561,334 ^E	
La Plata R-II School District	Operating Funds-Schools	27,139,784	3.1030	3.1030	842,147 ^E	2018
Macon County R-I School District	Operating Funds-Schools	116,094,679	3.0361	3.0361	3,524,751 ^E	
	Operating Funds-Temp	116,094,679	0.3963	0.3963	460,083 ^A	
Callao C-8 School District	Operating Funds-Schools	7,007,844	4.1151	4.1151	288,380 ^E	
Macon County R-IV School District	Operating Funds-Schools	12,932,160	4.7547	4.5000	581,947 ^E	
Macon County	General Revenue	232,962,996	0.4093	0.2403	559,810	
	Common Road District	125,918,038	0.3024	0.3024	380,776	
	Special Road and Bridge	125,918,038	0.3460	0.3460	435,676	
	Developmental Dis. Board	232,962,996	0.0946	0.0946	220,383	
<u>Madison</u>						
Madison County Ambulance District	General Revenue	117,366,750	0.3000	0.3000	352,100	2023
Village of Cobalt City	General Revenue	962,115	0.2266	0.2266	2,180	
City of Fredericktown	General Revenue	34,844,359	0.7432	0.7432	258,963	
	Parks & Recreation	34,844,359	0.1289	0.1289	44,914	
Village of Junction City	General Revenue	1,900,380	0.2500	0.2500	4,751	
City of Marquand	General Revenue	902,590	1.0000	1.0000	9,026	
	Debt Service	902,590	0.0832	0.0832	751	
Madison County Health Department	General Revenue	117,366,750	0.2550	0.2550	299,285 ^B	
Marquand-Zion R-VI School District	Operating Funds-Schools	11,075,855	4.1719	4.1200	456,325 ^E	
	Debt Service	11,075,855	0.7499	0.5000	55,379	
Fredericktown R-I School District	Operating Funds-Schools	102,273,151	3.2000	3.2000	3,272,741 ^E	
	Operating Funds-Temp	102,273,151	0.7000	0.7000	715,912	
Madison County	General Revenue	117,366,750	0.3987	0.1394	163,609	
	Library	117,366,750	0.2043	0.2043	239,780	
	Road & Bridge	117,366,750	0.2899	0.2899	340,246	
	Developmental Dis. Board	117,366,750	0.1967	0.1967	230,860	
<u>Maries</u>						
Maries-Osage Ambulance District	General Revenue	90,127,975	0.2000	0.2000	180,256	

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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Maries</u>						
Ozark Central Ambulance District	General Revenue	83,656,458	0.2787	0.2787	233,151	
Belle SRD 6 Maries-Osage County	Road & Bridge	12,227,581	0.2446	0.2386	29,175	
Maries County SRD 8	Road & Bridge	8,654,521	0.2313	0.2313	20,018	
City of Vienna	General Revenue	8,381,786	0.6208	0.6208	52,034	
City of Belle	General Revenue	12,239,073	0.7376	0.6387	78,171	
	Parks & Recreation	12,239,073	0.1604	0.1563	19,130	
Maries County Library District	General Revenue	139,028,557	0.1607	0.1607	223,419	
Vienna Volunteer FPD	General Revenue	29,268,068	0.3000	0.3000	87,804	
Belle FPD	General Revenue	35,258,924	0.3243	0.3243	114,345	A
Maries County R-I School District	Operating Funds-Schools	57,293,420	3.3018	3.3018	1,891,714	E
	Debt Service	57,293,420	0.5193	0.4400	252,091	
Maries County R-II School District	Operating Funds-Schools	69,798,872	3.2472	3.2472	2,266,509	E
Maries County	General Revenue	139,028,557	0.4718	0.3608	501,615	
	Common Road District 1	62,607,179	0.2748	0.2748	172,045	
	Common Road District 2	57,224,448	0.2419	0.2419	138,426	
<u>Marion</u>						
Marion County Ambulance District	General Revenue	467,550,778	0.0000	0.0000	0	
	Pension	467,550,778	0.0492	0.0492	230,035	
Marion County NHD	General Revenue	447,598,356	0.1453	0.1441	644,989	
City of Hannibal	General Revenue	235,677,265	0.7744	0.7744	1,825,085	
	Library	235,677,265	0.2951	0.2951	695,484	
	Police & Fire	235,677,265	0.1360	0.1360	320,521	
City of Palmyra	General Revenue	40,801,491	0.6621	0.6621	270,147	
Marion County Library Subdistrict 1	General Revenue	162,753,131	0.1534	0.1534	249,663	
Palmyra FPD	General Revenue	160,213,731	0.3000	0.3000	480,641	
Marion County Health Department	General Revenue	447,598,356	0.1318	0.1118	500,415	
Marion County R-II School District	Operating Funds-Schools	16,215,036	4.1221	3.7479	607,723	E
	Debt Service	16,215,036	0.6806	0.5786	93,820	
Palmyra R-I School District	Operating Funds-Schools	132,991,837	3.6492	3.3480	4,452,567	E
	Debt Service	132,991,837	0.7660	0.6800	904,344	
Hannibal 60 School District	Operating Funds-Schools	331,370,531	3.2898	3.1066	10,294,357	E
	Debt Service	331,370,531	1.0966	1.0700	3,545,665	
Marion County	General Revenue	447,598,356	0.4387	0.1350	604,258	
	Road & Bridge	447,598,356	0.3290	0.3290	1,472,599	
	Developmental Dis. Board	447,598,356	0.1356	0.1356	606,943	
<u>Mercer</u>						
Mercer County Ambulance District	General Revenue	81,925,346	0.2970	0.2970	243,318	
City of Mercer	General Revenue	2,640,002	0.7247	0.7247	19,132	
	Streets	2,640,002	0.4039	0.4039	10,663	
	Debt Service	2,640,002	1.1156	1.1156	29,452	
City of Princeton	General Revenue	11,809,591	0.8195	0.8195	96,780	
	Band	11,809,591	0.0892	0.0892	10,534	
Village of South Lineville	General Revenue	579,222	0.4042	0.4042	2,341	
Mercer County Library District	General Revenue	81,925,346	0.1801	0.1801	147,548	
Harrison Township Mercer County	General Revenue	4,049,736	0.0897	0.0897	3,633	
	Road & Bridge	4,049,736	0.4486	0.4486	18,167	
	Special Road and Bridge	4,049,736	0.3500	0.3500	14,174	2018
Lindley Township Mercer County	General Revenue	2,993,586	0.0904	0.0904	2,706	

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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Mercer</u>						
Lindley Township Mercer County	Road & Bridge	2,993,586	0.4519	0.4519	13,528	
	Special Road and Bridge	2,993,586	0.3500	0.3500	10,478	2018
Madison Township Mercer County	General Revenue	3,888,597	0.0900	0.0900	3,500	
	Road & Bridge	3,888,597	0.4497	0.4497	17,487	
	Special Road and Bridge	3,888,597	0.3500	0.3500	13,610	2018
Marion Township Mercer County	General Revenue	14,641,088	0.0849	0.0849	12,430	
	Road & Bridge	14,641,088	0.3658	0.3658	53,557	
	Special Road and Bridge	14,641,088	0.3293	0.3293	48,213	2018
Medicine Township Mercer County	General Revenue	3,721,973	0.0923	0.0923	3,435	
	Road & Bridge	3,721,973	0.4615	0.4615	17,177	
	Special Road and Bridge	3,721,973	0.3500	0.3500	13,027	2018
Morgan Township Mercer County	General Revenue	28,358,249	0.0886	0.0886	25,125	
	Road & Bridge	28,358,249	0.3106	0.3106	88,081	
Ravanna Township Mercer County	General Revenue	8,950,817	0.0976	0.0976	8,736	
	Road & Bridge	8,950,817	0.4879	0.4879	43,671	
	Special Road and Bridge	8,950,817	0.3478	0.3478	31,131	2018
Somerset Township Mercer County	General Revenue	6,228,291	0.0914	0.0914	5,693	
	Road & Bridge	6,228,291	0.4571	0.4571	28,470	
	Special Road and Bridge	6,228,291	0.3335	0.3335	20,771	2018
Washington Township Mercer County	General Revenue	9,093,008	0.0835	0.0835	7,593	
	Road & Bridge	9,093,008	0.4173	0.4173	37,945	
	Special Road and Bridge	9,093,008	0.3450	0.3450	31,371	2018
Mercer County FPD	General Revenue	48,917,885	0.2684	0.2684	131,296	
Mercer FPD	General Revenue	23,046,589	0.2658	0.2658	61,258	
Mercer County Health Department	General Revenue	81,925,346	0.2701	0.2701	221,280	
Mercer County Extension District	General Revenue	71,373,484	0.0503	0.0503	35,901	
North Mercer County R-III SD	Operating Funds-Schools	19,193,587	4.4696	4.4696	857,877 ^E	
Princeton R-V School District	Operating Funds-Schools	47,472,333	4.1216	4.1216	1,956,620 ^E	
	Debt Service	47,472,333	1.5743	0.9532	452,506	
Mercer County	General Revenue	81,925,346	0.3601	0.2520	206,452	
	Road & Bridge	81,925,346	0.1350	0.1350	110,599	
	Senior Services	81,925,346	0.0450	0.0450	36,866	
<u>Miller</u>						
Miller County Ambulance District	General Revenue	278,364,075	0.0000	0.0000	0	
Miller County NHD	General Revenue	426,243,689	0.1179	0.1179	502,541	
	Debt Service	426,243,689	0.0467	0.0467	199,056	
Bagnell SRD Miller County	Road & Bridge	127,397,402	0.1802	0.1802	229,570	
Kaiser SRD Miller County	Road & Bridge	80,890,764	0.1977	0.1977	159,921	
City of Bagnell	General Revenue	628,195	0.5000	0.5000	3,141	
Village of Brumley	General Revenue	725,456	0.4784	0.4784	3,471	
City of Iberia	General Revenue	6,092,627	0.5437	0.5437	33,126	
Village of Olean	General Revenue	609,288	0.3374	0.3374	2,056	
Village of St. Elizabeth	General Revenue	5,020,933	0.2254	0.2254	11,317	
Village of Tuscumbia	General Revenue	1,476,734	0.3892	0.3892	5,747	
City of Lake Ozark	General Revenue	102,821,256	0.2424	0.2424	249,239	
Miller County Library District	General Revenue	426,243,689	0.1299	0.1299	553,691	
Lake Ozark FPD	General Revenue	454,039,132	0.5918	0.5918	2,687,004	
	Ambulance	454,039,132	0.6017	0.6017	2,731,953 ^B	

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<u>Miller</u>						
Lake Ozark FPD	Debt Service	454,039,132	0.0903	0.0903	409,997	
Brumley FPD	General Revenue	23,165,189	0.3000	0.3000	69,496	
Tuscumbia FPD	General Revenue	11,104,447	0.3000	0.3000	33,313	
Moreau FPD	General Revenue	118,381,128	0.5500	0.5500	651,096	
St. Elizabeth FPD	General Revenue	14,827,550	0.2888	0.2888	42,822	
Iberia Rural FPD	General Revenue	34,779,327	0.3000	0.3000	104,338	
Miller County Health Center	General Revenue	426,243,689	0.1238	0.1238	527,690	
Eldon R-I School District	Operating Funds-Schools	187,685,647	3.1412	3.1412	5,895,582	E
	Debt Service	187,685,647	0.5433	0.5100	957,197	
Miller County R-III School District	Operating Funds-Schools	12,488,657	4.0968	4.0000	499,546	E
	Debt Service	12,488,657	0.8159	0.0968	12,089	
St. Elizabeth R-IV School District	Operating Funds-Schools	17,871,767	4.1098	4.1098	734,494	E
School of the Osage R-II SD	Operating Funds-Schools	566,278,208	2.6000	2.6000	14,723,233	
	Debt Service	566,278,208	1.1498	0.6990	3,958,285	
Iberia R-V School District	Operating Funds-Schools	38,347,756	3.6721	3.6721	1,408,168	E
	Debt Service	38,347,756	0.5445	0.3300	126,548	
Miller County	General Revenue	426,243,689	0.2685	0.0268	114,233	
	Road & Bridge	217,919,173	0.2600	0.2600	566,590	
	Developmental Dis. Board	426,243,689	0.0860	0.0860	366,570	
	Senior Services	426,243,689	0.0497	0.0497	211,843	
<u>Mississippi</u>						
Mississippi Ambulance District	General Revenue	163,582,167	0.3000	0.3000	490,747	
City of Anniston	General Revenue	1,455,974	0.5850	0.5850	8,517	
City of Bertrand	General Revenue	5,498,494	0.5310	0.5310	29,197	
City of Charleston	General Revenue	29,018,146	0.7100	0.7100	206,029	
	Parks & Recreation	29,018,146	0.1800	0.1800	52,233	
City of East Prairie	General Revenue	19,899,881	0.7922	0.7922	157,647	
Village of Wilson City	General Revenue	388,990	0.4427	0.4427	1,722	
City of Wyatt	General Revenue	1,491,273	0.8834	0.8834	13,174	
Mississippi County Library District	General Revenue	163,582,167	0.2132	0.2132	348,757	
Mississippi/Scott County FPD	General Revenue	80,479,571	0.1650	0.1650	132,791	
Mississippi County Health	General Revenue	163,582,167	0.1000	0.1000	163,582	
East Prairie R-II School District	Operating Funds-Schools	69,344,610	3.0079	2.7500	1,906,977	F
	Debt Service	69,344,610	0.4075	0.3500	242,706	
Charleston R-I School District	Operating Funds-Schools	84,080,598	2.9624	2.9624	2,490,804	E
Mississippi County	General Revenue	163,582,167	0.4905	0.3550	580,717	
	Johnson Grass	163,582,167	0.0500	0.0500	81,791	
	Road & Bridge	163,582,167	0.3500	0.3500	572,538	
	Developmental Dis. Board	163,582,167	0.1280	0.1280	209,385	
<u>Moniteau</u>						
Mid Mo Ambulance District	General Revenue	552,041,773	0.0000	0.0000	0	
City of California	General Revenue	51,037,749	0.4212	0.4212	214,971	
	Parks & Recreation	51,037,749	0.1663	0.1663	84,876	
City of Clarksburg	General Revenue	1,808,549	0.9689	0.9689	17,523	
City of Jamestown	General Revenue	3,352,281	0.8807	0.8525	28,578	
City of Lupus	General Revenue	398,003	0.6585	0.6585	2,621	
City of Tipton	General Revenue	25,408,812	0.7493	0.7493	190,388	
	Library	25,408,812	0.2498	0.2400	60,981	A

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<u>Moniteau</u>						
Moniteau County Library District	General Revenue	197,708,194	0.1200	0.1200	237,250	A
California Rural FPD	General Revenue	55,178,068	0.1941	0.1941	107,101	
Fortuna FPD	General Revenue	42,195,133	0.2831	0.2831	119,454	
Tipton Rural FPD	General Revenue	15,677,417	0.2431	0.2431	38,112	
Jamestown Rural FPD	General Revenue	22,268,587	0.4313	0.4313	96,044	
Moniteau County Health Center	General Revenue	205,393,806	0.1522	0.1500	308,091	
Moniteau County R-I School District	Operating Funds-Schools	91,288,186	2.7790	2.7790	2,536,899	E
	Debt Service	91,288,186	1.2335	1.1641	1,062,686	
High Point R-III School District	Operating Funds-Schools	10,998,958	4.0837	4.0837	449,164	E
	Operating Funds-Temp	10,998,958	0.2950	0.2950	32,447	2021
Moniteau County R-V School District	Operating Funds-Schools	10,526,918	3.4631	3.4631	364,558	E
Tipton R-VI School District	Operating Funds-Schools	48,640,235	2.8276	2.8276	1,375,351	E
	Debt Service	48,640,235	1.2197	1.1719	570,015	
Moniteau County C-1 School District	Operating Funds-Schools	17,084,010	4.1925	4.1925	716,247	E
	Operating Funds-Temp	17,084,010	0.4018	0.4018	68,644	2030
Clarksburg C-2 School District	Operating Funds-Schools	7,710,495	3.8860	3.8860	299,630	E
	Debt Service	7,710,495	0.7478	0.7200	55,516	
Moniteau County	General Revenue	205,393,798	0.3405	0.1778	365,190	
	Common Road District	205,393,806	0.2505	0.2505	514,511	
	Developmental Dis. Board	205,393,806	0.1200	0.1200	246,473	
<u>Monroe</u>						
Monroe County Ambulance District	General Revenue	94,389,133	0.3968	0.3968	374,536	
Monroe City Ambulance District	General Revenue	109,424,611	0.2533	0.1810	198,059	
Monroe County NHD	General Revenue	112,387,933	0.1408	0.1408	158,242	
Madison SRD Monroe County	Special Road and Bridge	10,483,166	0.3500	0.3500	36,691	2018
Monroe City SRD Monroe County	Special Road and Bridge	30,479,728	0.3490	0.3490	106,374	2018
Village of Holliday	General Revenue	1,112,100	0.3546	0.3546	3,944	
City of Madison	General Revenue	3,943,816	0.6778	0.6778	26,731	
City of Paris	General Revenue	10,154,251	0.3328	0.3328	33,793	
	Cemetery	10,154,251	0.2602	0.2602	26,421	
	Streets	10,154,251	0.1152	0.1152	11,698	
Village of Stoutsville	General Revenue	581,030	0.1876	0.1876	1,090	
City of Monroe City	General Revenue	30,128,879	0.7550	0.7550	227,473	
	Library	27,972,346	0.1983	0.1983	55,469	
Monroe County Library District	General Revenue	120,693,411	0.1570	0.1570	189,489	
Paris Rural FPD	General Revenue	45,237,736	0.2336	0.2336	105,675	
Madison-West Monroe FPD	General Revenue	31,492,664	0.2834	0.2834	89,250	
Monroe County Health Department	General Revenue	139,238,838	0.0941	0.0941	131,024	
Middle Grove C-1 School District	Operating Funds-Schools	4,945,477	5.1572	5.1572	255,048	E
Monroe City R-I School District	Operating Funds-Schools	86,679,250	3.7193	3.7193	3,223,861	E
	Debt Service	86,679,250	0.6106	0.5599	485,317	
Holliday C-2 School District	Operating Funds-Schools	9,046,036	4.0056	4.0000	361,841	E
Madison C-3 School District	Operating Funds-Schools	14,894,842	3.6622	3.6622	545,479	E
Paris R-II School District	Operating Funds-Schools	50,485,434	3.3218	3.3218	1,677,025	E
	Debt Service	50,485,434	0.6189	0.4900	247,379	
Monroe County	General Revenue	139,238,838	0.3849	0.2652	369,261	
	Road & Bridge	139,238,838	0.2808	0.2808	390,983	
	Developmental Dis. Board	139,238,838	0.0941	0.0941	131,024	

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Montgomery						
Montgomery Ambulance District	General Revenue	196,276,267	0.5031	0.5031	987,466	
Rhineland Bottom SRD Montgomery Co	Special Road and Bridge	8,843,463	0.2656	0.2500	22,109 ^A	2021
Wellsville SRD Montgomery County	Special Road and Bridge	45,443,941	0.3081	0.3000	136,332 ^A	2021
City of Bellflower	General Revenue	2,328,608	0.8829	0.8829	20,559	
City of High Hill	General Revenue	3,598,469	0.3473	0.3473	12,497	
City of Jonesburg	General Revenue	15,501,027	0.4770	0.4770	73,940	
City of McKittrick	General Revenue	515,038	0.7269	0.7269	3,744	
City of Middletown	General Revenue	1,515,417	0.8175	0.7987	12,104	
City of Montgomery	General Revenue	41,176,101	0.5556	0.5556	228,774	
	Library	41,176,101	0.4000	0.4000	164,704	
City of New Florence	General Revenue	7,252,891	0.8362	0.8362	60,649	
Village of Rhineland	General Revenue	2,476,026	0.8798	0.8798	21,784	
City of Wellsville	General Revenue	8,379,955	0.8174	0.8174	68,498	
	Library	8,379,955	0.2240	0.2240	18,771	
Bellflower FPD	General Revenue	21,151,360	0.2327	0.2327	49,219	
Big Spring FPD	General Revenue	15,296,749	0.3000	0.3000	45,890	
Jonesburg-High Hill FPD	General Revenue	55,611,137	0.2453	0.2453	136,414	
New Florence FPD	General Revenue	22,907,376	0.3000	0.3000	68,722	
Montgomery Volunteer FPD	General Revenue	74,198,795	0.2664	0.2664	197,666	
Wellsville FPD	General Revenue	26,904,448	0.2480	0.2480	66,723	
Middletown Community FPD	General Revenue	21,448,445	0.2978	0.2978	63,873	
Montgomery County Health Department	General Revenue	223,718,574	0.1451	0.1451	324,616	
Wellsville-Middletown R-I SD	Operating Funds-Schools	30,654,037	4.0128	4.0128	1,230,085 ^E	
	Debt Service	30,654,037	0.4842	0.4800	147,139	
Montgomery County R-II SD	Operating Funds-Schools	132,964,148	3.2863	3.2863	4,369,601 ^E	
	Debt Service	132,964,148	0.7107	0.6500	864,267	
Montgomery County	General Revenue	223,718,574	0.3824	0.2582	577,641	
	Johnson Grass	223,718,574	0.0000	0.0000	0	
	Road & Bridge	223,718,574	0.2732	0.2732	611,199	
	Developmental Dis. Board	223,718,574	0.0965	0.0965	215,888	
	Special Road and Bridge	189,943,029	0.3075	0.3075	584,075 ^A	2021
Morgan						
Golden Age NHD 1	General Revenue	105,689,494	0.1903	0.1903	201,127	
Good Shepherd NHD	General Revenue	768,221,081	0.1441	0.1441	1,107,007	
Barnett SRD 3 Morgan County	Road & Bridge	11,746,631	0.3166	0.3111	36,544	
Gravois SRD 8 Morgan County	Road & Bridge	199,415,026	0.1304	0.1304	260,037	
	Special Road and Bridge	199,415,026	0.0997	0.0997	198,817	2021
City of Barnett	General Revenue	1,129,201	0.6854	0.6562	7,410	
	Water	1,129,201	0.3591	0.3438	3,882	
City of Stover	General Revenue	7,804,735	0.5724	0.5724	44,674	
City of Syracuse	General Revenue	2,408,090	0.7099	0.7099	17,095	
City of Versailles	General Revenue	28,570,232	0.7277	0.7277	207,906	
Morgan County Library District	General Revenue	518,205,084	0.0757	0.0757	392,281	
Rocky Mount FPD	General Revenue	117,146,369	0.3872	0.3872	453,591	
Versailles Rural FPD	General Revenue	45,912,916	0.4767	0.4767	218,867	
Gravois FPD	General Revenue	245,716,423	0.6986	0.6986	1,716,575	
	Debt Service	245,716,423	0.1793	0.1793	440,570	
Stover Rural FPD	General Revenue	40,911,479	0.2599	0.2599	106,329	

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<u>Morgan</u>						
Morgan County Health Center	General Revenue	518,205,084	0.0774	0.0774	401,091	
Morgan County R-I School District	Operating Funds-Schools	87,559,595	3.4608	3.4229	2,997,077 ^E	
Morgan County R-II School District	Operating Funds-Schools	275,266,121	2.9594	2.9594	8,146,226 ^E	
Morgan County	General Revenue	518,205,084	0.2103	0.1050	544,115	
	Johnson Grass	518,205,084	0.0000	0.0000	0	
	Road & Bridge	306,918,225	0.2790	0.2790	856,302	
	Developmental Dis. Board	518,205,084	0.0420	0.0420	217,646	
	Senior Services	518,205,084	0.0420	0.0420	217,646	
<u>New Madrid</u>						
New Madrid Ambulance District	General Revenue	423,193,356	0.0000	0.0000	0	
City of Canalou	General Revenue	1,129,910	0.7779	0.7522	8,499	
Village of Catron	General Revenue	1,155,221	0.4843	0.4843	5,595	
	General Revenue 1	1,155,221	0.2420	0.2420	2,796	
City of Gideon	General Revenue	5,867,392	0.6425	0.6425	37,698	
	Parks & Recreation	5,867,392	0.1634	0.1634	9,587	
City of Howardville	General Revenue	1,222,448	1.0000	1.0000	12,224	
City of Lilbourn	General Revenue	8,051,465	0.6493	0.6493	52,278	
	Parks & Recreation	8,051,465	0.1802	0.1802	14,509	
	Library	8,051,465	0.1802	0.1802	14,509	
	Health	8,051,465	0.1802	0.1802	14,509	
	Debt Service	8,051,465	0.3213	0.3213	25,869	
City of Marston	General Revenue	4,832,053	0.6599	0.6599	31,887	
City of Matthews	General Revenue	10,721,997	0.2588	0.2500	26,805	
City of Morehouse	General Revenue	5,207,684	0.7528	0.7528	39,203	
City of New Madrid	General Revenue	28,286,180	0.6168	0.6168	174,469	
	General Revenue 1	28,286,180	0.0000	0.0000	0	
Village of North Lilbourn	General Revenue	106,944	0.5000	0.5000	535	
City of Parma	General Revenue	4,534,980	0.7079	0.7079	32,103	
City of Portageville	General Revenue	33,450,795	0.6565	0.6565	219,604	
	Parks & Recreation	33,450,795	0.1487	0.1487	49,741	
	Health	33,450,795	0.1735	0.1735	58,037	
City of Risco	General Revenue	2,270,280	0.7889	0.7889	17,910	
Village of Tallapoosa	General Revenue	400,675	1.0000	1.0000	4,007	
New Madrid County Library District	General Revenue	393,039,522	0.1448	0.1448	569,121	
Lilbourn Highway D CID	General Revenue	139,490	0.0000	0.0000	0	2039
New Madrid County Health Department	General Revenue	423,193,356	0.1000	0.1000	423,193	
Risco R-II School District	Operating Funds-Schools	10,565,784	5.0500	5.0500	533,572 ^E	
Portageville School District	Operating Funds-Schools	51,119,021	2.8522	2.8522	1,458,017 ^E	
	Debt Service	51,119,021	0.6478	0.6478	331,149	
Gideon 37 School District	Operating Funds-Schools	14,502,026	3.6070	3.6070	523,088 ^E	
New Madrid County R-I SD	Operating Funds-Schools	265,112,943	3.6711	3.5500	9,411,509 ^E	
	Debt Service	265,112,943	0.3643	0.2900	768,828	
New Madrid County	General Revenue	423,193,356	0.4031	0.2225	941,605	
	Johnson Grass	423,193,356	0.0117	0.0100	42,319	
	Road & Bridge	423,193,356	0.3150	0.1575	666,530	
	Developmental Dis. Board	423,193,356	0.0200	0.0200	84,639	
<u>Newton</u>						
Newton County Ambulance District	General Revenue	748,184,729	0.1919	0.1919	1,435,766	

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<u>Newton</u>						
Lost Creek Watershed Subdistrict	General Revenue	35,731,195	0.2248	0.2248	80,324	
Diamond SRD Newton County	Road & Bridge	37,741,313	0.3280	0.3280	123,792	
	Special Road and Bridge	37,741,313	0.1784	0.1784	67,331	2019
Fairview SRD Newton County	Road & Bridge	10,753,390	0.2276	0.2276	24,475	
	Special Road and Bridge	10,753,390	0.1641	0.1641	17,646	2019
Midway SRD Newton County	Road & Bridge	12,418,084	0.2274	0.2274	28,239	
	Special Road and Bridge	12,418,084	0.1795	0.1795	22,290	2019
Neosho SRD Newton County	Road & Bridge	201,214,781	0.1962	0.1962	394,783	
	Special Road and Bridge	201,214,781	0.1568	0.1568	315,505	2019
Seneca SRD Newton County	Road & Bridge	71,355,232	0.2007	0.2007	143,210	
	Special Road and Bridge	71,355,232	0.1570	0.1570	112,028	2019
Stella SRD Newton County	Road & Bridge	7,486,319	0.2806	0.2806	21,007	
	Special Road and Bridge	7,486,319	0.1431	0.1431	10,713	2019
City of Diamond	General Revenue	5,723,741	0.3187	0.3187	18,242	
City of Fairview	General Revenue	2,164,104	0.3979	0.3979	8,611	
	Streets	2,164,104	0.3481	0.3481	7,533	
City of Granby	General Revenue	10,270,751	0.3634	0.3634	37,324	
	Cemetery	10,270,751	0.0844	0.0844	8,669	2019
Village of Leawood	General Revenue	8,467,875	0.2193	0.2193	18,570	
City of Neosho	General Revenue	114,604,938	0.4159	0.3603	412,922	
	Parks & Recreation	114,604,938	0.0000	0.0000	0	
Village of Newtonia	General Revenue	1,255,987	0.2270	0.2270	2,851	
Village of Ritchey	General Revenue	485,669	0.4897	0.4897	2,378	
Village of Saginaw	General Revenue	4,402,152	0.2568	0.2568	11,305	
City of Seneca	General Revenue	19,454,488	0.4559	0.4559	88,693	
	Parks & Recreation	19,454,488	0.0500	0.0500	9,727	
Village of Shoal Creek Drive	General Revenue	2,903,282	0.2077	0.2077	6,030	
Village of Stella	General Revenue	1,159,121	0.8000	0.8000	9,273	
Village of Wentworth	General Revenue	1,028,989	0.2880	0.2880	2,963	
Village of Shoal Creek Estates	General Revenue	1,134,382	0.4996	0.4996	5,667	
Town of Loma Linda	General Revenue	14,867,279	0.4698	0.4698	69,846	
	Sewer	14,867,279	0.0000	0.0000	0	
	General Revenue-Temp	14,867,279	0.2966	0.2966	44,096	2019
	Health & Sewer	14,867,279	0.1880	0.1880	27,950	
Neosho-Newton County PLD	General Revenue	753,814,352	0.1000	0.1000	753,814	
Neosho Area FPD	General Revenue	115,316,903	0.4000	0.4000	461,268	
Redings Mill FPD	General Revenue	176,770,543	1.0837	1.0837	1,915,662	
Diamond Area FPD	General Revenue	53,442,097	0.2558	0.2558	136,705	
Seneca Area FPD	General Revenue	46,046,512	0.2811	0.2811	129,437	
East Newton Area FPD	General Revenue	26,414,592	0.2736	0.2736	72,270	
Midway FPD	General Revenue	16,362,181	0.2822	0.2822	46,174	
Neosho Developers CID	General Revenue	42,800	1.0000	1.0000	428	2057
Newton County Health Department	General Revenue	871,095,359	0.0500	0.0500	435,548	
Crowder College	General Revenue	868,761,787	0.4300	0.4300	3,735,676	
East Newton County R-VI SD	Operating Funds-Schools	74,745,453	2.7500	2.7500	2,055,500 ^E	
	Debt Service	74,745,453	0.4729	0.4691	350,631	
Diamond R-IV School District	Operating Funds-Schools	72,163,954	3.2418	3.1500	2,273,165 ^{BE}	
	Debt Service	72,163,954	0.7244	0.5900	425,767	

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<u>Newton</u>						
Westview C-6 School District	Operating Funds-Schools	9,459,187	2.7500	2.7500	260,128 ^F	
Seneca R-VII School District	Operating Funds-Schools	96,530,192	2.7500	2.7500	2,654,580 ^F	
	Debt Service	96,530,192	1.1481	0.8500	820,507	
Neosho R-V School District	Operating Funds-Schools	310,540,805	2.8901	2.7500	8,539,872 ^F	
	Debt Service	310,540,805	0.8593	0.6000	1,863,245	
Newton County	Common Road District	145,959,102	0.2546	0.2546	371,612	
	Developmental Dis. Board	871,095,359	0.0601	0.0501	436,419	
	Mental Health	871,095,359	0.0833	0.0833	725,622	
	County Fair	871,095,359	0.0100	0.0100	87,110	
<u>Nodaway</u>						
Hoover Frankum WSD	General Revenue	1,186,682	0.3800	0.3800	4,509	
Mozingo Creek Watershed Subdistrict	General Revenue	12,003,061	0.0000	0.0000	0	
102 River Tributaries Subdistrict	General Revenue	8,521,103	0.1000	0.1000	8,521	
City of Arkoe	General Revenue	376,342	0.9388	0.9388	3,533	
City of Barnard	General Revenue	1,056,283	0.9426	0.9426	9,957	
	Streets	1,056,283	1.2500	1.2500	13,204	2018
City of Burlington Junction	General Revenue	3,378,287	1.0000	1.0000	33,783	
	General Revenue-Temp	3,378,287	0.3000	0.3000	10,135	2018
	Streets	3,378,287	0.7146	0.7146	24,141 ^A	2018
	Debt Service	3,378,287	0.5550	0.5550	18,749	
City of Clearmont	General Revenue	1,141,285	0.7356	0.7356	8,395	
Village of Clyde	General Revenue	639,330	0.4920	0.4920	3,146	
City of Conception Junction	General Revenue	1,384,652	0.9558	0.9558	13,235	
City of Elmo	General Revenue	715,295	1.0000	1.0000	7,153 ^B	
	Streets	715,295	0.6759	0.6759	4,835 ^A	
City of Graham	General Revenue	964,598	1.0000	1.0000	9,646	
	Streets	964,598	0.0000	0.0000	0	
	Streets-Temp	964,598	1.1815	1.1815	11,397	2019
Village of Guilford	General Revenue	694,089	0.9160	0.9160	6,358	
	Streets	694,089	0.5203	0.5203	3,611 ^A	2020
City of Hopkins	General Revenue	3,504,134	0.3526	0.3526	12,356	
	Lights	3,504,134	0.1986	0.1986	6,959	
	Streets	3,504,134	0.1986	0.1986	6,959	
	General Revenue-Temp	3,504,134	0.2021	0.2021	7,082	2019
	Street Improvements	3,504,134	0.7553	0.7553	26,467 ^A	2021
City of Maryville	General Revenue	131,470,094	0.3650	0.3650	479,866	
	Parks & Recreation	131,470,094	0.4085	0.4085	537,055	
	Library	131,470,094	0.2852	0.2852	374,953	
	Debt Service	131,470,094	0.0848	0.0848	111,487	
City of Parnell	General Revenue	595,738	1.0000	1.0000	5,957	
	Parks & Recreation	595,738	0.3140	0.3140	1,871	2020
	General Revenue-Temp	595,738	0.4186	0.4186	2,494	2020
Village of Pickering	General Revenue	798,633	0.8576	0.8576	6,849	
	Streets	798,633	1.0239	1.0239	8,177	2018
City of Ravenwood	General Revenue	2,793,205	0.7876	0.7876	21,999	
	Streets	2,793,205	1.5391	1.4000	39,105 ^A	2020
City of Skidmore	General Revenue	1,852,968	0.9688	0.9688	17,952	
	Streets	1,852,968	0.9688	0.9688	17,952	

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<u>Nodaway</u>						
Atchison Township Nodaway County	General Revenue	6,867,648	0.0476	0.0476	3,269	2020
	Road & Bridge	6,867,648	0.4752	0.4752	32,635	
	Special Road and Bridge	6,867,648	0.3597	0.3597	24,703	
	Debt Service	6,867,648	1.0774	1.0774	73,992	
Grant Township Nodaway County	General Revenue	10,504,015	0.0449	0.0449	4,716	2020
	Road & Bridge	10,504,015	0.4483	0.4483	47,089	
	Special Road and Bridge	10,504,015	0.3500	0.3500	36,764	
Green Township Nodaway County	General Revenue	6,318,568	0.0489	0.0489	3,090	2020
	Road & Bridge	6,318,568	0.4892	0.4892	30,910	
	Special Road and Bridge	6,318,568	0.3666	0.3666	23,164	
	Debt Service	6,318,568	1.0004	1.0004	63,211	
Hopkins Township Nodaway County	General Revenue	7,974,146	0.0485	0.0485	3,867	2020
	Road & Bridge	7,974,146	0.4858	0.4858	38,738	
	Special Road and Bridge	7,974,146	0.3628	0.3628	28,930	
Hughes Township Nodaway County	General Revenue	13,407,410	0.0500	0.0500	6,704	2020
	Road & Bridge	13,407,410	0.5000	0.5000	67,037	
	Special Road and Bridge	13,407,410	0.3500	0.3500	46,926	
	Debt Service	13,407,410	0.4512	0.4512	60,494	
Independence Township Nodaway Co	General Revenue	4,884,556	0.0500	0.0500	2,442	2021
	Road & Bridge	4,884,556	0.5000	0.5000	24,423	
	Special Road and Bridge	4,884,556	0.4041	0.4041	19,738 ^B	
	Debt Service	4,884,556	0.7378	0.7378	36,038	
Jackson Township Nodaway County	General Revenue	14,107,844	0.0499	0.0499	7,040	2018
	Road & Bridge	14,107,844	0.4992	0.4992	70,426	
	Special Road and Bridge	14,107,844	0.3500	0.3500	49,377	
	Debt Service	14,107,844	0.4342	0.4342	61,256	
Jefferson Township Nodaway County	General Revenue	11,309,941	0.0499	0.0499	5,644	2020
	Road & Bridge	11,309,941	0.4982	0.4982	56,346	
	Special Road and Bridge	11,309,941	0.3568	0.3568	40,354	
Lincoln Township Nodaway County	General Revenue	7,038,436	0.0487	0.0487	3,428	2018
	Road & Bridge	7,038,436	0.4866	0.4866	34,249	
	Special Road and Bridge	7,038,436	0.3500	0.3500	24,635	
Monroe Township Nodaway County	General Revenue	6,033,835	0.0477	0.0477	2,878	2020
	Road & Bridge	6,033,835	0.4659	0.4659	28,112	
	Special Road and Bridge	6,033,835	0.3562	0.3562	21,493	
	Debt Service	6,033,835	0.6290	0.6290	37,953	
Nodaway Township Nodaway County	General Revenue	10,692,220	0.0500	0.0500	5,346	2018
	Road & Bridge	10,692,220	0.5000	0.5000	53,461	
	Special Road and Bridge	10,692,220	0.3500	0.3500	37,423	
	Debt Service	10,692,220	0.7736	0.7736	82,715	
Polk Township Nodaway County	General Revenue	192,174,343	0.0500	0.0500	96,087	2020
	Road & Bridge	192,174,343	0.3087	0.3087	593,242	
	Special Road and Bridge	192,174,343	0.1530	0.1530	294,027	
Union Township Nodaway County	General Revenue	6,800,891	0.0491	0.0491	3,339	2018
	Road & Bridge	6,800,891	0.4918	0.4918	33,447	
	Special Road and Bridge	6,800,891	0.3500	0.3500	23,803	
	Debt Service	6,800,891	0.4845	0.4845	32,950	
Washington Township Nodaway County	General Revenue	10,305,211	0.0481	0.0481	4,957	

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<u>Nodaway</u>						
Washington Township Nodaway County	Road & Bridge	10,305,211	0.4814	0.4814	49,609	2020
	Special Road and Bridge	10,305,211	0.3584	0.3584	36,934	
White Cloud Township Nodaway County	General Revenue	14,928,397	0.0500	0.0500	7,464	2018
	Road & Bridge	14,928,397	0.5000	0.5000	74,642	
	Special Road and Bridge	14,928,397	0.3500	0.3500	52,249	
	Debt Service	14,928,397	0.4510	0.4510	67,327	
Barnard FPD	General Revenue	22,757,189	0.2000	0.2000	45,514	
Graham FPD	General Revenue	14,208,731	0.2014	0.2014	28,616	
Hopkins FPD	General Revenue	11,094,949	0.2235	0.2235	24,797	
Polk Rural FPD	General Revenue	64,049,294	0.1547	0.1547	99,084	
Clearmont FPD	General Revenue	6,394,828	0.2805	0.2805	17,937	
Skidmore FPD	General Revenue	12,393,907	0.2539	0.2539	31,468	
West Nodaway FPD	General Revenue	16,345,418	0.2739	0.2739	44,770	
Jackson Township FPD	General Revenue	14,107,204	0.0000	0.0000	0	
	Fire	14,107,204	0.2996	0.2996	42,265	
Union Township FPD	General Revenue	5,176,636	0.3000	0.3000	15,530	
Elmo Area FPD	General Revenue	5,045,313	0.2810	0.2810	14,177	
Parnell FPD	General Revenue	6,116,927	0.3000	0.3000	18,351	
Nodaway County Health Center	General Revenue	323,300,752	0.0500	0.0500	161,650	
Nodaway-Holt R-VII School District	Operating Funds-Schools	29,101,648	3.2349	3.2349	941,409 ^E	2037
	Operating Funds-Temp	29,101,648	0.9000	0.9000	261,915	
West Nodaway County R-I SD	Operating Funds-Schools	24,445,305	3.5237	3.5237	861,379 ^E	
	Debt Service	24,445,305	1.1759	0.6542	159,921	
Northeast Nodaway County R-V SD	Operating Funds-Schools	16,782,099	4.8368	4.8368	811,717 ^E	
	Debt Service	16,782,099	0.9272	0.7707	129,340	
Jefferson C-123 School District	Operating Funds-Schools	14,588,551	5.9108	5.5242	805,901	
	Debt Service	14,588,551	0.9996	0.7500	109,414	
North Nodaway County R-VI SD	Operating Funds-Schools	16,450,332	4.0605	4.0605	667,966 ^E	
	Debt Service	16,450,332	0.6893	0.5900	97,057	
Maryville R-II School District	Operating Funds-Schools	186,285,947	4.5996	4.2771	7,967,636	
	Debt Service	186,285,947	1.0329	0.7900	1,471,659	
South Nodaway County R-IV SD	Operating Funds-Schools	15,507,268	5.3128	5.3128	823,870 ^E	
	Debt Service	15,507,268	0.6773	0.5900	91,493	
Nodaway County	General Revenue	324,864,132	0.3804	0.1600	519,783	
	Ambulance	324,864,132	0.0000	0.0000	0	
	Developmental Dis. Board	324,864,132	0.0500	0.0500	162,432	
	Senior Services	324,864,132	0.0500	0.0500	162,432	
<u>Oregon</u>						
Oregon County Ambulance District	General Revenue	105,449,332	0.0000	0.0000	0	
Thayer SRD Oregon County	Road & Bridge	40,074,307	0.2073	0.2073	83,074	
City of Alton	General Revenue	5,454,113	0.5445	0.5445	29,698	
City of Koshkonong	General Revenue	837,600	0.9169	0.9169	7,680	
City of Thayer	General Revenue	16,844,589	0.4618	0.4618	77,788	
Oregon County Library District	General Revenue	105,449,332	0.1861	0.1861	196,241	
Oregon County Health Department	General Revenue	105,449,332	0.0930	0.0930	98,068	
Couch R-I School District	Operating Funds-Schools	12,594,794	3.6048	3.5581	448,135 ^E	
Thayer R-II School District	Operating Funds-Schools	32,981,643	2.7500	2.7500	906,995 ^E	
	Debt Service	32,981,643	1.7099	0.9202	303,497	

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<u>Oregon</u>						
Oregon-Howell R-III School District	Operating Funds-Schools	14,913,545	2.5660	2.5660	382,682 ^E	2022
	Operating Funds-Temp	14,913,545	0.6632	0.6632	98,907	
	Debt Service	14,913,545	0.9368	0.8000	119,308	
Alton R-IV School District	Operating Funds-Schools	41,181,915	2.7500	2.7500	1,132,503 ^E	
Oregon County	General Revenue	105,449,332	0.3391	0.1171	123,481	
	Common Road District	65,413,521	0.2627	0.2627	171,841	
	Developmental Dis. Board	105,449,332	0.0930	0.0930	98,068	
	Senior Services	105,449,332	0.0465	0.0465	49,034	
<u>Osage</u>						
Osage Ambulance District	General Revenue	137,836,839	0.3000	0.1654	227,982	
Chamois SRD Osage County	Road & Bridge	4,737,104	0.3500	0.3500	16,580	
Linn City SRD Osage County	Road & Bridge	15,947,976	0.2990	0.2990	47,684	
Westphalia SRD Osage County	Road & Bridge	4,408,077	0.2583	0.2583	11,386	2019
	Special Road and Bridge	4,408,077	0.1749	0.1749	7,710	
Village of Argyle	General Revenue	1,118,606	0.3307	0.2943	3,292	
City of Chamois	General Revenue	2,690,812	0.7609	0.5913	15,911	
City of Linn	General Revenue	14,942,347	0.6436	0.6436	96,169	
	Parks & Recreation	14,942,347	0.0500	0.0500	7,471	
City of Meta	General Revenue	6,978,288	0.4647	0.4647	32,428	
Osage County Library District	General Revenue	200,154,521	0.1908	0.1908	381,895	
Chamois Volunteer FPD	General Revenue	15,019,358	0.2805	0.2805	42,129	
Meta Fire & Rescue FPD	General Revenue	13,527,921	0.3000	0.3000	40,584	
Linn FPD	General Revenue	91,258,063	0.2815	0.2815	256,891	
Osage County R-I School District	Operating Funds-Schools	14,879,157	5.2808	5.0800	755,861 ^E	
Osage County R-II School District	Operating Funds-Schools	65,245,283	2.7943	2.7500	1,794,245 ^E	
	Debt Service	65,245,283	1.1760	1.0500	685,075	
Osage County R-III School District	Operating Funds-Schools	93,917,541	3.5510	3.5510	3,335,012 ^E	
Osage County	General Revenue	185,158,892	0.3738	0.0108	19,997	
	Common Road District	171,874,637	0.2357	0.2357	405,109	
	Developmental Dis. Board	200,154,521	0.1000	0.1000	200,155	
<u>Ozark</u>						
Ozark County Ambulance District	Ambulance	120,405,707	0.2818	0.1560	187,833 ^A	
Village of Bakersfield	General Revenue	1,411,199	0.3381	0.3381	4,771	
	Health	1,411,199	0.1667	0.1667	2,352	
City of Gainesville	General Revenue	9,617,196	0.4323	0.4290	41,258	
City of Theodosia	General Revenue	4,610,833	0.3087	0.3087	14,234	
Ozark County Health Center	General Revenue	120,405,707	0.2818	0.0905	108,967 ^B	
Thornfield R-I School District	Operating Funds-Schools	7,292,996	3.1899	3.1899	232,639 ^E	
Bakersfield R-IV School District	Operating Funds-Schools	14,906,749	3.5977	3.5977	536,300 ^E	
	Debt Service	14,906,749	1.0511	1.0500	156,521	
Gainesville R-V School District	Operating Funds-Schools	54,350,661	2.7500	2.7500	1,494,643 ^E	
Dora R-III School District	Operating Funds-Schools	18,765,337	3.4397	3.4397	645,471 ^{BE}	
	Debt Service	18,765,337	0.4534	0.1804	33,853	
Lutie R-VI School District	Operating Funds-Schools	26,650,369	3.5116	3.5116	935,854 ^E	
Ozark County	General Revenue	120,405,707	0.1560	0.1000	120,406	
	Road & Bridge	120,405,707	0.2328	0.2328	280,304	

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<u>Pemiscot</u>						
City of Bragg City	General Revenue	343,720	0.5000	0.5000	1,719	
City of Caruthersville	General Revenue	43,532,986	0.6079	0.6079	264,637	
	Cemetery	43,532,986	0.0434	0.0434	18,893	
	Sewer	43,532,986	0.2062	0.2062	89,765	
	Library	43,532,986	0.0977	0.0977	42,532	
	Health	43,532,986	0.1737	0.1737	75,617	
	General Revenue	3,200,191	1.0000	1.0000	32,002	
Town of Cooter	General Revenue	20,755,141	0.6396	0.6396	132,750	
	Parks & Recreation	20,755,141	0.2886	0.2886	59,899	
	Cemetery	20,755,141	0.0500	0.0500	10,378	
	Library	20,755,141	0.2132	0.2132	44,250	
	Health	20,755,141	0.1757	0.1757	36,467	
	General Revenue	863,900	1.0000	1.0000	8,639	
City of Hayti	Health	863,900	0.2000	0.2000	1,728	
	General Revenue	1,000,800	0.6505	0.6505	6,510	
Village of Holland	General Revenue	164,040	0.6000	0.6000	984	
City of Homestown	General Revenue	12,370,329	0.6080	0.6080	75,212	
	Parks & Recreation	12,370,329	0.1755	0.1755	21,710	
	Library	12,370,329	0.1755	0.1755	21,710	
	Health	12,370,329	0.1755	0.1755	21,710	
	General Revenue	1,815,784	0.7086	0.7086	12,867	
Village of Wardell	Health	1,815,784	0.1000	0.1000	1,816	
	General Revenue	196,776,461	0.1000	0.1000	196,776	
Pemiscot County Health Center	General Revenue	19,742,594	3.0327	3.0000	592,278	E
North Pemiscot County R-I SD	Operating Funds-Schools	29,184,250	3.7043	3.7043	1,081,072	E
Hayti R-II School District	Operating Funds-Schools	12,487,950	3.9210	3.9210	489,653	E
	Debt Service	12,487,950	0.4381	0.3500	43,708	
Cooter R-IV School District	Operating Funds-Schools	8,774,531	5.1023	4.2447	372,453	E
South Pemiscot County R-V SD	Operating Funds-Schools	30,520,255	3.5400	3.5400	1,080,417	E
Pemiscot County C-7 School District	Operating Funds-Schools	12,929,051	3.9853	3.9853	515,261	E
Caruthersville 18 School District	Operating Funds-Schools	50,085,689	3.9032	3.9032	1,954,945	E
	Debt Service	50,085,689	0.4794	0.2108	105,581	
Pemiscot Co Special School District	Operating Funds-Schools	196,048,144	0.4949	0.4949	970,242	
	Debt Service	196,048,144	0.0645	0.0452	88,614	
Pemiscot County	General Revenue	196,776,461	0.3949	0.1772	348,688	
	Johnson Grass	196,776,461	0.0500	0.0500	98,388	
	Road & Bridge	196,776,461	0.3030	0.3030	596,233	
	Hospital	196,776,461	0.4266	0.4266	839,448	
	Developmental Dis. Board	196,776,461	0.1000	0.1000	196,776	
<u>Perry</u>						
City of Altenburg	General Revenue	4,578,290	0.6137	0.6137	28,097	
City of Frohna	General Revenue	5,011,313	0.6712	0.6712	33,636	
Village of Longtown	General Revenue	880,897	0.3223	0.3223	2,839	
City of Perryville	General Revenue	137,819,129	0.4014	0.4000	551,277	
	Parks & Recreation	137,819,129	0.1706	0.1700	234,293	
	Debt Service	137,819,129	0.0000	0.0000	0	
Perry County Library District	General Revenue	351,455,728	0.0922	0.0922	324,042	
Perry County Health Department	General Revenue	351,455,728	0.1844	0.1844	648,084	

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<u>Perry</u>						
Perry County 32 School District	Operating Funds-Schools	319,336,919	3.1845	3.1845	10,169,284 ^E	2036
	Operating Funds-Temp	319,336,919	0.3500	0.3500	1,117,679	
Altenburg 48 School District	Operating Funds-Schools	18,364,064	3.5851	3.5851	658,370 ^E	2036
Perry County	General Revenue	351,455,728	0.4239	0.2225	781,989	
	Road & Bridge	351,455,728	0.3071	0.3071	1,079,321	
	Hospital	351,455,728	0.0922	0.0922	324,042	
	Developmental Dis. Board	351,455,728	0.0922	0.0922	324,042	
	Mental Health	351,455,728	0.0922	0.0922	324,042	
<u>Pettis</u>						
City of Green Ridge	General Revenue	3,180,483	1.0000	1.0000	31,805	2019
City of Houstonia	General Revenue	954,406	1.0000	1.0000	9,544	
Village of Hughesville	General Revenue	1,087,455	0.4472	0.4472	4,863	
	General Revenue-Temp	1,087,455	0.3055	0.3055	3,322	
City of La Monte	General Revenue	6,593,294	0.9300	0.9300	61,318	2037
	Parks & Recreation	6,593,294	0.0389	0.0340	2,242	
City of Sedalia	General Revenue	245,453,103	0.4805	0.4805	1,179,402	
	Parks & Recreation	245,453,103	0.1671	0.1671	410,152	
	Library	189,312,814	0.2409	0.2409	456,055	
	Police	245,453,103	0.0941	0.0941	230,971	
	Fire	245,453,103	0.0500	0.0500	122,727	
	Library-Temp	189,312,814	0.0716	0.0716	135,548	
City of Smithton	General Revenue	4,546,382	0.9027	0.9027	41,040	
	Debt Service	4,546,382	4.2401	4.2401	192,771	
Boonslick Regional Library District	General Revenue	894,638,505	0.1402	0.1402	1,254,283	2037
Pettis County FPD 1	General Revenue	227,469,241	0.2867	0.2867	652,154	
Sedalia SBD	General Revenue	4,894,510	0.8489	0.8489	41,549	2037
Pettis County Health Center	General Revenue	571,492,696	0.0925	0.0925	528,631	
State Fair Community College	General Revenue	849,146,473	0.4113	0.4113	3,492,539	2037
Pettis County R-V School District	Operating Funds-Schools	28,553,810	3.6295	3.6295	1,036,361 ^E	
	Debt Service	28,553,810	0.5632	0.4955	141,484	
La Monte R-IV School District	Operating Funds-Schools	20,104,254	3.0468	3.0468	612,536 ^E	2037
	Debt Service	20,104,254	1.5545	0.7623	153,255	
Smithton R-VI School District	Operating Funds-Schools	42,450,969	3.8158	3.8158	1,619,844 ^E	2037
Green Ridge R-VIII School District	Operating Funds-Schools	27,137,423	3.5325	3.5325	958,629 ^E	
	Debt Service	27,137,423	0.3959	0.3928	106,596	
Pettis County R-XII School District	Operating Funds-Schools	50,320,623	3.0488	2.7900	1,403,945 ^E	2026
Sedalia 200 School District	Operating Funds-Schools	338,945,833	3.1385	3.1385	10,637,815 ^E	
	Operating Funds-Temp	338,945,833	0.8628	0.8628	2,924,425	
Pettis County	General Revenue	571,492,696	0.3124	0.0788	450,336	2026
	Johnson Grass	571,492,696	0.0496	0.0070	40,004	
	Road & Bridge	571,492,696	0.2930	0.2866	1,637,898	
	Developmental Dis. Board	571,492,696	0.0925	0.0909	519,487	
<u>Phelps</u>						
St. James Ambulance District	General Revenue	129,227,335	0.1379	0.0000	0	2026
City of Doolittle	General Revenue	4,901,880	0.2732	0.2732	13,392	
City of Newburg	General Revenue	1,865,020	0.7892	0.7892	14,719	
	Library	1,865,020	0.2000	0.2000	3,730	
City of Rolla	General Revenue	216,923,884	0.4598	0.4598	997,416	2026

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<u>Phelps</u>						
City of Rolla	Parks & Recreation	216,923,884	0.1132	0.1132	245,558	
	Library	216,923,884	0.1919	0.1919	416,277	
City of St. James	General Revenue	36,539,358	0.4018	0.4018	146,815	
	Parks & Recreation	36,539,358	0.0627	0.0627	22,910	
	Library	36,539,358	0.3053	0.3053	111,555	
City of Edgar Springs	General Revenue	1,735,837	0.4904	0.4904	8,513	
Doolittle Rural FPD	General Revenue	31,748,061	0.2187	0.2187	69,433	
Rolla Rural FPD	General Revenue	163,157,013	0.4819	0.4819	786,254	
Duke Rural FPD	General Revenue	6,045,890	0.2394	0.2394	14,474	
St. James FPD	General Revenue	124,783,912	0.2416	0.2416	301,478	
Edgar Springs Rural Volunteer FPD	General Revenue	16,729,102	0.3045	0.3045	50,940	
St. James R-I School District	Operating Funds-Schools	122,830,635	2.7500	2.7500	3,377,842	E
	Debt Service	122,830,635	1.1982	0.9000	1,105,476	
Newburg R-II School District	Operating Funds-Schools	27,859,297	3.7100	3.7100	1,033,580	E
	Debt Service	27,859,297	0.4338	0.4338	120,854	
Rolla 31 School District	Operating Funds-Schools	414,402,240	3.7613	3.3189	13,753,596	
	Debt Service	414,402,240	0.4422	0.2500	1,036,006	
Phelps County R-III School District	Operating Funds-Schools	19,749,075	2.7500	2.7500	543,100	E
	Debt Service	19,749,075	0.2973	0.1800	35,548	
Phelps County	General Revenue	596,400,274	0.2797	0.1215	724,626	
	Road & Bridge	596,400,274	0.1998	0.1153	687,650	
	Developmental Dis. Board	596,400,274	0.0720	0.0720	429,408	
<u>Pike</u>						
Village of Annada	General Revenue	354,888	0.6500	0.6340	2,250	
City of Bowling Green	General Revenue	42,843,740	0.6382	0.6382	273,429	
	Parks & Recreation	42,843,740	0.0000	0.0000	0	
	Cemetery	42,843,740	0.0984	0.0984	42,158	
	Library	42,843,740	0.1970	0.1970	84,402	
City of Clarksville	General Revenue	5,072,969	0.6618	0.6618	33,573	
City of Curryville	General Revenue	1,569,075	0.9582	0.9582	15,035	
Village of Eolia	General Revenue	4,751,247	0.3994	0.3994	18,976	
City of Frankford	General Revenue	1,952,930	1.0000	1.0000	19,529	
City of Louisiana	General Revenue	37,773,705	0.7417	0.7300	275,748	
	Library	37,773,705	0.1000	0.1000	37,774	
Buffalo Township FPD	General Revenue	50,115,687	0.3028	0.3028	151,750	
Curryville Volunteer FPD	General Revenue	12,718,575	0.3027	0.3027	38,499	
Pike County Health Department	General Revenue	288,695,615	0.2500	0.2500	721,739	
Bowling Green R-I School District	Operating Funds-Schools	115,049,201	3.3388	3.3388	3,841,263	E
Pike County R-III School District	Operating Funds-Schools	43,285,672	4.3520	4.2515	1,840,290	BE
	Debt Service	43,285,672	0.9620	0.7502	324,729	
Bonel R-X School District	Operating Funds-Schools	12,584,087	4.9243	4.4500	559,992	
Louisiana R-II School District	Operating Funds-Schools	56,099,070	3.7500	3.6500	2,047,616	E
	Debt Service	56,099,070	1.0041	0.5000	280,495	
Pike County	General Revenue	288,695,615	0.4468	0.3011	869,262	
	Road & Bridge	288,695,615	0.3240	0.3240	935,374	
	Hospital	288,695,615	0.2200	0.2200	635,130	
	Developmental Dis. Board	288,695,615	0.2000	0.2000	577,391	

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Platte						
Northland Regional AD	General Revenue	597,158,759	0.4300	0.4300	2,567,783	
Southern Platte Ambulance District	General Revenue	617,937,049	0.1188	0.1188	734,109	
Drainage District 1 Platte County	General Revenue	1,422,782	0.0763	0.0763	1,086	
Farley SRD Platte County	Road & Bridge	19,267,998	0.3084	0.3084	59,423	
	Special Road and Bridge	19,267,998	0.3526	0.3526	67,939	2020
Parkville SRD Platte County	Road & Bridge	871,606,313	0.2629	0.2629	2,291,453	
Platte City SRD Platte County	Road & Bridge	1,219,870,113	0.2817	0.2678	3,266,812	
Weston SRD Platte County	Road & Bridge	76,018,128	0.2439	0.2439	185,408	
	Special Road and Bridge	76,018,128	0.3411	0.3411	259,298	2019
City of Camden Point	General Revenue	6,106,253	0.6793	0.6793	41,480	
City of Dearborn	General Revenue	6,174,673	0.4806	0.4806	29,675	
City of Edgerton	General Revenue	6,489,431	0.6736	0.6736	43,713	
Village of Farley	General Revenue	3,199,227	0.4737	0.4737	15,155	
Village of Ferrelview	General Revenue	3,743,516	0.5339	0.5339	19,987	
Village of Iatan	General Revenue	309,625	0.4703	0.4703	1,456	
City of Platte City	General Revenue	79,448,452	0.5219	0.5219	414,641	
	Debt Service	79,448,452	0.8612	0.5539	440,065	
City of Platte Woods	General Revenue	11,353,290	0.7427	0.7427	84,321	
City of Tracy	General Revenue	4,164,920	0.6630	0.6630	27,613	
City of Weatherby Lake	General Revenue	57,202,169	0.8421	0.8421	481,699	
	Parks & Recreation	57,202,169	0.1797	0.1797	102,792	
City of Weston	General Revenue	27,934,950	0.4083	0.4083	114,058	
	Parks & Recreation	27,934,950	0.1487	0.1487	41,539	
	Lights	27,934,950	0.1155	0.1155	32,265	
City of Lake Waukomis	General Revenue	18,674,116	0.6495	0.6495	121,288	
	General Revenue - Temp	18,674,116	0.7121	0.7000	130,719 ^A	2021
City of Parkville	General Revenue	240,335,284	0.4653	0.4653	1,118,280	
	General Revenue-Temp	240,335,284	0.1759	0.1759	422,750	2024
City of Northmoor	General Revenue	7,100,244	0.5084	0.5084	36,098 ^B	
Town of Ridgely	General Revenue	1,284,355	0.3218	0.3218	4,133	
City of Houston Lake	General Revenue	2,992,620	0.7048	0.7048	21,092	
	Fire	2,992,620	0.7800	0.7800	23,342	2020
Central Platte FPD	General Revenue	248,892,044	0.3088	0.3088	768,579	
Southern Platte FPD	General Revenue	516,745,182	0.9023	0.9023	4,662,592	
	Debt Service	516,745,182	0.0968	0.0968	500,209	
Weatherby Lake FPD	General Revenue	57,201,284	1.0450	1.0450	597,753	
West Platte FPD	General Revenue	211,576,519	0.3900	0.3900	825,148	
	Ambulance	211,576,519	0.3900	0.3900	825,148	
Camden Point FPD	General Revenue	25,290,728	0.4762	0.4762	120,434	
Smithville Area FPD	General Revenue	290,374,892	0.2906	0.2906	843,829	
	Debt Service	290,374,892	0.2568	0.2000	580,750	
Edgerton-Trimble FPD	General Revenue	43,255,758	0.4979	0.4979	215,370	
Dearborn Area FPD	General Revenue	33,993,984	0.5239	0.5239	178,094	
Platte County Health Department	General Revenue	2,690,276,108	0.0783	0.0783	2,106,486	
North Platte County R-I SD	Operating Funds-Schools	63,469,996	3.8759	3.7500	2,380,125 ^E	
	Debt Service	63,469,996	1.1247	0.9900	628,353	
West Platte County R-II SD	Operating Funds-Schools	215,788,145	4.0417	4.0417	8,721,509 ^E	
Platte County R-III School District	Operating Funds-Schools	553,270,520	3.7136	3.3601	18,590,443	

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<u>Platte</u>						
Platte County R-III School District	Operating Funds-Temp	553,270,520	0.4186	0.4186	2,315,990	2034
	Debt Service	553,270,520	1.2406	1.2406	6,863,874	
Park Hill School District	Operating Funds-Schools	1,748,646,163	4.7848	4.7848	83,669,222 ^E	
	Debt Service	1,748,646,163	0.8343	0.6107	10,678,982	
Platte County	General Revenue	2,690,276,108	0.3427	0.0600	1,614,166	
	Road & Bridge	503,462,509	0.3262	0.3239	1,630,715	
	Developmental Dis. Board	2,690,276,108	0.1273	0.1273	3,424,721	
	Mental Health	2,690,276,108	0.0979	0.0979	2,633,780	
	Senior Services	2,690,276,108	0.0490	0.0490	1,318,235	
<u>Polk</u>						
Blue Mound SRD Polk County	Road & Bridge	3,492,173	0.3500	0.3500	12,223	
Bolivar SRD Polk County	Road & Bridge	103,489,409	0.2003	0.2003	207,289	
Flemington SRD Polk County	Road & Bridge	1,847,980	0.3500	0.3500	6,468	
Humansville SRD Polk County	Road & Bridge	11,757,084	0.2930	0.2930	34,448	
	Special Road and Bridge	11,757,084	0.3564	0.3564	41,902	2020
Southwest SRD Polk County	Road & Bridge	1,008,177	0.3499	0.3499	3,528	
Polk County SRD	Road & Bridge	198,635,928	0.2811	0.2811	558,366	
Village of Aldrich	General Revenue	565,487	0.4040	0.4040	2,285	
City of Bolivar	General Revenue	100,760,754	0.0000	0.0000	0	
	Parks & Recreation	100,760,754	0.0000	0.0000	0	
City of Fair Play	General Revenue	2,448,412	1.0000	1.0000	24,484	
City of Humansville	General Revenue	5,172,289	0.6676	0.6676	34,530	
City of Morrisville	General Revenue	2,306,637	0.5189	0.5189	11,969	
Polk County Library District	General Revenue	320,230,751	0.2413	0.2413	772,717	
Pleasant Hope FPD	General Revenue	25,814,236	0.2963	0.2963	76,488	
Central Polk County FPD	General Revenue	52,647,896	0.3021	0.3021	159,049	
Morrisville FPD	General Revenue	40,711,595	0.2787	0.2787	113,463	
Polk County Health Center	General Revenue	320,230,751	0.1763	0.1763	564,567	
Bolivar R-I School District	Operating Funds-Schools	168,656,618	3.2602	3.2525	5,485,557 ^E	
	Debt Service	168,656,618	0.7584	0.5675	957,126	
Fair Play R-II School District	Operating Funds-Schools	20,575,383	3.5082	3.4333	706,415 ^E	
	Debt Service	20,575,383	1.3649	0.6667	137,176	
Halfway R-III School District	Operating Funds-Schools	21,916,520	3.5227	3.5227	772,053 ^E	
	Debt Service	21,916,520	0.7629	0.6200	135,882	
Humansville R-IV School District	Operating Funds-Schools	22,160,074	3.0245	3.0245	670,231 ^E	
	Debt Service	22,160,074	0.4679	0.4679	103,687	
Marion C. Early R-V School District	Operating Funds-Schools	38,083,738	3.5707	2.9100	1,108,237 ^E	
	Debt Service	38,083,738	0.8703	0.4900	186,610	
Pleasant Hope R-VI School District	Capital Improvements	43,005,417	0.6700	0.6700	288,136	2026
	Operating Funds-Schools	43,005,417	2.7227	2.7227	1,170,908 ^E	
	Debt Service	43,005,417	0.5676	0.5676	244,099	
Polk County	General Revenue	320,230,751	0.3250	0.3250	1,040,750	
	Developmental Dis. Board	320,230,751	0.0210	0.0210	67,248	
	Senior Services	320,230,751	0.0500	0.0500	160,115	
<u>Pulaski</u>						
Dixon Ambulance District	General Revenue	74,260,904	0.2837	0.2837	210,678	
Pulaski County Ambulance District	General Revenue	450,087,346	0.0000	0.0000	0	
City of Crocker	General Revenue	8,965,012	0.6921	0.6921	62,047	

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<u>Pulaski</u>						
City of Crocker	Parks & Recreation	8,965,012	0.1739	0.1739	15,590	
City of Dixon	General Revenue	14,220,171	0.4889	0.4889	69,522	
	Library	14,220,171	0.1500	0.1500	21,330	
	Debt Service	14,220,171	0.6643	0.6643	94,465	
City of St. Robert	General Revenue	96,215,974	0.3593	0.3593	345,704	
City of Waynesville	General Revenue	66,917,856	0.6330	0.6330	423,590	
City of Richland	General Revenue	14,686,606	0.6557	0.6557	96,300	
Pulaski County Library District	General Revenue	488,314,911	0.1353	0.1353	660,690	
Hazelgreen FPD	General Revenue	25,695,634	0.2754	0.2754	70,766	
Crocker Rural FPD	General Revenue	36,479,619	0.2543	0.2543	92,768	
Waynesville Rural FPD	General Revenue	184,298,197	0.4588	0.4588	845,560	
Dixon Rural FPD	General Revenue	80,233,380	0.2554	0.2554	204,916	
Pulaski County Health Department	General Revenue	499,997,294	0.0723	0.0723	361,498	
Swedeborg R-III School District	Operating Funds-Schools	6,175,852	3.4261	3.4261	211,591	E
Pulaski County R-IV School District	Operating Funds-Schools	36,291,560	2.6832	2.6832	973,775	E
	Operating Funds-Temp	36,291,560	0.3668	0.3668	133,117	2018
	Debt Service	36,813,310	0.1314	0.1242	45,722	
Laquey R-V School District	Operating Funds-Schools	36,813,310	2.7500	2.7500	1,012,366	E
Waynesville R-VI School District	Operating Funds-Schools	321,460,627	3.0513	2.9500	9,483,088	E
	Debt Service	65,595,880	0.3470	0.2700	177,109	
	Debt Service	65,595,880	0.3470	0.2700	177,109	
Dixon R-I School District	Operating Funds-Schools	65,595,880	2.7500	2.7500	1,803,887	E
	Debt Service	32,525,630	2.7500	2.7500	894,455	E
	Debt Service	32,525,630	0.5983	0.5764	187,478	
Crocker R-II School District	Operating Funds-Schools	32,525,630	2.7500	2.7500	894,455	E
	Debt Service	32,525,630	0.5983	0.5764	187,478	
	Debt Service	32,525,630	0.5983	0.5764	187,478	
	Debt Service	32,525,630	0.5983	0.5764	187,478	
Pulaski County	General Revenue	499,997,294	0.0000	0.0000	0	
	Road & Bridge	499,997,294	0.1979	0.1979	989,495	
	Developmental Dis. Board	499,997,294	0.0719	0.0719	359,498	
	Senior Services	499,997,294	0.0449	0.0449	224,499	
<u>Putnam</u>						
Putnam County Ambulance District	General Revenue	93,100,516	0.3685	0.3685	343,075	
Putnam County Care Center	General Revenue	93,100,516	0.2852	0.2852	265,523	
Unionville SRD Putnam County	Road & Bridge	15,008,024	0.2845	0.2845	42,698	
	Special Road and Bridge	15,008,024	0.3647	0.3647	54,734	A 2021
Lake Thunderhead SRD Putnam County	Road & Bridge	21,532,038	0.2872	0.2872	61,840	
	Special Road and Bridge	21,532,038	0.3500	0.3500	75,362	2020
Village of Livonia	General Revenue	306,161	0.5000	0.5000	1,531	
Village of Lucerne	General Revenue	1,411,194	0.4999	0.4999	7,055	
Village of Powersville	General Revenue	372,616	0.4805	0.4805	1,790	
City of Unionville	General Revenue	14,626,503	0.8795	0.8795	128,640	
	Parks & Recreation	14,626,503	0.1780	0.1780	26,035	
	Fire	14,626,503	0.1780	0.1780	26,035	
Village of Worthington	General Revenue	252,039	0.5000	0.5000	1,260	
Elm Township Putnam County	Road & Bridge	7,534,479	0.4886	0.4886	36,813	
	Special Road and Bridge	7,534,479	0.3639	0.3639	27,418	2018
Grant Township Putnam County	Road & Bridge	2,488,808	0.4972	0.4972	12,374	
	Special Road and Bridge	2,488,808	0.3582	0.3582	8,915	A 2021
Jackson Township Putnam County	Road & Bridge	3,594,131	0.5000	0.5000	17,971	
	Special Road and Bridge	3,594,131	0.3566	0.3566	12,817	2018
Liberty Township Putnam County	Road & Bridge	4,219,339	0.4810	0.4810	20,295	

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<u>Putnam</u>						
Liberty Township Putnam County	Special Road and Bridge	4,219,339	0.3600	0.3600	15,190	2020
Lincoln Township Putnam County	Road & Bridge	6,139,238	0.5000	0.5000	30,696	
	Special Road and Bridge	6,139,238	0.3631	0.3631	22,292	2020
Medicine Township Putnam County	Road & Bridge	8,484,419	0.4960	0.4960	42,083	
	Special Road and Bridge	8,484,419	0.3545	0.3545	30,077	2020
Richland Township Putnam County	Road & Bridge	4,568,099	0.5000	0.5000	22,840	
	Special Road and Bridge	4,568,099	0.3513	0.3513	16,048	2020
Sherman Township Putnam County	Road & Bridge	2,765,602	0.5000	0.5000	13,828	
	Special Road and Bridge	2,765,602	0.3569	0.3569	9,870	2020
Union Township Putnam County	Road & Bridge	6,217,843	0.4980	0.4980	30,965	
	Special Road and Bridge	6,217,843	0.3582	0.3582	22,272	2018
Wilson Township Putnam County	Road & Bridge	5,513,324	0.4916	0.4916	27,104	
	Special Road and Bridge	5,513,324	0.3500	0.3500	19,297	2020
York Township Putnam County	Road & Bridge	5,104,847	0.4661	0.4661	23,794	
	Special Road and Bridge	5,104,847	0.3467	0.3467	17,699	2020
Elm Township FPD	General Revenue	8,138,315	0.2856	0.2856	23,243	
Liberty Township FPD	General Revenue	4,176,839	0.2888	0.2888	12,063	
Grant Township FPD	General Revenue	2,488,808	0.2983	0.2983	7,424	
York Township Volunteer FPD	General Revenue	4,500,148	0.3000	0.3000	13,500	
Putnam County Health Department	General Revenue	93,100,516	0.2763	0.2763	257,237	
Putnam County R-I School District	Operating Funds-Schools	88,758,665	3.2133	3.2133	2,852,082 ^E	
	Debt Service	88,758,665	0.6624	0.3900	346,159	
Putnam County	General Revenue	93,100,516	0.4607	0.4607	428,914	
	Library	93,100,516	0.2000	0.2000	186,201	
	Hospital	93,100,516	0.4607	0.4607	428,914	
	Senior Services	93,100,516	0.0460	0.0460	42,826	
	Debt Service	93,100,516	0.6614	0.0000	0	
<u>Ralls</u>						
Ralls County Ambulance District 3	General Revenue	179,374,119	0.4075	0.4075	730,950	
City of Center	General Revenue	4,652,075	0.8609	0.8609	40,050	
	Fire	4,652,075	0.2000	0.2000	9,304	
City of New London	General Revenue	9,455,790	0.4789	0.4789	45,284	
City of Perry	General Revenue	8,933,059	0.5309	0.5309	47,426	
	Fire	8,933,059	0.2849	0.2849	25,450	
Ralls County Library District	General Revenue	206,048,501	0.0976	0.0976	201,103	
Hannibal Rural FPD	General Revenue	109,513,063	0.1447	0.1447	158,465	
Ralls County Health Department	General Revenue	254,430,183	0.0954	0.0954	242,726	
Ralls County R-II School District	Operating Funds-Schools	86,364,683	2.7500	2.7500	2,375,029 ^F	
	Debt Service	86,364,683	0.9252	0.7100	613,189	
Ralls County	General Revenue	254,430,183	0.3755	0.2832	720,546	
	Road & Bridge	254,430,183	0.2689	0.2689	684,163	
<u>Randolph</u>						
Randolph County Ambulance District	General Revenue	499,344,771	0.0000	0.0000	0	
Moberly SRD Randolph County	Special Road and Bridge	203,257,155	0.0919	0.0919	186,793	2019
Village of Cairo	General Revenue	2,425,581	0.4953	0.4953	12,014	
City of Clark	General Revenue	2,281,371	1.0000	1.0000	22,814	
City of Clifton Hill	General Revenue	879,608	0.7500	0.7500	6,597	
City of Higbee	General Revenue	2,858,765	0.8800	0.8800	25,157	

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<u>Randolph</u>						
City of Higbee	Parks & Recreation	2,858,765	0.1500	0.1500	4,288	
	Debt Service	2,858,765	1.3651	1.3651	39,025	
City of Huntsville	General Revenue	12,620,511	0.7569	0.7569	95,525	
	Parks & Recreation	12,620,511	0.1000	0.1000	12,621	
	Cemetery	12,620,511	0.1865	0.1865	23,537	
	Fire	12,620,511	0.0000	0.0000	0	
Village of Jacksonville	General Revenue	555,111	0.5000	0.5000	2,776	
	Parks & Recreation	555,111	0.4000	0.4000	2,220	
City of Moberly	General Revenue	158,861,711	0.7223	0.7223	1,147,458	
	Parks & Recreation	158,861,711	0.3352	0.3352	532,504	
Village of Renick	General Revenue	1,276,982	0.4944	0.4944	6,313	
Randolph County Library District	General Revenue	499,344,771	0.2419	0.2419	1,207,915	
Higbee Area FPD	General Revenue	26,325,738	0.2591	0.2591	68,210	
Southeastern Randolph FPD	General Revenue	28,609,199	0.2779	0.2779	79,505	
Eastern Randolph Rural FPD	General Revenue	22,570,921	0.2905	0.2905	65,569	
Northeast R-IV Rural FPD	General Revenue	36,658,166	0.2773	0.2773	101,653	
Westran FPD	General Revenue	193,155,318	0.2804	0.2804	541,608	
Downtown Moberly CID	Capital Improvements	3,221,720	7.2744	7.2744	234,361	A 2036
Randolph County Health Department	General Revenue	499,344,771	0.1450	0.1450	724,050	
Moberly Area Community College	General Revenue	200,913,146	0.3319	0.3319	666,831	
Northeast Randolph County R-IV SD	Operating Funds-Schools	27,432,592	3.7378	3.7378	1,025,375	E
	Debt Service	27,432,592	1.6386	0.8700	238,664	
Renick R-V School District	Operating Funds-Schools	16,525,837	3.7644	3.7644	622,099	E
	Operating Funds-Temp	16,525,837	0.4606	0.4606	76,118	2025
Higbee R-VIII School District	Operating Funds-Schools	13,172,602	4.0078	3.8000	500,559	E
	Debt Service	13,172,602	1.1092	1.0000	131,726	
Westran R-I School District	Operating Funds-Schools	166,621,523	3.7500	3.7500	6,248,307	
Moberly School District	Operating Funds-Schools	183,629,868	3.2652	3.2652	5,995,882	E
	Debt Service	183,629,868	1.8203	1.4423	2,648,494	
Randolph County	General Revenue	499,344,771	0.3629	0.2149	1,073,092	
	Road & Bridge	499,344,771	0.1939	0.1939	968,230	
	Developmental Dis. Board	499,344,771	0.1439	0.1439	718,557	
<u>Ray</u>						
Ray County Ambulance District	General Revenue	282,003,835	0.2889	0.1517	427,800	
Senior Citizen's NHD	General Revenue	340,033,835	0.1421	0.1421	483,188	
Willow Creek Watershed Subdistrict	General Revenue	15,394,300	0.1934	0.1934	29,773	
Camden SRD Ray County	Road & Bridge	13,411,499	0.3496	0.3496	46,887	
	Special Road and Bridge	13,411,499	0.2397	0.2397	32,147	2019
Hardin SRD Ray County	Road & Bridge	15,231,740	0.2432	0.2432	37,044	
Henrietta SRD Ray County	Road & Bridge	8,215,735	0.3121	0.3121	25,641	
Lawson SRD Ray County	Road & Bridge	37,984,002	0.2578	0.2578	97,923	
	Special Road and Bridge	37,984,002	0.3001	0.3001	113,990	2019
Orrick SRD Ray County	Road & Bridge	23,821,142	0.4475	0.4475	106,600	
Richmond SRD Ray County	Road & Bridge	103,442,102	0.2570	0.2570	265,846	
Ray County SRD	Road & Bridge	130,964,686	0.2568	0.2568	336,317	
	Special Road and Bridge	130,964,686	0.2435	0.2435	318,899	A 2021
City of Camden	General Revenue	1,615,392	0.6344	0.6344	10,248	
	Streets	1,615,392	0.0097	0.0097	157	

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<u>Ray</u>						
City of Camden	Fire	1,615,392	0.0000	0.0000	0	
Village of Elmira	General Revenue	637,194	0.4496	0.4496	2,865	
City of Fleming	General Revenue	739,580	0.2553	0.2553	1,888 ^A	
City of Hardin	General Revenue	5,880,344	1.0000	1.0000	58,803	
City of Henrietta	General Revenue	3,552,947	1.0000	1.0000	35,529	
	Parks & Recreation	3,552,947	0.1055	0.1055	3,748	
City of Orrick	General Revenue	8,199,785	0.8103	0.8103	66,443	
City of Richmond	General Revenue	69,315,778	0.6499	0.6499	450,483	
	Parks & Recreation	69,315,778	0.1622	0.1622	112,430	
	Debt Service	69,315,778	0.3622	0.3622	251,062	
City of Wood Heights	General Revenue	8,134,325	0.3884	0.3884	31,594	
City of Homestead Village	General Revenue	931,689	0.4859	0.4859	4,527	
	General Revenue-Temp	931,689	0.5234	0.5234	4,876	2019
City of Excelsior Estates	General Revenue	557,448	1.0000	1.0000	5,574	
City of Crystal Lakes	General Revenue	3,746,317	1.0000	1.0000	37,463	
	Parks & Recreation	3,746,317	0.0207	0.0207	775	
	Streets	3,746,317	0.3052	0.3052	11,434 ^A	2021
City of Lawson	General Revenue	25,406,489	0.7133	0.7133	181,224	
	Debt Service	25,406,489	1.2066	1.2066	306,555	
Ray County Library District	General Revenue	340,033,835	0.2049	0.2049	696,729	
Orrick FPD	General Revenue	39,341,446	0.2674	0.2288	90,013	
Wood Heights FPD	General Revenue	48,399,159	0.2772	0.2772	134,162	
Lawson Community Fire & Rescue	General Revenue	84,266,507	0.6072	0.6000	505,599 ^B	
	Ambulance	84,266,407	0.6852	0.6852	577,393	
Hardin FPD	General Revenue	23,400,052	0.2743	0.2743	64,186	
Stet Rural FPD	General Revenue	19,822,787	0.2925	0.2925	57,982	
Richmond FPD	General Revenue	67,592,211	0.2757	0.2757	186,352	
Ray County Health Department	General Revenue	340,033,835	0.0955	0.0955	324,732	
Lawson R-XIV School District	Operating Funds-Schools	72,408,051	3.0071	3.0071	2,177,383 ^E	
	Debt Service	72,408,051	1.2493	0.9500	687,876	
Orrick R-XI School District	Operating Funds-Schools	24,460,905	3.8809	3.8809	949,303 ^E	
	Debt Service	24,460,905	1.0774	0.9500	232,379	
Hardin-Central C-2 School District	Operating Funds-Schools	18,552,106	4.7803	4.7803	886,846 ^E	
Richmond R-XVI School District	Operating Funds-Schools	121,185,147	4.4302	4.4302	5,368,744 ^E	
Ray County	General Revenue	340,033,835	0.4121	0.0000	0	
	Capital Improvements	340,033,835	0.0800	0.0800	272,027	
	Hospital	340,033,835	0.1811	0.1811	615,801	
	Developmental Dis. Board	340,033,835	0.1811	0.1811	615,801	
	Mental Health	340,033,835	0.0954	0.0954	324,392	
	Senior Services	340,033,835	0.0488	0.0488	165,937	
	Noxious Weed	340,033,835	0.0477	0.0250	85,008	
<u>Reynolds</u>						
Reynolds County Ambulance District	General Revenue	177,795,937	0.1500	0.0646	114,856	
City of Bunker	General Revenue	1,969,288	0.6003	0.6003	11,822	
City of Centerville	General Revenue	849,099	0.4114	0.4114	3,493	
Reynolds County Library District	General Revenue	175,635,092	0.1185	0.1121	196,887	
Garwood FPD	General Revenue	3,350,625	0.3000	0.3000	10,052	
Northern Reynolds County FPD	General Revenue	64,096,742	0.2000	0.2000	128,193	

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<u>Reynolds</u>						
Reynolds County Health Center	General Revenue	175,635,092	0.1000	0.1000	175,635	
Centerville R-I School District	Operating Funds-Schools	6,306,132	4.2384	4.2384	267,279	E
Southern Reynolds County R-II SD	Operating Funds-Schools	32,828,865	3.7000	2.9673	974,131	
	Debt Service	32,828,865	1.0352	0.8927	293,063	
Bunker R-III School District	Operating Funds-Schools	70,778,370	2.7500	2.7500	1,946,405	
Lesterville R-IV School District	Operating Funds-Schools	59,073,268	3.4254	3.4254	2,023,496	E
Reynolds County	General Revenue	175,635,092	0.4771	0.3800	667,413	
	Road & Bridge	175,635,092	0.3500	0.3500	614,723	
	Developmental Dis. Board	175,635,092	0.1000	0.1000	175,635	
	Senior Services	175,635,092	0.0300	0.0300	52,691	
<u>Ripley</u>						
Ripley County Ambulance District	General Revenue	84,131,233	0.2843	0.2843	239,185	
Fourche Creek Watershed Subdistrict	General Revenue	4,901,890	0.1426	0.1426	6,990	
Bennett SRD Ripley County	Road & Bridge	344,319	0.2428	0.2428	836	
Current River SRD Ripley County	Road & Bridge	1,171,514	0.2421	0.2421	2,836	
Doniphan SRD Ripley County	Road & Bridge	48,179,117	0.2174	0.2174	104,741	
	Special Road and Bridge	48,179,117	0.1542	0.1542	74,292	A 2020
Fairdealing SRD Ripley County	Road & Bridge	5,342,095	0.1951	0.1951	10,422	
Flatwoods SRD Ripley County	Road & Bridge	2,519,920	0.3349	0.3349	8,439	
Jordan SRD Ripley County	Road & Bridge	8,984,912	0.1961	0.1961	17,619	
Little Black SRD Ripley County	Road & Bridge	1,983,594	0.3500	0.3500	6,943	
Logan Creek SRD Ripley County	Road & Bridge	4,817,919	0.1963	0.1963	9,458	
Mabrey Bay SRD Ripley County	Road & Bridge	220,738	0.2164	0.2164	478	
Naylor SRD Ripley County	Road & Bridge	5,546,899	0.3411	0.3411	18,920	
	Special Road and Bridge	5,546,899	0.5058	0.5058	28,056	2018
Oxly SRD Ripley County	Road & Bridge	3,163,060	0.3254	0.3254	10,293	
Pine Bardley SRD Ripley County	Road & Bridge	2,811,732	0.1828	0.1828	5,140	
Ponder Gatewood SRD Ripley County	Road & Bridge	6,894,735	0.1532	0.1532	10,563	
	Special Road and Bridge	6,894,735	0.3518	0.3518	24,256	2018
Poynor SRD Ripley County	Road & Bridge	2,238,794	0.1919	0.1919	4,296	
Pratt SRD Ripley County	Road & Bridge	500,152	0.2559	0.2559	1,280	
Purman SRD Ripley County	Road & Bridge	3,161,755	0.1670	0.1670	5,280	
	Special Road and Bridge	3,161,755	0.3070	0.3070	9,707	2018
Running Water SRD Ripley County	Road & Bridge	328,963	0.2590	0.2590	852	
Tucker Bay SRD Ripley County	Road & Bridge	400,058	0.1785	0.1785	714	
Wolfe Creek SRD Ripley County	Road & Bridge	893,811	0.2756	0.2756	2,463	
	Special Road and Bridge	893,811	0.1002	0.1002	896	2018
City of Doniphan	General Revenue	17,822,889	0.3936	0.3936	70,151	
	Debt Service	17,822,889	0.0586	0.0000	0	
City of Naylor	General Revenue	1,827,839	0.9614	0.9614	17,573	
Doniphan-Ripley County PLD	General Revenue	99,504,090	0.1738	0.1738	172,938	
	Debt Service	99,504,090	0.0160	0.0160	15,921	
Ripley County Public Health Center	General Revenue	99,504,090	0.1433	0.1433	142,589	
Naylor R-II School District	Operating Funds-Schools	11,017,024	3.4154	3.4154	376,275	E
Doniphan R-I School District	Operating Funds-Schools	74,184,509	2.7500	2.7500	2,040,074	E
Ripley County R-IV School District	Operating Funds-Schools	6,307,126	2.7648	2.7500	173,446	F
Ripley County R-III School District	Operating Funds-Schools	6,321,866	3.4488	3.4300	216,840	E
Ripley County	General Revenue	99,504,090	0.2997	0.0000	0	

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<u>Ripley</u>						
Ripley County	Developmental Dis. Board	99,504,090	0.0955	0.0955	95,026	
	Senior Services	99,504,090	0.0478	0.0478	47,563	
<u>St. Charles</u>						
St. Charles Ambulance District	General Revenue	8,620,213,993	0.2316	0.2316	19,964,416	
	Debt Service	8,620,213,993	0.0621	0.0400	3,448,086	
Town of Augusta	General Revenue	7,406,935	0.2048	0.2048	15,169	
	Lights	7,406,935	0.1022	0.1022	7,570	
City of Lake St. Louis	General Revenue	368,006,789	0.5421	0.5421	1,994,965	
	Debt Service	368,006,789	0.5648	0.4700	1,729,632	
City of O'Fallon	General Revenue	1,854,641,377	0.3551	0.3551	6,585,832	
	Parks & Recreation	1,854,641,377	0.0000	0.0000	0	
	Debt Service	1,854,641,377	0.2977	0.2408	4,465,976	
City of Portage Des Sioux	General Revenue	4,614,229	0.6900	0.6900	31,838	
	Debt Service	4,614,229	0.3094	0.3094	14,276	
City of St. Charles	General Revenue	1,458,068,497	0.5071	0.5071	7,393,865	
	Parks & Recreation	1,458,068,497	0.2186	0.2186	3,187,338	
	Debt Service	1,458,068,497	0.2250	0.1613	2,351,864	
City of St. Peters	General Revenue	1,244,579,569	0.5903	0.5903	7,346,753	
	Debt Service	1,244,579,569	0.5647	0.1797	2,236,509	
City of Wentzville	General Revenue	901,240,143	0.6463	0.6463	5,824,715	
	Parks & Recreation	901,240,143	0.0632	0.0632	569,584	
City of St. Paul	General Revenue	65,178,993	0.2122	0.2122	138,310	
Town of Weldon Springs Heights	General Revenue	2,120,542	0.4353	0.4321	9,163	
City of Flint Hill	General Revenue	12,946,254	0.2230	0.2230	28,870	
City of New Melle	General Revenue	16,439,702	0.4963	0.4963	81,590	
City of Cottleville	General Revenue	136,852,472	0.3034	0.3034	415,210	
City of Dardenne Prairie	General Revenue	293,663,410	0.1054	0.1054	309,521	
St. Charles City-County PLD	General Revenue	8,620,213,993	0.2106	0.2106	18,154,171	
Cottleville FPD	General Revenue	1,344,794,495	0.7628	0.7628	10,258,092	
	Pension	1,344,794,495	0.0857	0.0857	1,152,489	
	Debt Service	1,344,794,495	0.0826	0.0700	941,356	
Lake St. Louis FPD	General Revenue	275,771,550	0.6853	0.6853	1,889,862	
	Pension	275,771,550	0.0267	0.0267	73,631	
	Debt Service	275,771,550	0.3139	0.1981	546,303	
O'Fallon FPD	General Revenue	1,569,240,182	0.8279	0.8279	12,991,739	
	Pension	1,569,240,182	0.0397	0.0397	622,988	
	Debt Service	1,569,240,182	0.0468	0.0468	734,404	
Wentzville FPD	General Revenue	1,798,373,776	0.7117	0.7117	12,799,026	
	Debt Service	1,798,373,776	0.1892	0.1200	2,158,049	
Augusta FPD	General Revenue	58,370,082	0.4526	0.4526	264,183	
New Melle FPD	General Revenue	258,545,129	0.6609	0.6609	1,708,725	
Orchard Farm FPD	General Revenue	36,431,794	0.4353	0.4353	158,588	
Central County Fire & Rescue	General Revenue	1,757,948,929	0.9937	0.9937	17,468,739	
	Pension	1,757,948,929	0.0439	0.0439	771,740	
	Debt Service	1,757,948,929	0.1139	0.0859	1,510,078	
Rivers Pointe FPD	General Revenue	55,717,709	0.2496	0.2496	139,071	
BaratHaven CID	General Revenue	20,860,210	0.8633	0.8633	180,086	
St. Charles Co Community College	General Revenue	8,570,962,440	0.1666	0.1666	14,279,223	

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<u>St. Charles</u>						
St. Charles Co Community College	Debt Service	8,570,962,440	0.0596	0.0450	3,856,933	
Fort Zumwalt R-II School District	Operating Funds-Schools	2,440,001,323	4.3617	4.3617	106,425,538	E
	Debt Service	2,440,001,323	0.6900	0.6900	16,836,009	
Francis Howell R-III SD	Operating Funds-Schools	2,594,455,646	4.1862	4.1862	108,609,102	E
	Debt Service	2,594,455,646	0.6713	0.6713	17,416,581	
Wentzville R-IV School District	Operating Funds-Schools	2,000,031,371	3.5457	3.5457	70,915,112	E
	Operating Funds-Temp	2,000,031,371	0.2717	0.2717	5,434,085	2030
	Operating Funds-Temp 1	2,000,031,371	0.2358	0.2358	4,716,074	2034
	Debt Service	2,000,031,371	1.3284	0.9304	18,608,292	
St. Charles R-VI School District	Operating Funds-Schools	1,013,817,641	4.5912	4.5912	46,546,396	E
	Debt Service	1,013,817,641	0.8354	0.7500	7,603,632	
Orchard Farm R-V School District	Operating Funds-Schools	328,293,938	4.0684	3.8395	12,604,846	
	Debt Service	328,293,938	0.8823	0.7300	2,396,546	
St. Charles County	General Revenue	8,620,213,993	0.1513	0.0000	0	
	Johnson Grass	8,620,213,993	0.0000	0.0000	0	
	Road & Bridge	8,620,213,993	0.1879	0.1879	16,197,382	
	Developmental Dis. Board	8,620,213,993	0.1350	0.1350	11,637,289	
	Dispatch	8,620,213,993	0.0422	0.0422	3,637,730	
<u>St. Clair</u>						
Ellett Memorial Hospital District	General Revenue	44,387,720	0.4879	0.4879	216,568	
St. Clair Co Hospital District 1	General Revenue	81,979,468	0.4786	0.0000	0	2019
Chloe SRD St. Clair County	Special Road and Bridge	2,889,595	0.2804	0.2804	8,102	2019
Collins SRD St. Clair County	Special Road and Bridge	7,624,076	0.2903	0.2800	21,347	A 2021
Hillsdale SRD St. Clair County	Special Road and Bridge	1,793,895	0.3672	0.3672	6,587	2020
Lowry City SRD St. Clair County	Special Road and Bridge	4,703,971	0.3450	0.3450	16,229	2018
Osceola SRD St. Clair County	Special Road and Bridge	17,554,585	0.3217	0.3217	56,473	2018
Vista SRD St. Clair County	Special Road and Bridge	4,293,594	0.4995	0.4910	21,082	2019
City of Appleton City	General Revenue	8,579,753	0.7047	0.7047	60,462	
	Parks & Recreation	8,579,753	0.3500	0.3500	30,029	
	Library	8,579,753	0.2000	0.2000	17,160	
	Police & Fire	8,579,753	0.2100	0.2100	18,017	
City of Lowry City	General Revenue	4,696,349	0.6563	0.6563	30,822	
	Lights	4,696,349	0.2037	0.2037	9,566	
	Health	4,696,349	0.0000	0.0000	0	
City of Osceola	General Revenue	6,227,882	0.7390	0.7390	46,024	
	Parks & Recreation	6,227,882	0.1000	0.1000	6,228	
Village of Roscoe	General Revenue	736,514	0.4460	0.4460	3,285	
St. Clair County Library District	General Revenue	108,606,410	0.1916	0.1916	208,090	
Iconium FPD	General Revenue	11,784,947	0.3000	0.3000	35,355	
Sac Osage FPD	General Revenue	32,062,067	0.2471	0.2471	79,225	
St. Clair County Health Center	General Revenue	117,174,409	0.2070	0.2070	242,551	
Appleton City R-II School District	Operating Funds-Schools	28,508,501	3.7580	3.7580	1,071,349	E
Roscoe C-1 School District	Operating Funds-Schools	7,098,341	3.5067	3.5067	248,918	E
Lakeland R-III School District	Operating Funds-Schools	33,815,835	3.1355	3.1355	1,060,296	E
	Debt Service	33,815,835	1.1613	0.8105	274,077	
Osceola School District	Capital Improvements	32,488,412	1.6014	1.6014	520,269	2026
	Operating Funds-Schools	32,488,412	2.2191	2.2191	720,950	E
St. Clair County	General Revenue	117,174,409	0.4772	0.3347	392,183	

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<u>St. Clair</u>						
St. Clair County	Road & Bridge	117,174,409	0.2824	0.2824	330,901	2018
	Common Road District	63,740,454	0.3200	0.3200	203,969	
<u>St. Francois</u>						
St. Francois County SRD 2	Road & Bridge	33,928,960	0.2363	0.2363	80,174	
City of Bismarck	General Revenue	9,514,277	0.5151	0.5151	49,008	
	Health	9,514,277	0.1580	0.1580	15,033	
City of Desloge	General Revenue	38,839,827	0.4216	0.4216	163,749	
City of Farmington	General Revenue	219,347,055	0.4481	0.4481	982,894	
City of Leadington	General Revenue	11,453,206	0.3560	0.3551	40,670	
City of Leadwood	General Revenue	5,828,216	0.9073	0.9073	52,879	
City of Iron Mountain Lake	General Revenue	3,005,263	0.7701	0.7701	23,144	
	Debt Service	3,005,263	1.3861	1.3861	41,656	
City of Park Hills	General Revenue	54,595,146	0.6218	0.6218	339,473	
Leadwood FPD	General Revenue	15,573,030	0.7011	0.7011	109,183 ^B	
Doe Run FPD	General Revenue	56,401,827	0.3216	0.3216	181,388	
St. Francois County Health Center	General Revenue	766,876,552	0.0917	0.0917	703,226	
Mineral Area College	General Revenue	932,392,147	0.3500	0.3500	3,263,373	
	Debt Service	932,392,147	0.1739	0.1300	1,212,110	
Bismarck R-V School District	Operating Funds-Schools	29,335,513	3.3387	3.3387	979,425 ^E	
	Debt Service	29,335,513	1.1969	0.7400	217,083	
Farmington R-VII School District	Operating Funds-Schools	375,477,240	2.8497	2.8497	10,699,975 ^E	
	Debt Service	375,477,240	0.9697	0.9000	3,379,295	
North St. Francois County R-I SD	Operating Funds-Schools	176,772,510	3.2794	3.2102	5,674,751 ^E	
	Debt Service	176,772,510	1.5286	1.2134	2,144,958	
Central R-III School District	Operating Funds-Schools	105,403,245	3.1130	3.1130	3,281,203 ^E	
	Debt Service	105,403,245	1.1607	1.1153	1,175,562	
West St. Francois County R-IV SD	Operating Funds-Schools	47,763,475	2.9056	2.9056	1,387,816 ^E	
	Debt Service	47,763,475	1.3213	1.1444	546,605	
St. Francois County	General Revenue	766,876,552	0.3300	0.0600	460,126	
	Road & Bridge	766,876,552	0.2484	0.2484	1,904,921	
	Ambulance	766,876,552	0.0000	0.0000	0	
	Developmental Dis. Board	766,876,552	0.0917	0.0917	703,226	
	Senior Services	766,876,552	0.0496	0.0496	380,371	
<u>Ste. Genevieve</u>						
City of Bloomsdale	General Revenue	12,034,342	0.3058	0.3058	36,801	
City of St. Mary	General Revenue	3,964,144	1.0000	1.0000	39,641	
City of Ste. Genevieve	General Revenue	66,650,407	0.4812	0.4812	320,722	
	Parks & Recreation	66,650,407	0.1251	0.1251	83,380	
	Cemetery	66,650,407	0.0480	0.0480	31,992	
	Band	66,650,407	0.0773	0.0773	51,521	
Ste. Genevieve County PLD	General Revenue	465,419,690	0.0473	0.0473	220,144	
Ste. Genevieve County Health	General Revenue	465,419,690	0.0964	0.0964	448,665	
Ste. Genevieve County R-II SD	Operating Funds-Schools	385,653,790	3.0190	3.0190	11,642,888 ^E	
	Debt Service	385,653,790	0.5403	0.4400	1,696,877	
Ste. Genevieve County	General Revenue	465,419,690	0.3588	0.2540	1,182,166	
	Road & Bridge	465,419,690	0.2519	0.2519	1,172,392	
	Hospital	465,419,690	0.1618	0.1618	753,049	
	Ambulance	465,617,350	0.1147	0.0241	112,214	

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<u>Ste. Genevieve</u>						
Ste. Genevieve County	Developmental Dis. Board	465,419,690	0.0600	0.0550	255,981	
	Mental Health	465,419,690	0.0964	0.0964	448,665	
	Senior Services	465,419,690	0.0301	0.0301	140,091	
<u>St. Louis</u>						
Eureka FPD	General Revenue	428,290,549	0.9047	0.9047	3,874,745	B
	Ambulance	428,290,549	0.2576	0.2576	1,103,276	
	Pension	428,290,549	0.0863	0.0863	369,615	
	Dispatch	428,290,549	0.0256	0.0256	109,642	
	Debt Service	428,290,549	0.1709	0.1500	642,436	
Metropolitan SwrD St. Louis	General Revenue	28,676,874,759	0.0190	0.0190	5,448,606	
	Storm	27,808,236,609	0.0980	0.0980	27,252,072	
Metro Zoological Park & Museum Dist	Art Museum	28,674,047,470	0.0773	0.0777	22,279,735	C
	Botanical Garden	28,674,047,470	0.0388	0.0390	11,182,879	C
	Museum of Mo. History	28,674,047,470	0.0388	0.0390	11,182,879	C
	Museum of Nat. History	28,674,047,470	0.0388	0.0390	11,182,879	C
	Zoological Park	28,674,047,470	0.0773	0.0777	22,279,735	C
Rockwood R-VI School District	Operating Funds-Schools	3,762,959,020	3.7109	3.8739	145,773,269	EC
	Debt Service	3,762,959,020	1.0982	0.6800	25,588,121	
St Louis Co Special School District	Operating Funds-Schools	24,502,981,989	1.1980	1.1980	293,545,724	
<u>Saline</u>						
Saline County Ambulance District 3	General Revenue	250,003,445	0.1958	0.1958	489,507	
Slater Ambulance District 1	General Revenue	62,240,217	0.3040	0.3040	189,210	
Sweet Springs Ambulance District	General Revenue	72,724,377	0.2897	0.2897	210,683	
Blackburn Elmwood SRD Saline County	Road & Bridge	12,336,152	0.2593	0.2593	31,988	
	Special Road and Bridge	12,336,152	0.3504	0.3504	43,226	A 2021
Gilliam SRD Saline County	Road & Bridge	12,180,385	0.2787	0.2787	33,947	
	Special Road and Bridge	12,180,385	0.2863	0.2863	34,872	2020
Grand Pass SRD Saline County	Road & Bridge	6,678,374	0.2755	0.2755	18,399	
	Special Road and Bridge	6,678,374	0.3500	0.3500	23,374	2018
Marshall SRD Saline County	Road & Bridge	163,904,460	0.2578	0.2578	422,546	
	Special Road and Bridge	163,904,460	0.2710	0.2710	444,181	2018
Slater SRD Saline County	Road & Bridge	36,279,535	0.2958	0.2958	107,315	
	Special Road and Bridge	36,279,535	0.3546	0.3546	128,647	A 2021
Sweet Springs SRD Saline County	Road & Bridge	27,870,096	0.3082	0.3082	85,896	
	Special Road and Bridge	27,870,096	0.3052	0.3052	85,060	2020
Malta Bend SRD Saline County	Road & Bridge	20,163,209	0.2607	0.2607	52,565	
	Special Road and Bridge	20,163,209	0.3698	0.3698	74,564	2020
Village of Arrow Rock	General Revenue	1,510,335	0.2514	0.2514	3,797	
	General Revenue-Temp	1,510,335	0.2966	0.2966	4,480	2019
City of Blackburn	General Revenue	2,450,317	0.5545	0.5545	13,587	
	Lights	2,450,317	0.1127	0.1127	2,762	
City of Gilliam	General Revenue	1,115,009	0.7383	0.7383	8,232	
	Lights	1,115,009	0.3937	0.3937	4,390	
Village of Grand Pass	General Revenue	639,664	0.4489	0.4489	2,871	
	General Revenue-Temp	639,664	0.0371	0.0371	237	2018
City of Malta Bend	General Revenue	2,222,479	0.8762	0.8762	19,473	
City of Marshall	General Revenue	136,546,962	0.6677	0.6677	911,724	
	Parks & Recreation	136,546,962	0.2887	0.2887	394,211	

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<u>Saline</u>						
City of Marshall	Band	136,546,962	0.0447	0.0447	61,036	
	Library	136,546,962	0.1715	0.1715	234,178	
City of Miami	General Revenue	1,265,069	0.4941	0.4941	6,251	
	Streets	1,265,069	0.6424	0.6424	8,127	
Village of Mount Leonard	General Revenue	311,335	0.9759	0.9759	3,038	
City of Nelson	General Revenue	1,204,193	0.7490	0.7490	9,019	
City of Slater	General Revenue	14,654,542	0.7746	0.7746	113,514	
	Parks & Recreation	14,654,542	0.2000	0.2000	29,309	
	Library	14,654,542	0.2421	0.2421	35,479	
City of Sweet Springs	General Revenue	13,590,004	0.7134	0.7134	96,951	
	Parks & Recreation	13,590,004	0.3390	0.3390	46,070	
	Library	13,590,004	0.1732	0.1732	23,538	
	Debt Service	13,590,004	0.5193	0.5193	70,573	
City of Emma	General Revenue	2,134,458	0.4926	0.4926	10,514	
Malta Bend FPD	General Revenue	23,616,111	0.1868	0.1868	44,115	
West Central FPD	General Revenue	57,595,165	0.2580	0.2580	148,596	
Slater Rural FPD	General Revenue	27,708,364	0.2282	0.2282	63,230	
Saline County Rural FPD	General Revenue	55,582,536	0.3001	0.3001	166,803	
Saline County Health Department	General Revenue	372,320,759	0.1255	0.1255	467,263	
Miami R-I School District	Operating Funds-Schools	10,925,409	3.9291	3.9291	429,270	E
Orearville R-IV School District	Operating Funds-Schools	7,616,587	4.7036	4.7036	358,254	E
	Operating Funds-Temp	7,616,587	0.3760	0.3760	28,638	2021
Malta Bend R-V School District	Operating Funds-Schools	12,333,343	4.7500	4.7500	585,834	E
Hardeman R-X School District	Operating Funds-Schools	8,855,751	4.3636	4.3636	386,430	E
Gilliam C-4 School District	Operating Funds-Schools	3,296,686	4.5406	4.5406	149,689	E
Marshall School District	Operating Funds-Schools	169,974,196	2.6300	2.6120	4,439,726	E
	Operating Funds-Temp	169,974,196	0.5080	0.5080	863,469	2026
Slater School District	Operating Funds-Schools	21,003,132	4.0611	4.0611	852,958	E
	Debt Service	21,003,132	1.1946	0.7132	149,794	
Sweet Springs R-VII School District	Operating Funds-Schools	33,767,435	2.9968	2.9968	1,011,942	E
	Debt Service	33,767,435	0.8807	0.8769	296,107	
Saline County	General Revenue	372,320,759	0.1793	0.1325	493,325	
	Common Road District	92,638,311	0.2389	0.2389	221,313	
	Special Road and Bridge	92,638,311	0.3500	0.3500	324,234	2018
	Developmental Dis. Board	372,320,759	0.0561	0.0561	208,872	
	Common Road-Temp	92,638,311	0.3513	0.3513	325,438	A 2021
<u>Schuyler</u>						
Schuyler County Ambulance District	General Revenue	50,397,122	0.4000	0.4000	201,588	
Schuyler County NHD	General Revenue	50,397,122	0.1500	0.1500	75,596	
City of Downing	General Revenue	1,926,863	1.0000	1.0000	19,269	
Village of Glenwood	General Revenue	1,194,058	0.5000	0.5000	5,970	
City of Greentop	General Revenue	3,858,557	1.0000	1.0000	38,586	
City of Lancaster	General Revenue	4,905,561	0.9867	0.9867	48,403	
	Parks & Recreation	4,905,561	0.2000	0.2000	9,811	
City of Queen City	General Revenue	3,781,951	1.0000	1.0000	37,820	
Schuyler County Library District	General Revenue	50,397,122	0.1500	0.1500	75,596	
Schuyler County Health Department	General Revenue	50,397,122	0.3000	0.3000	151,191	
Schuyler County R-I School District	Operating Funds-Schools	46,356,430	3.4182	3.4182	1,584,555	E

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<u>Schuyler</u>						
Schuyler County R-I School District	Debt Service	46,356,430	1.2781	0.7818	362,415	2019
Schuyler County	General Revenue	50,397,122	0.5000	0.3255	164,043	
	Common Road District	50,397,122	0.4802	0.4802	242,007	
	Special Road and Bridge	50,397,122	0.2659	0.2659	134,006	
	Senior Services	50,397,122	0.0500	0.0500	25,199	
<u>Scotland</u>						
Scotland County Ambulance District	General Revenue	78,337,543	0.2476	0.2472	193,650	2019
Scotland County Memorial Hospital	General Revenue	78,337,543	0.4953	0.4953	388,006	
Scotland County NHD	General Revenue	78,337,543	0.2972	0.2972	232,819	
Bear Creek Watershed Subdistrict	General Revenue	1,264,490	0.3865	0.3865	4,887	
Village of Arbela	General Revenue	171,399	0.5000	0.5000	857	
Village of Granger	General Revenue	230,285	0.7217	0.6791	1,564	
City of Memphis	General Revenue	15,140,551	0.3155	0.3155	47,768	
	Cemetery	15,140,551	0.0545	0.0545	8,252	
	Streets	15,140,551	0.3608	0.3608	54,627	
	Fire	15,140,551	0.1381	0.1381	20,909	
	Pool	15,140,551	0.1926	0.1926	29,161	
Village of Rutledge	General Revenue	696,629	0.4176	0.4176	2,909	
City of South Gorin	General Revenue	755,175	0.8000	0.7973	6,021	
	Fire	755,175	0.2000	0.1992	1,504	
Scotland County Library District	General Revenue	78,337,543	0.1883	0.1883	147,510	
Scotland County Health Department	General Revenue	78,337,543	0.1486	0.1486	116,410	
Scotland County R-I School District	Operating Funds-Schools	69,590,899	3.6057	3.6057	2,509,239 ^E	
Scotland County	General Revenue	78,337,543	0.4953	0.4953	388,006	
	Road & Bridge	78,337,543	0.3468	0.3468	271,675	
	Special Road and Bridge	78,337,543	0.3124	0.3124	244,726	
<u>Scott</u>						
Southern Scott Ambulance District	General Revenue	271,289,526	0.3000	0.3000	813,869	2021
North Scott Ambulance District	General Revenue	213,553,763	0.2977	0.2977	635,750	
Illmo SRD Scott County	Road & Bridge	67,305,687	0.3420	0.3420	230,185	
Sikeston SRD Scott County	Road & Bridge	227,997,381	0.1800	0.1800	410,395	
City of Benton	General Revenue	9,516,349	0.6175	0.6175	58,763	
	Parks & Recreation	9,516,349	0.1918	0.1918	18,252	
Village of Blodgett	General Revenue	1,689,629	0.2783	0.2783	4,702	
City of Chaffee	General Revenue	19,496,099	0.8499	0.8499	165,697	
	Parks & Recreation	19,496,099	0.1812	0.1812	35,327	
	Library	19,496,099	0.1812	0.1812	35,327	
Village of Commerce	General Revenue	612,793	0.5000	0.5000	3,064	
Village of Diehlstadt	General Revenue	538,406	0.3837	0.3837	2,066	
Village of Haywood City	General Revenue	622,433	0.5000	0.5000	3,112	
Village of Kelso	General Revenue	6,878,184	0.5000	0.5000	34,391	
	Fire	6,878,184	0.1333	0.1300	8,942 ^A	
City of Miner	General Revenue	22,070,359	0.3085	0.3000	66,211	
City of Morley	General Revenue	4,430,751	0.6773	0.6773	30,009	
City of Oran	General Revenue	10,870,958	0.6803	0.6803	73,955	
	Parks & Recreation	10,870,958	0.2000	0.2000	21,742	
City of Scott City	General Revenue	49,203,249	0.5270	0.5270	259,301	
	Parks & Recreation	49,203,249	0.1882	0.1882	92,601	

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<u>Scott</u>						
City of Scott City	Cemetery	49,203,249	0.0500	0.0500	24,602	
	Debt Service	49,203,249	0.3245	0.3245	159,665	
Village of Vanduser	General Revenue	1,342,019	0.4945	0.4945	6,636	
	Fire	1,342,019	0.0000	0.0000	0	
City of Sikeston	General Revenue	231,560,213	0.4135	0.4135	957,501	
	Parks & Recreation	231,560,213	0.1802	0.1802	417,272	
	Library	142,759,058	0.2000	0.2000	285,518	
Scott County Library District	General Revenue	345,169,537	0.0954	0.0954	329,292	
Sikeston FPD	General Revenue	49,813,510	0.1259	0.1259	62,715	
NBC FPD	General Revenue	52,668,925	0.2997	0.2997	157,849	
Scott County Rural FPD	General Revenue	46,556,131	0.6189	0.6189	288,136	
Oran FPD	General Revenue	20,681,507	0.3947	0.3947	81,630	
Scott County Health Department	General Revenue	484,843,291	0.1000	0.1000	484,843	
Scott City R-I School District	Operating Funds-Schools	60,994,260	3.2860	3.2860	2,004,271	E
	Debt Service	60,994,260	0.5256	0.4900	298,872	
Chaffee R-II School District	Operating Funds-Schools	25,991,510	2.8128	2.8128	731,089	E
	Debt Service	25,991,510	2.0416	1.2500	324,894	
Scott County R-IV School District	Operating Funds-Schools	65,908,430	2.7500	2.7500	1,812,482	E
	Debt Service	65,908,430	0.9685	0.7500	494,313	
Scott County R-V School District	Operating Funds-Schools	18,082,310	4.7173	4.6093	833,468	BE
	Debt Service	18,082,310	1.1038	0.7000	126,576	
Sikeston R-VI School District	Operating Funds-Schools	260,686,399	3.6521	3.6521	9,520,528	E
	Debt Service	260,686,399	0.3200	0.2100	547,441	
Kelso C-7 School District	Operating Funds-Schools	28,681,210	2.9260	2.9260	839,212	E
	Debt Service	28,681,210	0.7701	0.7581	217,432	
Oran R-III School District	Operating Funds-Schools	24,122,608	3.5635	3.1000	747,801	E
	Debt Service	24,122,608	0.9429	0.8500	205,042	
Scott County	General Revenue	484,843,291	0.3470	0.0000	0	
	Johnson Grass	484,843,291	0.0100	0.0100	48,484	
	Common Road District	189,540,220	0.3012	0.3012	570,895	
	Developmental Dis. Board	484,843,291	0.0403	0.0403	195,392	
<u>Shannon</u>						
Shannon County Ambulance District	General Revenue	61,521,058	0.1360	0.1360	83,669	
City of Birch Tree	General Revenue	3,458,870	0.4851	0.4851	16,779	
Timber Community FPD	General Revenue	5,039,515	0.2942	0.2942	14,826	
Shannon County Health Department	General Revenue	79,118,155	0.1000	0.1000	79,118	
Winona R-III School District	Operating Funds-Schools	19,337,826	2.7500	2.7500	531,790	F
Eminence R-I School District	Operating Funds-Schools	23,109,782	3.5523	3.4400	794,977	BE
Shannon County	General Revenue	79,118,155	0.3253	0.1769	139,960	
	Road & Bridge	79,118,155	0.2439	0.2439	192,969	
	Developmental Dis. Board	79,118,155	0.0978	0.0978	77,378	
	Senior Services	79,118,155	0.0500	0.0500	39,559	
<u>Shelby</u>						
Salt River Ambulance District	General Revenue	120,568,076	0.2500	0.1627	196,164	
Clarence NHD	General Revenue	31,197,580	0.2045	0.2045	63,799	
Salt River NHD	General Revenue	108,504,153	0.3000	0.3000	325,512	
Shelbina SRD Shelby County	Road & Bridge	29,088,605	0.4700	0.4700	136,716	
Village of Bethel	General Revenue	727,331	0.7500	0.7500	5,455	

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<u>Shelby</u>						
Village of Bethel	Lights	727,331	0.2500	0.2500	1,818	
City of Clarence	General Revenue	5,203,139	1.0000	1.0000	52,031	
	Library	5,203,139	0.1000	0.1000	5,203	
	Streets	5,203,139	0.2000	0.2000	10,406	
City of Hunnewell	General Revenue	1,270,708	0.8449	0.8449	10,736	
Village of Leonard	General Revenue	881,546	0.5000	0.5000	4,408	
City of Shelbyna	General Revenue	20,693,500	1.0000	0.9897	204,804	
	Library	20,693,500	0.2500	0.2500	51,734	
City of Shelbyville	General Revenue	3,993,839	0.9259	0.9259	36,979	
	General Revenue-Temp	3,993,839	0.3114	0.3114	12,437 ^A	2021
Shelbina FPD	General Revenue	68,342,584	0.2500	0.2500	170,856	
Shelby County Health Department	General Revenue	130,125,048	0.2500	0.2500	325,313	
North Shelby School District	Operating Funds-Schools	36,970,477	3.6858	3.6858	1,362,658 ^E	
	Debt Service	36,970,477	0.3483	0.2550	94,275	
Shelby County R-IV School District	Operating Funds-Schools	64,031,884	3.8670	3.8484	2,464,203 ^E	
	Operating Funds-Temp	64,031,884	0.6316	0.6316	404,425 ^A	2037
Shelby County	General Revenue	130,125,048	0.5000	0.3950	513,994	
	Road & Bridge	101,036,444	0.3500	0.3500	353,628	
<u>Stoddard</u>						
Stoddard County Ambulance District	General Revenue	468,781,169	0.2052	0.2052	961,939	
Bluff SRD Stoddard County	Johnson Grass	10,834,894	0.0499	0.0499	5,407	
	Road & Bridge	10,834,894	0.1754	0.1754	19,004	
	Special Road and Bridge	10,834,894	0.3585	0.3585	38,843 ^A	2021
Crowder Zeta SRD Stoddard County	Johnson Grass	3,584,517	0.0442	0.0442	1,584	
	Road & Bridge	3,584,517	0.2725	0.2725	9,768	
Dudley SRD Stoddard County	Johnson Grass	22,028,083	0.0486	0.0486	10,706	
	Road & Bridge	22,028,083	0.2634	0.2634	58,022	
	Special Road and Bridge	22,028,083	0.3415	0.3415	75,226	2018
Essex SRD Stoddard County	Johnson Grass	19,748,780	0.0477	0.0477	9,420	
	Road & Bridge	19,748,780	0.2321	0.2321	45,837	
	Special Road and Bridge	19,748,780	0.3500	0.3500	69,121	2020
Gray Ridge SRD Stoddard County	Road & Bridge	13,727,380	0.3123	0.3123	42,871	
Lavalle SRD Stoddard County	Road & Bridge	2,979,100	0.3470	0.3470	10,337	
City of Bell City	General Revenue	2,592,374	0.7199	0.7199	18,663	
City of Bernie	General Revenue	14,573,130	0.5561	0.5561	81,041	
	Parks & Recreation	14,573,130	0.0900	0.0900	13,116	
City of Bloomfield	General Revenue	12,771,562	0.5325	0.5325	68,009	
	Library	12,771,562	0.1554	0.1554	19,847	
City of Dexter	General Revenue	102,587,153	0.5770	0.5770	591,928	
	Library	102,587,153	0.1615	0.1615	165,678	
City of Dudley	General Revenue	9,284,231	0.6230	0.6230	57,841	
City of Essex	General Revenue	3,848,747	0.4183	0.4183	16,099	
City of Puxico	General Revenue	7,394,682	0.5659	0.5659	41,847	
	Parks & Recreation	7,394,682	0.2426	0.2426	17,939	
	Cemetery	7,394,682	0.1154	0.1154	8,533	
	Library	7,394,682	0.0810	0.0810	5,990	
	Health	7,394,682	0.1154	0.1154	8,533	
Village of Pendermon	General Revenue	144,655	0.5000	0.5000	723	

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<u>Stoddard</u>						
Castor Township Stoddard County	General Revenue	67,270,008	0.0727	0.0727	48,905	
	Road & Bridge	56,435,145	0.5031	0.5031	283,925	
	Special Road and Bridge	56,435,145	0.3548	0.3548	200,232	2020
Duck Creek Township Stoddard County	General Revenue	52,279,389	0.1000	0.1000	52,279	
	Johnson Grass	52,279,389	0.0383	0.0383	20,023	
	Road & Bridge	30,251,305	0.2709	0.2709	81,951	
Elk Township Stoddard County	Special Road and Bridge	30,251,305	0.3560	0.3560	107,695	2019
	General Revenue	15,542,568	0.1000	0.1000	15,543	
	Road & Bridge	12,563,466	0.5056	0.5056	63,521	
Liberty Township Stoddard County	Special Road and Bridge	12,563,466	0.3609	0.3609	45,342	2018
	General Revenue	217,360,804	0.0814	0.0814	176,932	
	Johnson Grass	217,360,804	0.0500	0.0500	108,680	
New Lisbon Township Stoddard County	Road & Bridge	217,360,804	0.1525	0.1525	331,475	
	Special Road and Bridge	217,360,804	0.3543	0.3543	770,109	2018
	General Revenue	11,834,229	0.0875	0.0875	10,355	
Pike Township Stoddard County	Johnson Grass	11,834,229	0.0500	0.0500	5,917	
	Road & Bridge	11,834,229	0.2515	0.2515	29,763	
	Special Road and Bridge	11,834,229	0.3607	0.3607	42,686	2020
Richland Township Stoddard County	General Revenue	68,796,492	0.1000	0.1000	68,796	
	Johnson Grass	68,796,492	0.0500	0.0500	34,398	
	Road & Bridge	65,211,977	0.2562	0.2562	167,073	
Stoddard County Public Health	General Revenue	35,695,579	0.0798	0.0798	28,485	
	Road & Bridge	2,219,422	0.3500	0.3500	7,768	
	General Revenue	468,781,169	0.1000	0.1000	468,781	
Richland R-I School District	Operating Funds-Schools	29,217,176	4.3869	4.1633	1,216,399	E
	Debt Service	29,217,176	0.2227	0.1700	49,669	
Bell City R-II School District	Operating Funds-Schools	36,208,263	3.5022	3.1500	1,140,560	E
Advance R-IV School District	Operating Funds-Schools	34,163,933	2.9740	2.9740	1,016,035	E
	Debt Service	34,163,933	1.0334	0.6800	232,315	
Puxico R-VIII School District	Operating Funds-Schools	45,544,921	2.7500	2.7500	1,252,485	E
	Debt Service	45,544,921	0.8837	0.7900	359,805	
Bloomfield R-XIV School District	Operating Funds-Schools	50,690,632	3.1368	3.1000	1,571,410	E
	Debt Service	50,690,632	0.4143	0.2600	131,796	
Dexter R-XI School District	Operating Funds-Schools	192,195,730	2.7500	2.7500	5,285,383	E
	Debt Service	192,195,730	0.8135	0.8000	1,537,566	
Bernie R-XIII School District	Operating Funds-Schools	37,399,656	2.9753	2.9753	1,112,752	E
	Debt Service	37,399,656	0.3924	0.3000	112,199	
Stoddard County	General Revenue	468,781,169	0.0000	0.0000	0	
	Johnson Grass	468,781,169	0.0000	0.0000	0	
	Developmental Dis. Board	468,781,169	0.0806	0.0806	377,838	
<u>Stone</u>						
City of Crane	General Revenue	10,053,369	0.8335	0.8335	83,795	
	Parks & Recreation	10,053,369	0.1338	0.1338	13,451	
	Library	10,053,369	0.0000	0.0000	0	
City of Galena	General Revenue	3,166,507	0.5468	0.5468	17,314	
City of Hurley	General Revenue	975,231	0.7595	0.7595	7,407	
City of Kimberling City	General Revenue	43,764,851	0.4400	0.4400	192,565	
City of Reeds Spring	General Revenue	8,826,414	0.6135	0.6135	54,150	

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<u>Stone</u>						
Village of McCord Bend	General Revenue	802,727	0.5000	0.5000	4,014	
Stone County Library District	General Revenue	629,655,770	0.1000	0.1000	629,656	
Southern Stone County FPD	General Revenue	502,083,369	0.2669	0.0805	404,177	
Hurley FPD	General Revenue	17,904,989	0.3300	0.3300	59,086	
North Stone-Northeast Barry Co FPD	General Revenue	37,238,359	0.2799	0.2799	104,230	
Stone County Health Department	General Revenue	629,655,770	0.0785	0.0785	494,280	
Hurley R-I School District	Operating Funds-Schools	12,519,560	3.9283	3.9283	491,806	E
	Debt Service	12,519,560	1.0207	0.6666	83,455	
Galena R-II School District	Operating Funds-Schools	33,561,542	3.4366	3.4366	1,153,376	E
	Debt Service	33,561,542	0.9715	0.6154	206,538	
Crane R-III School District	Operating Funds-Schools	28,701,271	3.3000	3.3000	947,142	E
	Debt Service	28,701,271	1.5196	0.9900	284,143	
Reeds Spring R-IV School District	Operating Funds-Schools	391,594,538	2.9942	2.9942	11,725,124	E
	Debt Service	391,594,538	1.0630	0.7758	3,037,990	
Blue Eye R-V School District	Operating Funds-Schools	121,389,075	4.0273	4.0273	4,888,702	E
Stone County	General Revenue	629,655,770	0.2848	0.0971	611,396	
	Road & Bridge	629,655,770	0.1456	0.0000	0	
	Developmental Dis. Board	629,655,770	0.1014	0.1014	638,471	2026
	Senior Services	629,655,770	0.0482	0.0482	303,494	
<u>Sullivan</u>						
Sullivan County Ambulance District	General Revenue	91,532,199	0.4591	0.4591	420,224	
Locust Creek Watershed Subdistrict	General Revenue	29,506,890	0.4000	0.4000	118,028	
Harris SRD Sullivan County	Road & Bridge	555,646	0.3500	0.3500	1,945	
Milan SRD Sullivan County	Road & Bridge	11,995,640	0.3317	0.3317	39,790	
City of Green Castle	General Revenue	1,202,706	0.5821	0.5821	7,001	
City of Green City	General Revenue	4,369,814	0.5100	0.5100	22,286	
	Lights	4,369,814	0.1800	0.1800	7,866	
	Fire	4,369,814	0.3100	0.3100	13,546	
City of Harris	General Revenue	153,210	0.9000	0.9000	1,379	
Village of Humphreys	General Revenue	236,562	0.7500	0.7500	1,774	
	Parks & Recreation	236,562	0.5000	0.5000	1,183	
	Lights	236,562	1.5000	1.5000	3,548	
	Streets	236,562	1.0000	1.0000	2,366	
	General Revenue	11,995,357	0.8048	0.8048	96,539	
City of Milan	Parks	11,995,357	0.0948	0.0948	11,372	
	Recreation	11,995,357	0.0474	0.0474	5,686	
	General Revenue	692,623	1.0000	1.0000	6,926	
Village of Newtown	Parks & Recreation	692,623	0.2000	0.2000	1,385	
	General Revenue-Temp	692,623	0.3228	0.3228	2,236	A 2021
	General Revenue	144,798	0.5448	0.5448	789	2020
Village of Pollock	General Revenue	91,532,199	0.0997	0.0997	91,258	
Medicine Creek FPD	General Revenue	25,321,768	0.3000	0.3000	75,965	
Sullivan County Health Department	General Revenue	91,532,199	0.2496	0.2496	228,464	
Green City R-I School District	Operating Funds-Schools	24,750,826	4.3640	3.8530	953,649	
	Debt Service	24,750,826	1.0694	0.6389	158,133	
Milan C-2 School District	Operating Funds-Schools	46,597,058	3.5482	3.5482	1,653,357	E
Newtown-Harris R-III SD	Operating Funds-Schools	11,113,104	6.9500	6.5526	728,197	
Sullivan County	General Revenue	91,532,169	0.4985	0.3480	318,532	

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<u>Sullivan</u>						
Sullivan County	Hospital	91,532,169	0.4287	0.4287	392,398	
	Senior Services	91,532,169	0.0503	0.0503	46,041	
<u>Taney</u>						
Taney County Ambulance District	General Revenue	1,039,786,820	0.0000	0.0000	0	
City of Branson	General Revenue	449,671,809	0.6077	0.6077	2,732,656	
City of Forsyth	General Revenue	30,637,867	0.5416	0.5416	165,935	
City of Hollister	General Revenue	51,847,467	0.6210	0.6210	321,973	
City of Rockaway Beach	General Revenue	6,877,787	0.7422	0.7422	51,047	
City of Merriam Woods	General Revenue	10,121,758	0.4978	0.4978	50,386	
Village of Bull Creek	General Revenue	978,002	0.5000	0.5000	4,890	
Western Taney County FPD	General Revenue	408,518,572	0.3678	0.3678	1,502,531	
Central Taney County FPD	General Revenue	81,177,957	0.4028	0.4028	326,985	
Cedarcreek FPD	General Revenue	6,212,415	0.2781	0.2781	17,277	
Protem FPD	General Revenue	7,724,584	0.2930	0.2930	22,633	
Taney County Health Department	General Revenue	1,039,786,820	0.1404	0.1404	1,459,861	
Bradleyville R-I School District	Operating Funds-Schools	8,798,150	4.5916	4.5916	403,976	E
Taneyville R-II School District	Operating Funds-Schools	12,099,040	3.4822	3.4822	421,313	E
	Debt Service	12,099,040	1.1229	0.9492	114,844	
Forsyth R-III School District	Operating Funds-Schools	83,285,670	3.3264	3.3264	2,770,415	E
	Debt Service	83,285,670	0.9803	0.7500	624,643	
Branson R-IV School District	Operating Funds-Schools	652,439,130	3.5630	3.5630	23,246,406	E
	Debt Service	652,439,130	0.9713	0.7000	4,567,074	
Hollister R-V School District	Operating Funds-Schools	208,371,957	3.5371	3.5371	7,370,324	E
	Debt Service	208,371,957	1.0064	0.8207	1,710,109	
Kirbyville R-VI School District	Operating Funds-Schools	38,954,499	4.0252	4.0252	1,567,996	E
	Debt Service	38,954,499	0.3806	0.3500	136,341	
Mark Twain R-VIII School District	Operating Funds-Schools	7,711,472	3.9550	3.9550	304,989	E
Taney County	General Revenue	1,039,786,820	0.1665	0.0000	0	
	Road & Bridge	1,039,786,820	0.2227	0.0000	0	
	Developmental Dis. Board	1,039,786,820	0.1000	0.1000	1,039,787	
	Senior Services	1,039,786,820	0.0500	0.0500	519,893	
<u>Texas</u>						
City of Cabool	General Revenue	26,815,070	0.7970	0.7970	213,716	
City of Houston	General Revenue	26,683,782	0.3202	0.3202	85,441	
City of Licking	General Revenue	13,206,927	0.4377	0.4377	57,807	
Village of Raymondville	General Revenue	2,123,129	0.4522	0.4522	9,601	
City of Summersville	General Revenue	3,529,244	0.6616	0.6616	23,349	
Texas County Library District	General Revenue	238,319,769	0.0975	0.0975	232,362	
Boone Township Texas County	General Revenue	2,706,132	0.0776	0.0750	2,030	
	Road & Bridge	2,706,132	0.2555	0.2467	6,676	
Burdine Township Texas County	General Revenue	40,936,885	0.0924	0.0924	37,826	
	Road & Bridge	40,936,885	0.3078	0.3078	126,004	
Carroll Township Texas County	General Revenue	8,977,632	0.1000	0.1000	8,978	
	Road & Bridge	8,977,632	0.3757	0.3757	33,729	
Cass Township Texas County	General Revenue	11,270,434	0.1000	0.1000	11,270	
	Road & Bridge	11,270,434	0.3441	0.3441	38,782	
Clinton Township Texas County	General Revenue	17,957,738	0.0982	0.0982	17,634	
	Road & Bridge	17,957,738	0.4914	0.4914	88,244	

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<u>Texas</u>						
Current Township Texas County	General Revenue	2,116,992	0.1000	0.1000	2,117	
	Road & Bridge	2,116,992	0.3072	0.3072	6,503	
Date Township Texas County	General Revenue	4,231,963	0.1000	0.1000	4,232	
	Road & Bridge	4,231,963	0.3176	0.3176	13,441	
Jackson Township Texas County	General Revenue	10,540,688	0.0990	0.0990	10,435	
	Road & Bridge	10,540,688	0.3584	0.3584	37,778	
Lynch Township Texas County	General Revenue	12,839,715	0.0972	0.0972	12,480	
	Road & Bridge	12,839,715	0.3057	0.3057	39,251	
Morris Township Texas County	General Revenue	7,826,157	0.1000	0.1000	7,826	
	Road & Bridge	7,826,157	0.5122	0.5122	40,086	
Ozark Township Texas County	General Revenue	4,155,514	0.1000	0.1000	4,156	
	Road & Bridge	4,155,514	0.3855	0.3855	16,020	
Pierce Township Texas County	General Revenue	3,909,691	0.1000	0.1000	3,910	
	Road & Bridge	3,909,691	0.3508	0.3508	13,715	
Piney Township Texas County	General Revenue	50,109,067	0.0947	0.0947	47,453	
	Road & Bridge	50,109,067	0.2959	0.2959	148,273	
Roubidoux Township Texas County	General Revenue	18,205,388	0.0906	0.0906	16,494	
	Road & Bridge	18,205,388	0.2710	0.2710	49,337	
Sargent Township Texas County	General Revenue	4,165,987	0.0661	0.0661	2,754	
	Road & Bridge	4,165,987	0.2645	0.2645	11,019	
Sherrill Township Texas County	General Revenue	31,839,023	0.0982	0.0982	31,266	
	Road & Bridge	31,839,023	0.3472	0.3472	110,545	
Upton Township Texas County	General Revenue	6,530,766	0.1000	0.1000	6,531	
	Road & Bridge	6,530,766	0.3216	0.3216	21,003	
Texas County Health Department	General Revenue	238,319,769	0.0975	0.0975	232,362	
Success R-VI School District	Operating Funds-Schools	8,910,454	2.7500	2.7500	245,037	E
Houston R-I School District	Operating Funds-Schools	60,416,040	2.7500	2.7500	1,661,441	E
	Debt Service	60,416,040	0.8198	0.8000	483,328	
Summersville R-II School District	Operating Funds-Schools	29,704,556	3.0000	3.0000	891,137	E
Licking R-VIII School District	Operating Funds-Schools	42,152,611	2.7500	2.7500	1,159,197	E
Cabool R-IV School District	Operating Funds-Schools	56,589,130	2.7684	2.7684	1,566,613	E
	Operating Funds-Temp	56,589,130	0.4451	0.4451	251,878	2019
Plato R-V School District	Operating Funds-Schools	35,372,329	2.8835	2.8835	1,019,961	E
Raymondville R-VII School District	Operating Funds-Schools	9,683,269	3.3021	3.3021	319,751	E
	Operating Funds-Temp	9,683,269	0.4924	0.4924	47,680	2018
Texas County	General Revenue	238,319,769	0.2704	0.0400	95,328	
	Developmental Dis. Board	238,319,769	0.0975	0.0975	232,362	
<u>Vernon</u>						
Vernon County Ambulance District	General Revenue	263,112,906	0.1500	0.1500	394,669	
City of Bronaugh	General Revenue	1,032,062	0.1610	0.1610	1,662	
	Streets	1,032,062	0.3624	0.3624	3,740	
Village of Deerfield	General Revenue	828,423	0.3100	0.3100	2,568	
Village of Harwood	General Revenue	474,623	1.0000	1.0000	4,746	
City of Metz	General Revenue	446,372	0.6000	0.6000	2,678	
Village of Milo	General Revenue	260,573	0.7500	0.7500	1,954	
Village of Moundville	General Revenue	763,984	0.5000	0.5000	3,820	
	Parks & Recreation	763,984	0.2000	0.2000	1,528	
City of Nevada	General Revenue	94,773,224	0.7218	0.7218	684,073	

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<u>Vernon</u>						
City of Nevada	Parks & Recreation	94,773,224	0.0000	0.0000	0	
	Library	94,773,224	0.2000	0.2000	189,546	
City of Richards	General Revenue	385,275	0.5000	0.5000	1,926	
	Streets	385,275	0.2500	0.2500	963	
City of Schell City	General Revenue	1,119,103	0.8352	0.8352	9,347	
City of Sheldon	General Revenue	2,873,571	0.5595	0.5595	16,078	
	Streets	2,873,571	0.1792	0.1792	5,149	
Village of Stotesbury	General Revenue	67,357	0.3381	0.3381	228	
	Lights	67,357	0.0966	0.0966	65	
	Streets	67,357	0.0483	0.0483	33	
City of Walker	General Revenue	1,346,393	0.6500	0.6500	8,752	
	Lights	1,346,393	0.0500	0.0500	673	
	Streets	1,346,393	0.1500	0.1500	2,020	
Bacon Township Vernon County	General Revenue	6,473,628	0.1000	0.1000	6,474	
	Road & Bridge	6,473,628	0.4013	0.4013	25,979	
	Special Road and Bridge	6,473,628	0.1794	0.1794	11,614	2020
Badger Township Vernon County	General Revenue	6,458,886	0.0999	0.0999	6,452	
	Road & Bridge	6,458,886	0.3500	0.3500	22,606	
	Special Road and Bridge	6,458,886	0.3463	0.3463	22,367	2020
Blue Mound Township Vernon County	General Revenue	4,427,174	0.1000	0.1000	4,427	
	Road & Bridge	4,427,174	0.2862	0.2862	12,671	
	Special Road and Bridge	4,427,174	0.1928	0.1928	8,536	2020
Center Township Vernon County	General Revenue	118,327,139	0.1000	0.1000	118,327	
	Road & Bridge	118,327,139	0.3458	0.3458	409,175	
Clear Creek Township Vernon County	General Revenue	7,043,453	0.0998	0.0998	7,029	
	Road & Bridge	7,043,453	0.3646	0.3646	25,680	
	Special Road and Bridge	7,043,453	0.3552	0.3552	25,018	2019
Coal Township Vernon County	General Revenue	6,704,977	0.0877	0.0877	5,880	
	Road & Bridge	6,704,977	0.3069	0.3069	20,578	
	Special Road and Bridge	6,704,977	0.3485	0.3485	23,367	2020
Deerfield Township Vernon County	General Revenue	12,917,809	0.0905	0.0905	11,691	
	Road & Bridge	12,917,809	0.3263	0.3263	42,151	
Dover Township Vernon County	General Revenue	5,847,188	0.1000	0.1000	5,847	
	Road & Bridge	5,847,188	0.2908	0.2873	16,799	
	Special Road and Bridge	5,847,188	0.3645	0.3645	21,313	2018
Drywood Township Vernon County	General Revenue	12,387,287	0.0990	0.0990	12,263	
	Road & Bridge	12,387,287	0.2921	0.2921	36,183	
	Special Road and Bridge	12,387,287	0.3500	0.3500	43,356	2018
Harrison Township Vernon County	General Revenue	5,928,970	0.0977	0.0977	5,793	
	Road & Bridge	5,928,970	0.3419	0.3419	20,271	
	Special Road and Bridge	5,928,970	0.3533	0.3533	20,947 ^B	2020
Henry Township Vernon County	General Revenue	5,304,945	0.0987	0.0987	5,236	
	Road & Bridge	5,304,945	0.3450	0.3450	18,302	
	Special Road and Bridge	5,304,945	0.3654	0.3654	19,384	2020
Lake Township Vernon County	General Revenue	3,447,288	0.1000	0.1000	3,447	
	Road & Bridge	3,447,288	0.5000	0.5000	17,236	
	Special Road and Bridge	3,447,288	0.3716	0.3716	12,810	2020
Metz Township Vernon County	General Revenue	5,005,874	0.1000	0.1000	5,006	

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<u>Vernon</u>						
Metz Township Vernon County	Road & Bridge	5,005,874	0.3500	0.3500	17,521	2020
	Special Road and Bridge	5,005,874	0.3662	0.3662	18,332	
Montevallo Township Vernon County	General Revenue	5,406,153	0.1000	0.1000	5,406	2018
	Road & Bridge	5,406,153	0.3500	0.3500	18,922	
	Special Road and Bridge	5,406,153	0.2512	0.2512	13,580	
Moundville Township Vernon County	General Revenue	7,404,236	0.1000	0.1000	7,404	2020
	Road & Bridge	7,404,236	0.3500	0.3500	25,915	
	Special Road and Bridge	7,404,236	0.3612	0.3612	26,744	
Osage Township Vernon County	General Revenue	4,820,665	0.0926	0.0926	4,464	2019
	Road & Bridge	4,820,665	0.3240	0.3240	15,619	
	Special Road and Bridge	4,820,665	0.3541	0.3541	17,070	
Richland Township Vernon County	General Revenue	3,802,272	0.1000	0.1000	3,802	2019
	Road & Bridge	3,802,272	0.3500	0.3500	13,308	
	Special Road and Bridge	3,802,272	0.3917	0.3917	14,893	
Virgil Township Vernon County	General Revenue	5,290,284	0.0855	0.0855	4,523	2018
	Road & Bridge	5,290,284	0.3099	0.3099	16,395	
Walker Township Vernon County	General Revenue	6,566,264	0.0960	0.0960	6,304	2020
	Road & Bridge	6,566,264	0.3197	0.3197	20,992	
	Special Road and Bridge	6,566,264	0.3500	0.3500	22,982	
Washington Township Vernon County	General Revenue	29,038,772	0.1000	0.0993	28,836	2020
	Road & Bridge	29,038,772	0.3500	0.3475	100,910	
	Special Road and Bridge	29,038,772	0.3555	0.3555	103,233	
Vernon County Health Department	General Revenue	263,112,906	0.1000	0.1000	263,113	
Nevada R-V School District	Operating Funds-Schools	175,889,093	3.4741	3.4741	6,110,563 ^E	
	Debt Service	175,889,093	0.3441	0.3386	595,560	
Bronaugh R-VII School District	Operating Funds-Schools	14,067,164	3.6275	3.6275	510,286 ^E	
Sheldon R-VIII School District	Operating Funds-Schools	12,099,849	4.4173	4.4173	534,487 ^E	
Northeast Vernon County R-I SD	Operating Funds-Schools	19,225,371	4.2641	4.1934	806,197 ^E	
Vernon County	General Revenue	263,112,906	0.3720	0.1749	460,184	
<u>Warren</u>						
Marthasville Community AD	General Revenue	100,547,528	0.4069	0.4069	409,128 ^B	
Warren County Ambulance District	General Revenue	482,600,766	0.4991	0.4991	2,408,660	
City of Marthasville	General Revenue	16,427,364	0.5791	0.5791	95,131	
	Lights	16,427,364	0.1321	0.1321	21,701	
City of Truesdale	General Revenue	23,919,116	0.9215	0.9215	220,415	
City of Warrenton	General Revenue	101,645,697	0.2915	0.2899	294,671	
	Parks & Recreation	101,645,697	0.1726	0.1716	174,424	
City of Wright City	General Revenue	58,947,004	0.4970	0.4970	292,967	
	Parks & Recreation	58,947,004	0.0923	0.0923	54,408	
	Lights	58,947,004	0.1846	0.1846	108,816	
	Debt Service	58,947,004	0.2710	0.2000	117,894	
Village of Innsbrook	General Revenue	63,525,853	0.1272	0.1272	80,805	
Village of Pendleton	General Revenue	1,569,184	0.5000	0.5000	7,846	
Wright City FPD	General Revenue	220,855,270	0.4127	0.4126	911,249	
Marthasville Volunteer FPD	General Revenue	77,602,436	0.3965	0.3965	307,694	
Warrenton FPD	General Revenue	262,520,710	0.4497	0.4497	1,180,556	
Wright City R-II School District	Operating Funds-Schools	209,857,927	3.1862	3.1862	6,686,493 ^E	
	Debt Service	209,857,927	1.3653	1.2000	2,518,295	

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<u>Warren</u>						
Warren County R-III School District	Operating Funds-Schools	283,166,079	3.5812	3.5812	10,140,744	^E
	Debt Service	283,166,079	0.6418	0.6418	1,817,360	
Warren County	General Revenue	588,939,704	0.2452	0.1031	607,197	
	Road & Bridge	588,939,704	0.1767	0.1767	1,040,656	
	Developmental Dis. Board	589,664,424	0.1603	0.1603	945,232	
<u>Washington</u>						
Washington Ambulance District	General Revenue	253,765,127	0.2397	0.0773	196,160	
Village of Caledonia	General Revenue	1,169,667	0.1828	0.1828	2,138	
City of Irondale	General Revenue	2,278,832	0.5173	0.5173	11,788	
Village of Mineral Point	General Revenue	1,238,659	0.2942	0.2942	3,644	
City of Potosi	General Revenue	26,503,661	0.6511	0.6511	172,565	
Washington County Library District	General Revenue	253,765,127	0.1919	0.1919	486,975	
Potosi FPD	General Revenue	169,676,242	0.2408	0.2408	408,580	
Richwoods FPD	General Revenue	16,744,574	0.2756	0.2756	46,148	
Irondale FPD	General Revenue	12,079,952	0.4747	0.4747	57,344	
Caledonia FPD	General Revenue	7,001,224	0.3757	0.3757	26,304	
Washington County Health Department	General Revenue	253,765,127	0.1438	0.1438	364,914	
Kingston K-14 School District	Operating Funds-Schools	32,017,056	2.9008	2.9008	928,751	^E
	Debt Service	32,017,056	1.0191	0.9895	316,809	
Potosi R-III School District	Operating Funds-Schools	93,745,443	2.7500	2.7500	2,578,000	^F
	Debt Service	93,745,443	0.5465	0.5000	468,727	
Richwoods R-VII School District	Operating Funds-Schools	13,770,288	3.1712	3.1712	436,683	^E
Valley R-VI School District	Operating Funds-Schools	25,497,630	3.5301	3.5301	900,092	^E
Washington County	General Revenue	253,765,127	0.3740	0.1970	499,917	
	Road & Bridge	253,765,127	0.2629	0.2629	667,149	
	Hospital	253,765,127	0.1919	0.1919	486,975	
	Developmental Dis. Board	253,765,127	0.1919	0.1919	486,975	
	Senior Services	253,765,127	0.0479	0.0479	121,553	
<u>Wayne</u>						
East Wayne Ambulance District	General Revenue	61,280,492	0.3000	0.3000	183,841	
Clearwater Ambulance District	General Revenue	75,075,089	0.2861	0.2861	214,790	
Village of Mill Spring	General Revenue	517,581	0.6998	0.6998	3,622	
City of Piedmont	General Revenue	18,414,644	0.2276	0.2200	40,512	
	Lights	18,414,644	0.1345	0.1300	23,939	
	Cemetery	18,414,644	0.0310	0.0300	5,524	
	Library	18,414,644	0.1034	0.1000	18,415	
	General Revenue	55,995,653	0.3000	0.3000	167,987	
Wayne County Health Center	General Revenue	139,163,020	0.0987	0.0987	137,354	
Greenville R-II School District	Operating Funds-Schools	45,214,820	2.7500	2.7500	1,243,408	^E
	Debt Service	45,214,820	1.0611	0.3600	162,773	
Clearwater R-I School District	Operating Funds-Schools	67,086,757	2.7500	2.7500	1,844,886	^E
	Debt Service	67,086,757	0.4027	0.4000	268,347	
Wayne County	General Revenue	139,163,020	0.2984	0.0000	0	
	Road & Bridge	139,163,020	0.1103	0.1100	153,079	
	Developmental Dis. Board	139,163,020	0.0800	0.0800	111,330	
<u>Webster</u>						
Village of Diggins	General Revenue	2,368,096	0.2220	0.2220	5,257	

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<u>Webster</u>						
City of Fordland	General Revenue	5,778,549	0.3810	0.3810	22,016	
City of Marshfield	Parks & Recreation	88,417,818	0.1108	0.1108	97,967	
	Cemetery	88,417,818	0.1310	0.1310	115,827	
	Debt Service	88,417,818	1.2192	0.3700	327,146	
City of Niangua	General Revenue	1,942,832	0.2719	0.2719	5,283	
City of Rogersville	General Revenue	39,137,394	0.3273	0.3273	128,097	
	Debt Service	39,137,394	0.6873	0.4727	185,002	
City of Seymour	General Revenue	19,041,622	0.3536	0.3536	67,331	
	Parks & Recreation	19,041,622	0.0785	0.0785	14,948	
	Cemetery	19,041,622	0.0495	0.0495	9,426	
	Library	7,598,327	0.0630	0.0630	4,787	
Webster County Library District	General Revenue	422,170,500	0.1133	0.1133	478,319	
Southern Webster County FPD	General Revenue	83,454,277	0.2819	0.2819	235,258	
Marshfield FPD	General Revenue	110,424,075	0.2867	0.2867	316,586	
Niangua FPD	General Revenue	17,121,889	0.2859	0.2859	48,951	
Webster County Health Unit	General Revenue	429,923,628	0.1324	0.1324	569,219	
Niangua R-V School District	Operating Funds-Schools	17,435,895	3.1289	3.1289	545,552	^E
Fordland R-III School District	Operating Funds-Schools	36,800,412	2.7500	2.7500	1,012,011	^F
	Debt Service	36,800,412	0.8143	0.7589	279,278	
Marshfield R-I School District	Operating Funds-Schools	212,955,742	3.3070	3.2400	6,899,766	^{BE}
	Debt Service	212,955,742	1.1424	0.6000	1,277,734	
Seymour R-II School District	Operating Funds-Schools	55,752,532	2.7500	2.7500	1,533,195	^F
Webster County	General Revenue	429,923,628	0.0000	0.0000	0	
	Road & Bridge	429,923,628	0.1797	0.1797	772,573	
	Developmental Dis. Board	429,923,628	0.0757	0.0757	325,452	
	Senior Services	429,923,628	0.0477	0.0477	205,074	
<u>Worth</u>						
Worth County Ambulance District	General Revenue	32,582,939	0.3000	0.3000	97,749	
Worth Co Convalescent Ctr District	General Revenue	32,582,939	0.3500	0.3500	114,040	
East Fork of Grand River WSD	General Revenue	2,872,350	0.1916	0.1916	5,503	
Village of Allendale	General Revenue	689,919	0.4000	0.4000	2,760	
	General Revenue-Temp	689,919	0.2039	0.2039	1,407	^A 2021
Village of Denver	General Revenue	265,754	0.7659	0.7659	2,035	
City of Grant City	General Revenue	4,977,004	1.0000	1.0000	49,770	
	Health	4,977,004	0.1800	0.1800	8,959	
	Special Fund	4,977,004	0.3000	0.3000	14,931	
City of Sheridan	General Revenue	1,183,182	1.0000	1.0000	11,832	
Village of Worth	General Revenue	227,438	0.8000	0.8000	1,820	
Sheridan FPD	General Revenue	6,394,282	0.1759	0.1759	11,248	
Worth County FPD	General Revenue	23,963,912	0.2000	0.2000	47,928	
Worth County R-III School District	Operating Funds-Schools	28,365,750	3.4531	3.4531	979,498	^E
	Debt Service	28,365,750	0.3633	0.2500	70,914	
Worth County	General Revenue	32,582,939	0.5000	0.5000	162,915	
	Library	32,582,939	0.1000	0.1000	32,583	
	Road & Bridge	32,582,939	0.5000	0.5000	162,915	
	Senior Services	32,582,939	0.0500	0.0500	16,291	
	General Revenue-Temp	32,582,939	0.3500	0.3500	114,040	2018
	General Revenue-Temp 1	32,582,939	0.3500	0.3500	114,040	2018

Appendix VII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Worth</u>						
Worth County	Special Road and Bridge	32,582,939	0.3603	0.3603	117,396 ^A	2021
<u>Wright</u>						
City of Hartville	General Revenue	4,165,872	0.5517	0.0000	0	
City of Mansfield	General Revenue	11,663,868	0.5192	0.5192	60,559	
	Cemetery	11,663,868	0.0982	0.0982	11,454	
	Streets	11,663,868	0.1579	0.1579	18,417	
	General Revenue	47,467,637	0.0000	0.0000	0	
City of Mountain Grove	Parks & Recreation	47,467,637	0.0000	0.0000	0	
	General Revenue	3,918,926	0.3953	0.3953	15,492	
City of Norwood	Water	3,918,926	0.6305	0.6305	24,709	
	General Revenue	192,261,598	0.1438	0.1438	276,472	
Wright County Health Department	General Revenue	192,261,598	0.0821	0.0821	157,847	
Norwood R-I School District	Operating Funds-Schools	18,576,332	3.6276	3.6276	673,875 ^E	
Hartville R-II School District	Operating Funds-Schools	40,925,041	3.0250	3.0250	1,237,982 ^E	
	Debt Service	40,925,041	0.5526	0.5188	212,319	
	Operating Funds-Schools	98,563,732	2.7500	2.7500	2,710,503 ^E	
Mountain Grove R-III SD	Operating Funds-Schools	39,723,481	2.9484	2.9200	1,159,926 ^E	
Mansfield R-IV School District	Debt Service	39,723,481	1.1504	1.0700	425,041	
	Operating Funds-Schools	5,466,763	3.6372	3.6372	198,837 ^E	
Manes R-V School District	General Revenue	192,261,598	0.3185	0.0996	191,493	
Wright County	Developmental Dis. Board	192,261,598	0.0821	0.0821	157,847	
<u>St. Louis City</u>						
St. Louis Public Library Districts	General Revenue	4,286,942,314	0.5566	0.5584	23,938,286 ^C	
Baden Market Centre SBD	General Revenue	1,387,700	0.8500	0.8500	11,795	
Kingsway Center SBD	General Revenue	2,213,200	0.8500	0.8500	18,812	
Locust Central SBD	General Revenue	44,068,430	0.8500	0.8500	374,582	
Central West End South SBD	General Revenue	48,546,890	0.5716	0.5716	277,494	
Central West End North SBD	General Revenue	58,657,711	0.7960	0.7960	466,915	2018
Soulard SBD	General Revenue	60,751,157	0.5819	0.5819	353,511	
Waterman/Lake SBD	General Revenue	6,789,270	0.8177	0.8177	55,516	2024
Westminister/Lake SBD	General Revenue	10,453,711	0.7135	0.7135	74,587	2024
Washington Place SBD	General Revenue	6,182,830	0.7705	0.7705	47,639	2024
Cathedral Square SBD	General Revenue	29,567,680	0.7018	0.7018	207,506	2018
Central West End Southeast SBD	General Revenue	65,666,810	0.3905	0.3905	256,429	2018
Cherokee-Lemp SBD	General Revenue	2,233,900	0.5368	0.5368	11,992	
Gardenside SBD	General Revenue	16,137,330	0.4847	0.4847	78,218	2022
Tower Grove S Concerned Citizen SBD	General Revenue	17,893,620	0.6658	0.6658	119,136	2018
DeBaliviere Place SBD	General Revenue	38,014,390	0.8500	0.8500	323,122	2024
St. Louis Community College	General Revenue	29,146,093,769	0.2129	0.2129	62,052,034	
St. Louis City School District	Operating Funds-Schools	4,199,385,091	4.4671	4.5160	189,644,231 ^{EC}	
	Debt Service	4,199,385,091	0.8911	0.6211	26,082,381	
	General Revenue	4,109,135,736	0.3473	0.3504	14,398,412 ^C	
City of St. Louis	Parks & Recreation	4,109,135,736	0.0199	0.0201	825,936 ^C	
	Health	4,109,135,736	0.0199	0.0201	825,936 ^C	
	Hospital	4,109,135,736	0.0993	0.1002	4,117,354 ^C	
	Developmental Dis. Board	4,578,386,264	0.1391	0.1391	6,368,535	
	Mental Health	4,286,942,314	0.0893	0.0893	3,828,239	
	Senior Services	4,286,942,314	0.0500	0.0500	2,143,471	

Appendix VII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Louis City</u>						
City of St. Louis	Community Child Service	4,286,942,314	0.1886	0.1886	8,085,173	
	General Revenue 1	4,286,942,314	0.1588	0.1602	6,867,682	^C
	General Revenue 2	4,109,135,736	0.8335	0.8409	34,553,722	^C
	Debt Service	4,109,135,736	0.1333	0.1333	5,477,478	
Total Revenue					<u>\$ 5,843,095,746</u>	

Legend:

- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase or decrease to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law. No tax rate levied exceeded the legally permissible tax levy in 2018.
- E School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G Article X, Section 11(g) of the Missouri Constitution allows the Kansas City 33 School District School Board to set its tax levy at a rate that is lower than the court-ordered rate for the 1995 tax year (which was \$4.96). The rate so established may be changed from year to year by the School Board.

Notes:

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). When a taxing authority is in more than one county, it is listed under the primary county only.

This Appendix does not list taxing authorities that levied a separate tax rate for each subclass of property. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Taxing authorities partially in St. Louis County, whether the primary county is St. Louis County or another county, are required to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi-rate calculation. See Appendix VIII for a listing of taxing authorities that calculated separate tax rates for each subclass of property.

All rates in the levied column represent the rate extended and certified to the State Auditor's Office by both the taxing authority and the county or counties in which the tax rate is levied.

The Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue amount shown is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

Acronyms:

AD	Ambulance District
CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
SBD	Special Business District
SD	School District
SRD	Special Road District
TDD	Transportation Development District

Appendix VIII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration				
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year			
Clay																		
City of Gladstone	General Revenue	240,961,830	0.9290	0.9290				34,610	0.9290	0.9290	61,797,325	0.9280	0.9280	65,044,661	0.9290	0.9290	3,416,601	
St. Louis																		
City of Bellefontaine Neighbors	General Revenue	44,979,710	0.2500	0.2500				25,580	0.0000	0.0000	12,608,597	0.2500	0.2500	13,735,597	0.2350	0.2350	176,249	
	Debt Service	44,979,710	1.4389	1.4389				25,580	1.4389	1.4389	12,608,597	1.4389	1.4389	13,735,597	1.4389	1.4389	1,026,648	
City of Bellerive Acres	General Revenue	3,373,840	0.6770	0.6770				0	0.0000	0.0000	563,599	0.3290	0.3290	973,500	0.7900	0.7900	32,386	
City of Bel Nor	General Revenue	14,305,650	0.4630	0.4630				0	0.0000	0.0000	947,984	0.2280	0.2280	2,625,590	0.5530	0.5530	82,916	
	Debt Service	14,305,650	0.9170	0.8240				0	0.9170	0.8240	947,984	0.9170	0.8240	2,625,590	0.9170	0.8240	147,325	
City of Bel Ridge	General Revenue	8,217,380	0.3500	0.3500				0	0.0000	0.0000	16,156,655	0.6500	0.6500	3,991,648	0.0000	0.0000	133,779	
City of Berkeley	General Revenue	32,369,950	1.0000	1.0000				15,620	1.0000	1.0000	105,961,092	1.0000	1.0000	49,101,406	0.9200	0.9200	1,835,200	
	Pension	32,369,950	0.3310	0.3310				15,620	0.3280	0.3280	105,961,092	0.3410	0.3410	49,101,406	0.3460	0.3460	638,414	
	Debt Service	32,369,950	0.1520	0.1520				15,620	0.1520	0.1520	105,961,092	0.1520	0.1520	49,101,406	0.1520	0.1520	284,921	
City of Beverly Hills	General Revenue	2,087,690	0.2250	0.2250				0	0.0000	0.0000	1,227,832	0.2490	0.2490	653,755	0.2320	0.2320	9,271	
City of Black Jack	Debt Service	52,499,780	0.5560	0.5200				7,570	0.5560	0.5200	2,705,720	0.5560	0.5200	12,271,481	0.5560	0.5200	350,920	
City of Breckenridge Hills	General Revenue	18,402,390	0.2470	0.2470				0	0.0000	0.0000	9,052,106	0.2140	0.2140	4,424,482	0.0000	0.0000	64,826	
City of Brentwood	General Revenue	151,117,170	0.0000	0.0000				0	0.0000	0.0000	112,424,086	0.2120	0.2120	36,277,717	0.2070	0.2070	313,434	
	Library	151,117,170	0.2900	0.2900				0	0.0000	0.0000	112,424,086	0.3080	0.3080	36,277,717	0.3090	0.3090	896,604	
	Pension	151,117,170	0.3540	0.3540				0	0.0000	0.0000	112,424,086	0.4070	0.4070	36,277,717	0.3850	0.3850	1,132,190	
City of Bridgeton	General Revenue	107,476,670	0.1860	0.1600				375,810	0.0000	0.0000	263,719,286	0.2500	0.2500	96,880,529	0.0000	0.0000	831,261	
Village of Calverton Park	General Revenue	7,835,588	0.3600	0.3600				0	0.0000	0.0000	127,750	0.4270	0.4270	1,430,008	0.2980	0.2980	33,014	
City of Charlack	General Revenue	6,929,760	0.2210	0.2210				0	0.0000	0.0000	2,653,096	0.2390	0.2390	2,432,138	0.2570	0.2570	27,907	
City of Clarkson Valley	General Revenue	97,851,111	0.1250	0.1250				7,080	0.1130	0.1130	12,374,110	0.1270	0.1270	11,786,608	0.1530	0.1530	156,071	
City of Clayton	General Revenue	550,371,050	0.5810	0.5830				0	0.0000	0.0000	379,836,488	0.6450	0.6670	81,235,700	0.7070	0.7070	6,316,508	
	Police	550,371,050	0.1150	0.1140				0	0.0000	0.0000	379,836,488	0.1140	0.1130	81,235,700	0.1220	0.1220	1,155,746	2033
	Debt Service	550,371,050	0.1200	0.1200				0	0.1200	0.1200	379,836,488	0.1200	0.1200	81,235,700	0.1200	0.1200	1,213,732	
City of Cool Valley	General Revenue	5,563,560	0.3390	0.3390				0	0.0000	0.0000	11,734,015	0.3500	0.3500	2,043,818	0.1650	0.1650	63,301	
City of Country Club Hills	General Revenue	3,288,570	1.0000	1.0000				0	0.0000	0.0000	1,371,310	0.9500	0.9500	915,044	0.7150	0.7150	52,456	
	Parks & Recreation	3,288,570	0.4000	0.4000				0	0.0000	0.0000	1,371,310	0.4000	0.4000	915,044	0.3300	0.3300	21,659	
	Health	3,288,570	0.2000	0.2000				0	0.0000	0.0000	1,371,310	0.2000	0.2000	915,044	0.1880	0.1880	11,040	
Village of Country Life Acres	General Revenue	8,273,910	0.3260	0.3260				840	0.0000	0.0000	86,677	0.3840	0.3840	591,759	0.4200	0.4200	29,791	
City of Crestwood	General Revenue	186,304,270	0.6980	0.6980				0	0.0000	0.0000	63,828,162	0.8640	0.8640	34,202,293	0.7430	0.7430	2,106,002	
City of Creve Coeur	General Revenue	524,565,680	0.0830	0.0830				5,900	0.0340	0.0340	361,603,614	0.0830	0.0830	0	0.0000	0.0000	735,523	
	Debt Service	524,565,680	0.1270	0.0820				5,900	0.1270	0.0820	361,603,614	0.1270	0.0820	151,383,341	0.1270	0.0820	850,798	
City of Crystal Lake Park	General Revenue	16,046,700	0.6530	0.6530				0	0.0000	0.0000	125,350	0.4170	0.4170	1,282,760	0.8080	0.8080	115,673	
City of Dellwood	General Revenue	21,141,570	0.2810	0.2810				0	0.0000	0.0000	6,690,260	0.3000	0.3000	6,505,534	0.2350	0.2350	94,767	
	Debt Service	21,141,570	2.2215	1.4666				0	2.2215	1.4666	6,690,260	2.2215	1.4666	6,505,534	2.2215	1.4666	503,591	
City of Des Peres	General Revenue	253,846,790	0.0000	0.0000				71,750	0.0000	0.0000	155,479,913	0.0000	0.0000	45,115,723	0.0000	0.0000	0	
	Debt Service	253,846,790	0.5290	0.0000				71,750	0.5290	0.0000	155,479,913	0.5290	0.0000	45,115,723	0.5290	0.0000	0	
City of Edmundson	General Revenue	3,516,800	0.0000	0.0000				0	0.0000	0.0000	21,072,135	0.6740	0.6740	14,442,711	0.0000	0.0000	142,026	
City of Ellisville	General Revenue	174,094,500	0.1410	0.1410				2,330	0.0000	0.0000	104,905,988	0.1400	0.1400	33,281,058	0.0000	0.0000	392,341	
City of Eureka	General Revenue	157,388,570	0.3650	0.3650				131,420	0.3580	0.3580	59,901,612	0.3860	0.3860	39,320,187	0.3870	0.3870	958,327	
City of Ferguson	General Revenue	96,133,100	0.8240	0.8240				9,060	0.7270	0.7270	43,082,570	0.7900	0.7900	33,095,610	0.8240	0.8240	1,405,263	
	Parks & Recreation	96,133,100	0.1980	0.1980				9,060	0.1990	0.1990	43,082,570	0.1940	0.1940	33,095,610	0.1980	0.1980	339,471	

Appendix VIII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Ferguson	Debt Service	96,133,100	0.3060	0.3060	9,060	0.3060	0.3060	43,082,570	0.3060	0.3060	33,095,610	0.3060	0.3060	527,301	
City of Flordell Hills	General Revenue	2,103,220	1.0000	1.0000	0	0.0000	0.0000	815,180	0.9460	0.9460	516,147	0.0000	0.0000	28,744	
City of Florissant	General Revenue	332,040,650	0.0000	0.0000	37,800	0.0000	0.0000	137,578,467	0.0000	0.0000	81,322,459	0.0000	0.0000	0	
City of Frontenac	General Revenue	199,049,470	0.4830	0.4830	0	0.0000	0.0000	48,386,600	0.4800	0.4800	19,645,620	0.5530	0.5530	1,302,305	
Village of Glen Echo Park	General Revenue	1,167,570	0.3710	0.3710	0	0.0000	0.0000	43,129	0.0890	0.0890	196,156	0.5000	0.5000	5,351	
City of Glendale	General Revenue	151,619,900	0.3940	0.3940	0	0.0000	0.0000	7,113,891	0.3800	0.3800	16,248,572	0.5190	0.5190	708,745	
	Pension	151,619,900	0.0760	0.0760	0	0.0000	0.0000	7,113,891	0.0760	0.0760	16,248,572	0.1000	0.1000	136,887	
	Debt Service	151,619,900	0.3000	0.3000	0	0.3000	0.3000	7,113,891	0.3000	0.3000	16,248,572	0.3000	0.3000	524,948	
Town of Grantwood Village	General Revenue	21,640,820	0.2260	0.2260	118,320	0.1950	0.1950	1,042,560	0.2440	0.2440	2,528,379	0.2610	0.2610	58,282	
City of Greendale	General Revenue	4,935,760	0.5390	0.5390	0	0.0000	0.0000	333,889	0.6000	0.6000	1,035,462	0.0000	0.0000	28,607	
Village of Hanley Hills	General Revenue	8,488,630	0.4480	0.4480	0	0.0000	0.0000	883,742	0.4750	0.4750	1,803,964	0.4500	0.4500	50,345	
City of Hazelwood	General Revenue	171,169,200	0.7670	0.7670	300,560	0.5700	0.5700	194,778,167	0.7700	0.7700	113,190,034	0.7540	0.7540	3,667,826	
	Debt Service	171,169,200	0.3790	0.2220	300,560	0.3790	0.2220	194,778,167	0.3790	0.2220	113,190,034	0.3790	0.2220	1,064,353	
Village of Hillsdale	General Revenue	3,286,510	0.5000	0.5000	0	0.0000	0.0000	2,602,530	0.4980	0.4980	2,123,013	0.5000	0.5000	40,009	
City of Huntleigh	General Revenue	45,050,750	0.1890	0.1790	20,190	0.0840	0.0840	474,153	0.2390	0.2390	3,104,655	0.2000	0.1900	87,690	
City of Jennings	General Revenue	48,874,430	1.0000	1.0000	0	0.0000	0.0000	20,495,662	1.0000	1.0000	13,728,917	1.0000	1.0000	830,990	
	Pension	48,874,430	0.3750	0.3750	0	0.0000	0.0000	20,495,662	0.3740	0.3740	13,728,917	0.3720	0.3720	311,005	
City of Kinloch	General Revenue	1,556,010	1.0000	1.0000	0	0.0000	0.0000	1,176,520	0.2040	0.2040	5,668,394	1.0000	1.0000	74,644	
City of Kirkwood	General Revenue	623,483,470	0.2780	0.2780	20,080	0.0000	0.0000	119,876,160	0.2840	0.2840	79,282,450	0.2620	0.2620	2,281,452	
	Parks & Recreation	623,483,470	0.1250	0.1250	20,080	0.0000	0.0000	119,876,160	0.1270	0.1270	79,282,450	0.1190	0.1190	1,025,943	
	Library	616,764,700	0.1780	0.1780	20,080	0.0000	0.0000	101,503,300	0.2110	0.2090	77,347,560	0.2350	0.2350	1,491,750	
	Pension	623,483,470	0.1370	0.1370	20,080	0.0000	0.0000	119,876,160	0.1570	0.1570	79,282,450	0.1800	0.1800	1,185,086	
	Library-Temp	616,764,700	0.1090	0.1090	20,080	0.0000	0.0000	101,503,300	0.1140	0.1140	77,647,560	0.1200	0.1200	881,165	2032
	Debt Service	623,483,470	0.0820	0.0800	20,080	0.0820	0.0800	119,876,160	0.0820	0.0800	79,282,450	0.0820	0.0800	658,130	
City of Ladue	General Revenue	614,041,820	0.6760	0.6760	1,970	0.0000	0.0000	50,241,215	0.6530	0.6530	50,666,683	0.7560	0.7560	4,862,038	
City of Lakeshire	General Revenue	13,983,080	0.3750	0.3750	0	0.0000	0.0000	349,745	0.3750	0.3750	0	0.0000	0.0000	53,749	
City of Manchester	General Revenue	277,963,100	0.0410	0.0410	0	0.0000	0.0000	55,269,833	0.0410	0.0410	42,544,676	0.0500	0.0500	157,898	
	Debt Service	277,963,100	0.4890	0.2800	0	0.4890	0.2800	55,269,833	0.4890	0.2800	42,544,676	0.4890	0.2800	1,052,178	
City of Maplewood	General Revenue	86,873,800	0.1750	0.1750	0	0.0000	0.0000	80,566,736	0.4660	0.4660	21,494,255	0.5670	0.5670	649,342	
	Solid Waste Landfill	86,873,800	0.2460	0.2460	0	0.0000	0.0000	80,566,736	0.2630	0.2630	21,494,255	0.3250	0.3250	495,457	
	Pension	86,873,800	0.3600	0.3600	0	0.0000	0.0000	80,566,736	0.3960	0.3960	21,494,255	0.4450	0.4450	727,439	
	Debt Service	86,873,800	0.3850	0.2800	0	0.3850	0.2800	80,566,736	0.3850	0.2800	21,494,255	0.3850	0.2800	529,018	
Village of Marlborough	General Revenue	15,436,830	0.1030	0.1030	0	0.0000	0.0000	8,875,035	0.1130	0.1130	4,032,634	0.1110	0.1110	30,405	
City of Moline Acres	General Revenue	7,970,190	1.0309	1.0000	0	1.0000	0.0000	2,231,388	1.0339	1.0000	2,449,643	1.0931	1.0000	126,512	
	Debt Service	7,970,190	3.0853	1.5000	0	3.0853	1.5000	2,231,388	3.0853	1.5000	2,449,643	3.0853	1.5000	189,769	
City of Normandy	General Revenue	16,049,180	0.3610	0.3610	0	0.0000	0.0000	4,994,118	0.3810	0.3810	4,657,712	0.4000	0.4000	95,597	
City of Northwoods	General Revenue	18,088,580	0.3850	0.3850	0	0.0000	0.0000	6,648,321	0.2600	0.2600	4,106,041	0.3600	0.3600	101,709	
	Debt Service	18,088,580	1.3960	1.3960	0	1.3960	1.3960	6,648,321	1.3960	1.3960	4,106,041	1.3960	1.3960	402,648	
Village of Norwood Court	General Revenue	3,051,520	0.2800	0.2800	0	0.0000	0.0000	232,620	0.2740	0.2740	749,390	0.3450	0.3450	11,766	
City of Oakland	General Revenue	27,660,810	0.1940	0.1940	0	0.0000	0.0000	2,705,735	0.2510	0.2510	3,247,510	0.2370	0.2370	68,150	
City of Olivette	General Revenue	180,411,990	0.6020	0.6020	0	0.0000	0.0000	54,861,619	0.7680	0.7680	31,510,192	0.7710	0.7710	1,750,361	
	Pension	180,411,990	0.2210	0.2210	0	0.0000	0.0000	54,861,619	0.2470	0.2470	31,510,192	0.2500	0.2500	612,993	
	Debt Service	180,411,990	0.5310	0.4200	0	0.5310	0.4200	54,861,619	0.5310	0.4200	31,510,192	0.5310	0.4200	1,120,492	

Appendix VIII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Overland	General Revenue	96,105,490	0.0680	0.0680	0	0.0000	0.0000	82,569,340	0.0800	0.0800	37,702,420	0.0970	0.0970	167,978	
	Pension	96,105,490	0.2400	0.2400	0	0.0000	0.0000	82,569,340	0.3600	0.3600	37,702,420	0.3670	0.3670	666,271	
City of Pagedale	General Revenue	8,338,460	0.3500	0.3500	0	0.0000	0.0000	13,765,872	0.3500	0.3500	4,758,117	0.3500	0.3500	94,019	
City of Pasadena Hills	General Revenue	12,491,160	0.2590	0.2590	0	0.0000	0.0000	390,124	0.1420	0.1420	1,719,346	0.3100	0.3100	38,236	
	Debt Service	12,491,160	0.8200	0.8200	0	0.8200	0.8200	390,124	0.8200	0.8200	1,719,346	0.8200	0.8200	119,726	
Village of Pasadena Park	General Revenue	4,198,638	0.3130	0.3130	0	0.0000	0.0000	55,830	0.0000	0.0000	621,728	0.3090	0.3090	15,063	
City of Pine Lawn	General Revenue	8,142,330	0.3000	0.3000	0	0.0000	0.0000	3,949,138	0.3000	0.3000	2,675,024	0.2570	0.2570	43,149	
City of Richmond Heights	General Revenue	199,351,800	0.2690	0.2690	0	0.0000	0.0000	110,357,587	0.3480	0.2900	30,813,488	0.2890	0.2890	945,344	
	Pension	199,351,800	0.3030	0.3030	0	0.0000	0.0000	110,357,587	0.3700	0.3200	30,813,488	0.3180	0.3180	1,055,167	
Village of Riverview	General Revenue	9,676,630	0.4070	0.4070	0	0.0000	0.0000	2,069,965	0.3930	0.3930	2,311,304	0.3110	0.3110	54,707	
City of Rock Hill	General Revenue	70,767,020	0.2700	0.2700	0	0.0000	0.0000	27,902,411	0.2840	0.2840	13,468,966	0.3400	0.3400	316,108	
	Library	70,767,020	0.2710	0.2710	0	0.0000	0.0000	27,902,411	0.2980	0.2980	13,494,876	0.3550	0.3550	322,835	
	Debt Service	70,767,020	1.1011	0.7950	0	1.1011	0.7950	27,902,411	1.1011	0.7950	13,468,966	1.1011	0.7950	891,500	
City of St. Ann	General Revenue	75,950,620	1.0000	1.0000	0	0.0000	0.0000	28,798,226	1.0000	1.0000	23,331,911	1.0000	1.0000	1,280,807	
	Debt Service	75,950,620	0.5670	0.4100	0	0.5670	0.4100	28,798,226	0.5670	0.4100	23,331,911	0.5670	0.4100	525,132	
City of St. John	General Revenue	36,046,550	0.4740	0.4740	0	0.0000	0.0000	17,627,390	0.4830	0.4830	9,466,208	0.4500	0.4500	298,599	
City of Shrewsbury	General Revenue	74,313,540	0.4650	0.4650	0	0.0000	0.0000	36,050,547	0.4190	0.4190	18,671,331	0.5770	0.5770	604,344	
	Debt Service	74,313,540	0.4020	0.4020	0	0.4020	0.4020	36,050,547	0.4020	0.4020	18,671,331	0.4020	0.4020	518,722	
City of Sunset Hills	General Revenue	240,929,810	0.0530	0.0530	118,260	0.0580	0.0580	102,780,200	0.0540	0.0540	45,323,249	0.0600	0.0600	210,457	
Village of Sycamore Hills	General Revenue	4,310,980	0.2640	0.2640	0	0.0000	0.0000	579,042	0.2770	0.2770	989,784	0.2510	0.2510	15,469	
	Health	4,310,980	0.1220	0.1220	0	0.0000	0.0000	579,042	0.1320	0.1320	989,784	0.1170	0.1170	7,181	
City of Town and Country	General Revenue	513,153,710	0.0000	0.0000	71,480	0.0000	0.0000	212,647,116	0.0000	0.0000	83,040,876	0.0000	0.0000	0	
	Dispatch	513,153,710	0.0000	0.0000	71,480	0.0000	0.0000	212,647,116	0.0000	0.0000	83,040,876	0.0000	0.0000	0	
Village of Twin Oaks	General Revenue	5,574,730	0.0000	0.0000	0	0.0000	0.0000	8,998,030	0.3220	0.3220	1,459,740	0.0000	0.0000	28,974	
City of University City	General Revenue	525,974,350	0.5320	0.5320	0	0.0000	0.0000	68,343,640	0.5200	0.5200	62,763,554	0.6800	0.6800	3,580,363	
	Library	525,974,350	0.2450	0.2450	0	0.0000	0.0000	68,343,640	0.2250	0.2250	62,763,554	0.2800	0.2800	1,618,148	
	Pension	525,974,350	0.1570	0.1570	0	0.0000	0.0000	68,343,640	0.1420	0.1420	62,763,554	0.1950	0.1950	1,045,217	
Village of Uplands Park	General Revenue	1,380,750	0.5000	0.5000	0	0.0000	0.0000	96,217	0.5000	0.5000	393,437	0.3910	0.3910	8,923	
City of Valley Park	General Revenue	82,289,670	0.4430	0.4430	84,000	0.0000	0.0000	41,871,550	0.6260	0.6260	20,995,849	0.5700	0.5700	746,335	
City of Velda City	General Revenue	3,671,260	0.5000	0.5000	0	0.0000	0.0000	87,480	0.5000	0.5000	1,138,631	0.3800	0.3800	23,120	
	Debt Service	3,671,260	3.2671	3.2671	0	3.2671	3.2671	87,480	3.2671	3.2671	1,138,631	3.2671	3.2671	160,002	
City of Velda Village Hills	General Revenue	2,848,920	0.5000	0.5000	0	0.0000	0.0000	412,137	0.4940	0.4940	897,002	0.3780	0.3780	19,672	
City of Vinita Park	General Revenue	8,282,430	0.2750	0.2750	0	0.0000	0.0000	28,763,010	0.2750	0.2750	8,415,417	0.2300	0.2300	121,230	
City of Warson Woods	General Revenue	59,779,860	0.3270	0.3270	0	0.0000	0.0000	7,727,334	0.4190	0.4190	6,573,545	0.0000	0.0000	227,858	
City of Webster Groves	General Revenue	452,099,910	0.2170	0.2170	0	0.0000	0.0000	68,722,225	0.1960	0.1960	55,940,929	0.2800	0.2800	1,272,388	
	Library	452,099,910	0.1400	0.1400	0	0.0000	0.0000	68,722,225	0.1250	0.1250	56,052,059	0.1800	0.1800	819,737	
	Streets	452,099,910	0.1400	0.1400	0	0.0000	0.0000	68,722,225	0.1260	0.1260	55,940,929	0.1810	0.1810	820,783	
	Pension	452,099,910	0.2000	0.2000	0	0.0000	0.0000	68,722,225	0.2000	0.2000	55,940,929	0.2040	0.2000	1,153,526	
	Library-Temp	452,099,910	0.1230	0.1230	0	0.0000	0.0000	68,722,225	0.1160	0.1160	56,052,059	0.1350	0.1350	711,471	2028
	Debt Service	452,099,910	0.2490	0.2410	0	0.2490	0.2410	68,722,225	0.2490	0.2410	55,940,929	0.2490	0.2410	1,390,000	
	General Revenue	3,711,770	0.6000	0.6000	0	0.0000	0.0000	6,906,420	0.5730	0.5730	2,767,765	0.6000	0.6000	78,452	
Village of Westwood	General Revenue	19,603,800	0.0580	0.0580	0	0.0000	0.0000	247,931	0.0980	0.0980	0	0.0000	0.0000	11,613	
City of Winchester	General Revenue	15,826,480	0.1910	0.1910	0	0.0000	0.0000	3,318,532	0.1670	0.1670	2,728,585	0.2610	0.2610	42,893	

Appendix VIII
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Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Woodson Terrace	General Revenue	19,225,710	0.3290	0.3290	0	0.0000	0.0000	22,848,940	0.3500	0.3500	32,162,488	0.2510	0.2510	223,952	
Ferguson Municipal Library District	General Revenue	96,133,100	0.4090	0.4090	B 9,060	0.1800	0.1800	B 48,103,642	0.4020	0.4020	B 35,192,805	0.4080	0.4080	730,164	
Maplewood Public Library District	General Revenue	86,640,430	0.2490	0.2490	0	0.0000	0.0000	70,391,596	0.2890	0.2890	26,390,645	0.3020	0.3020	498,867	
	Debt Service	86,640,430	0.1350	0.1350	0	0.1350	0.1350	70,391,596	0.1350	0.1350	26,390,645	0.1350	0.1350	247,621	
Richmond Heights Memorial PLD	General Revenue	199,351,800	0.1920	0.1920	0	0.0000	0.0000	110,357,587	0.2500	0.2500	30,813,488	0.2110	0.2110	723,665	
St. Louis County Library District	General Revenue	12,439,942,010	0.2340	0.2340	6,315,970	0.2170	0.2170	5,567,773,213	0.2590	0.2590	3,223,105,991	0.2250	0.2250	50,795,691	
Valley Park Community PLD	General Revenue	32,868,660	0.1440	0.1440	600	0.1670	0.1670	13,124,770	0.1230	0.1230	10,498,279	0.1700	0.1700	81,322	
Afton FPD	General Revenue	373,569,370	1.2696	1.2696	0	0.0000	0.0000	68,080,091	1.3074	1.3074	71,052,726	1.3719	1.3719	6,607,688	
	Ambulance	373,569,370	0.1330	0.1330	0	0.0000	0.0000	68,080,091	0.1330	0.1330	71,052,726	0.1400	0.1400	686,868	
	Pension	373,569,370	0.0590	0.0590	0	0.0000	0.0000	68,080,091	0.0600	0.0600	71,052,726	0.0640	0.0640	306,728	
	Dispatch	373,569,370	0.0260	0.0260	0	0.0000	0.0000	68,080,091	0.0210	0.0210	71,052,726	0.0270	0.0270	130,609	
Metro West FPD	General Revenue	1,506,254,430	0.4580	0.4580	941,360	0.4590	0.4590	248,812,806	0.5180	0.5180	222,890,177	0.5610	0.5610	9,442,230	
	Ambulance	1,506,254,430	0.4160	0.4160	B 941,360	0.4160	0.4160	B 248,812,806	0.4510	0.4510	B 222,890,177	0.4700	0.4700	8,439,664	
	Pension	1,506,254,430	0.0870	0.0870	941,360	0.0870	0.0870	248,812,806	0.0970	0.0970	222,890,177	0.1060	0.1060	1,788,872	
	Dispatch	1,506,254,430	0.0400	0.0400	941,360	0.0380	0.0380	248,812,806	0.0430	0.0430	222,890,177	0.0480	0.0480	816,837	
	Debt Service	1,506,254,430	0.1000	0.1000	941,360	0.1000	0.1000	248,812,806	0.1000	0.1000	222,890,177	0.1000	0.1000	1,978,898	
Black Jack FPD	General Revenue	397,734,130	0.9710	0.9710	197,900	0.7080	0.7080	63,970,467	0.9480	0.9480	81,148,929	1.0000	1.0000	5,281,328	
	Pension	397,734,130	0.2430	0.2430	197,900	0.2080	0.2080	63,970,467	0.2340	0.2340	81,148,929	0.2500	0.2500	1,319,469	
	Emergency Medical Service	397,734,130	0.3890	0.3890	197,900	0.2520	0.2520	63,970,467	0.3760	0.3760	81,148,929	0.4000	0.4000	2,112,810	
	NCCFA System	397,734,130	0.0490	0.0490	197,900	0.0500	0.0500	63,970,467	0.0470	0.0470	81,148,929	0.0500	0.0500	265,629	
	Debt Service	397,734,130	0.1160	0.1020	197,900	0.1160	0.1020	63,970,467	0.1160	0.1020	81,148,929	0.1160	0.1020	553,913	
Monarch FPD	General Revenue	1,584,528,229	0.4670	0.4670	1,213,870	0.4540	0.4540	616,247,780	0.4940	0.4940	305,673,855	0.5300	0.5300	12,069,593	
	Ambulance	1,584,528,229	0.2820	0.2820	1,213,870	0.2830	0.2830	616,247,780	0.3070	0.3070	305,673,855	0.3300	0.3300	7,372,410	
	Pension	1,584,528,229	0.0860	0.0860	1,213,870	0.0860	0.0860	616,247,780	0.0930	0.0930	305,673,855	0.1000	0.1000	2,242,522	
	Dispatch	1,584,528,229	0.0450	0.0450	1,213,870	0.0430	0.0430	616,247,780	0.0460	0.0460	305,673,855	0.0480	0.0480	1,143,757	
Community FPD	General Revenue	240,653,780	1.5000	1.5000	0	0.0000	0.0000	185,862,188	1.5000	1.5000	127,579,521	1.5315	1.5000	8,311,433	
	Ambulance	240,653,780	0.4840	0.4840	0	0.0000	0.0000	185,862,188	0.4920	0.4920	127,579,521	0.5000	0.5000	2,717,104	
	Pension	240,653,780	0.2420	0.2420	0	0.0000	0.0000	185,862,188	0.2460	0.2460	127,579,521	0.2500	0.2500	1,358,552	
	Dispatch	240,653,780	0.0290	0.0290	0	0.0000	0.0000	185,862,188	0.0300	0.0300	127,579,521	0.0300	0.0300	163,823	
	Debt Service	240,653,780	0.2000	0.1450	0	0.2000	0.1450	185,862,188	0.2000	0.1450	127,579,521	0.2000	0.1450	803,438	
Creve Coeur FPD	General Revenue	762,030,020	0.4920	0.4920	40	0.0000	0.0000	463,236,705	0.5230	0.5230	226,887,361	0.5400	0.5400	7,397,108	
	Ambulance	762,030,020	0.3820	0.3820	40	0.0000	0.0000	463,236,705	0.4080	0.4080	226,887,361	0.4200	0.4200	5,753,888	
	Pension	762,030,020	0.1320	0.1320	40	0.0000	0.0000	463,236,705	0.1470	0.1470	226,887,361	0.1500	0.1500	2,027,169	
	Dispatch	762,030,020	0.0440	0.0440	40	0.0000	0.0000	463,236,705	0.0490	0.0490	226,887,361	0.0500	0.0500	675,723	
	Debt Service	762,030,020	0.0420	0.0420	40	0.0420	0.0420	463,236,705	0.0420	0.0420	226,887,361	0.0420	0.0420	609,905	
Fenton FPD	General Revenue	502,724,530	0.9650	0.9650	188,010	0.8960	0.8960	352,824,751	0.9330	0.9330	155,396,909	0.9100	0.9100	9,558,944	
	Ambulance	502,724,530	0.2720	0.2720	188,010	0.2060	0.2060	352,824,751	0.2900	0.2900	155,396,909	0.3000	0.3000	2,857,181	
	Pension	502,724,530	0.0900	0.0900	188,010	0.0680	0.0680	352,824,751	0.0970	0.0970	155,396,909	0.1000	0.1000	950,217	
	Dispatch	502,724,530	0.0460	0.0460	188,010	0.0350	0.0350	352,824,751	0.0480	0.0480	155,396,909	0.0500	0.0500	478,373	
Florissant Valley FPD	General Revenue	481,916,750	1.0618	1.0618	200,370	1.0650	1.0650	157,562,273	1.0469	1.0469	112,426,521	1.0767	1.0767	7,979,141	
	Ambulance	481,916,750	0.4320	0.4320	200,370	0.3230	0.3230	157,562,273	0.4260	0.4260	112,426,521	0.4400	0.4400	3,248,419	
	Pension	481,916,750	0.0980	0.0980	200,370	0.1000	0.1000	157,562,273	0.0990	0.0990	112,426,521	0.1000	0.1000	740,892	
	Dispatch	481,916,750	0.0290	0.0290	200,370	0.0300	0.0300	157,562,273	0.0300	0.0300	112,426,521	0.0300	0.0300	220,813	

Appendix VIII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration				
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year			
Florissant Valley FPD	Debt Service	481,916,750	0.2520	0.1982	200,370	0.2520	0.1982	157,562,273	0.2520	0.1982	112,426,521	0.2520	0.1982	1,490,673				
Kinloch FPD	General Revenue	1,171,410	0.0000	0.0000	0	0.0000	0.0000	1,719,029	0.9000	1.9195	c	5,789,528	0.9000	0.9000	85,103			
	Dispatch	1,171,410	0.0000	0.0000	0	0.0000	0.0000	1,719,029	0.0000	0.0000		5,789,528	0.0000	0.0000	0			
Lemay FPD	General Revenue	123,751,490	0.9540	0.9540	2,690	0.0000	0.0000	111,617,612	0.9730	0.9730		39,094,309	0.9900	0.9900	2,653,662			
	Ambulance	123,751,490	0.2060	0.2060	2,690	0.0000	0.0000	111,617,612	0.2330	0.2330		39,094,309	0.2050	0.2050	595,140			
	Pension	123,751,490	0.0960	0.0960	2,690	0.0000	0.0000	111,617,612	0.0980	0.0980		39,094,309	0.1000	0.1000	267,280			
	Central Alarm Fund	123,751,490	0.0480	0.0480	2,690	0.0000	0.0000	111,617,612	0.0490	0.0490		39,094,309	0.0480	0.0480	132,859			
West County EMS & FPD	General Revenue	596,500,190	0.6680	0.6680	234,620	0.7400	0.7400	150,364,688	0.7090	0.7090		96,310,100	0.7450	0.7450	5,769,953			
	Ambulance	596,500,190	0.1600	0.1600	234,620	0.1950	0.1950	150,364,688	0.1730	0.1730		96,310,100	0.1940	0.1940	1,401,831			
	Pension	596,500,190	0.0800	0.0800	234,620	0.0980	0.0980	150,364,688	0.0870	0.0870		96,310,100	0.0970	0.0970	701,668			
	Dispatch	596,500,190	0.0420	0.0420	234,620	0.0450	0.0450	150,364,688	0.0400	0.0400		96,310,100	0.0490	0.0490	357,974			
	Debt Service	596,500,190	0.2670	0.2400	234,620	0.2670	0.2400	150,364,688	0.2670	0.2400		96,310,100	0.2670	0.2400	2,024,182			
Maryland Heights FPD	General Revenue	237,145,610	0.8000	0.8000	5,100	0.4900	0.4900	258,985,845	0.8000	0.8000		155,301,269	0.8000	0.8000	5,211,487			
	Ambulance	237,145,610	0.3380	0.3380	5,100	0.0000	0.0000	258,985,845	0.3620	0.3620		155,301,269	0.3680	0.3680	2,310,590			
	Pension	237,145,610	0.1300	0.1300	5,100	0.0780	0.0780	258,985,845	0.1300	0.1300		155,301,269	0.1300	0.1300	846,867			
	Dispatch	237,145,610	0.0500	0.0500	5,100	0.0500	0.0500	258,985,845	0.0500	0.0500		155,301,269	0.0500	0.0500	325,720			
	Debt Service	237,145,610	0.2450	0.1540	5,100	0.2450	0.1540	258,985,845	0.2450	0.1540		155,301,269	0.2450	0.1540	1,003,214			
Mehlville FPD	General Revenue	1,667,013,610	0.5920	0.5920	427,030	0.9360	0.9360	498,024,413	0.7150	0.7150		330,372,999	0.8120	0.8120	16,116,222			
	Pension	1,667,013,610	0.0330	0.0330	427,030	0.0600	0.0600	498,024,413	0.0340	0.0340		330,372,999	0.0560	0.0560	904,707			
Metro North FPD	General Revenue	64,344,160	2.0019	2.0000	0	0.0000	0.0000	18,319,555	1.9965	1.9965		16,896,197	2.0000	2.0000	1,990,557			
	Pension	64,344,160	0.2440	0.2440	0	0.0000	0.0000	18,319,555	0.2370	0.2370		16,896,197	0.2490	0.2490	242,489			
	Dispatch	64,344,160	0.0500	0.0500	0	0.0000	0.0000	18,319,555	0.0500	0.0500		16,896,197	0.0500	0.0500	49,780			
	Emergency Medical Service	64,344,160	0.4070	0.4000	0	0.0000	0.0000	18,319,555	0.3690	0.3690		16,896,197	0.4080	0.4000	392,561			
	Debt Service	64,344,160	0.8780	0.4580	0	0.8780	0.4580	18,319,555	0.8780	0.4580		16,896,197	0.8780	0.4580	455,985			
Northeast Ambulance & FPD	General Revenue	115,484,720	1.4294	1.4294	11,760	1.5051	1.5051	50,630,521	1.2560	1.2560		40,223,317	1.5000	1.5000	2,890,185			
	Ambulance	115,484,720	0.2750	0.2750	11,760	0.2890	0.2890	50,630,521	0.2400	0.2400		40,223,317	0.2900	0.2900	555,778			
	Pension	115,484,720	0.0950	0.0950	11,760	0.1000	0.1000	50,630,521	0.0820	0.0820		40,223,317	0.1000	0.1000	191,462			
	Dispatch	115,484,720	0.0480	0.0480	11,760	0.0500	0.0500	50,630,521	0.0430	0.0430		40,223,317	0.0400	0.0400	93,299			
	Debt Service	115,484,720	0.6340	0.4000	11,760	0.6340	0.4000	50,630,521	0.6340	0.4000		40,223,317	0.6340	0.4000	825,401			
Pattonville FPD	General Revenue	130,084,440	1.2083	1.2000	B	1,167,600	0.5690	0.5690	B	472,330,871	1.2498	1.2000	B	167,545,496	1.2078	1.2000	B	9,246,173
	Ambulance	130,084,440	0.7100	0.7000		1,167,600	0.2740	0.2740		472,330,871	0.7070	0.7000		167,545,496	0.7000	0.7000		5,392,924
	Pension	130,084,440	0.1500	0.1500		1,167,600	0.1500	0.1500		472,330,871	0.1500	0.1500		167,545,496	0.1500	0.1500		1,156,692
	Dispatch	130,084,440	0.0500	0.0500		1,167,600	0.0500	0.0500		472,330,871	0.0500	0.0500		167,545,496	0.0500	0.0500		385,564
	Debt Service	130,084,440	0.1030	0.1030		1,167,600	0.1030	0.1030		472,330,871	0.1030	0.1030		167,545,496	0.1030	0.1030		794,263
Riverview FPD	General Revenue	118,908,660	2.0167	2.0000		25,580	1.5149	1.5149		35,960,980	1.9910	1.9910		36,244,238	1.9837	1.9837		3,813,521
	Pension	118,908,660	0.2500	0.2500		25,580	0.2500	0.2500		35,960,980	0.2500	0.2500		36,244,238	0.2500	0.2500		477,849
	Dispatch	118,908,660	0.0500	0.0500		25,580	0.0000	0.0000		35,960,980	0.0500	0.0500		36,244,238	0.0500	0.0500		95,556
	Emergency Medical Service	118,908,660	0.4130	0.4000	A	25,580	0.4070	0.4000	A	35,960,980	0.4150	0.4000	A	36,244,238	0.4080	0.4000	A	764,558
	Debt Service	118,908,660	0.1220	0.1220		25,580	0.1220	0.1220		35,960,980	0.1220	0.1220		36,244,238	0.1220	0.1220		233,190
Robertson FPD	General Revenue	35,305,220	1.4182	1.3900		358,340	1.4109	1.3900		172,889,834	1.4099	1.3900		123,056,010	1.3900	1.3900		4,609,372
	Ambulance	35,305,220	0.6630	0.6630		358,340	0.4910	0.4910		172,889,834	0.6980	0.6980		123,056,010	0.7000	0.7000		2,303,996
	Pension	35,305,220	0.2000	0.2000		358,340	0.2000	0.2000		172,889,834	0.2000	0.2000		123,056,010	0.2000	0.2000		663,219
	Dispatch	35,305,220	0.0500	0.0500		358,340	0.0500	0.0500		172,889,834	0.0500	0.0500		123,056,010	0.0500	0.0500		165,805

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		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
Robertson FPD	Debt Service	35,305,220	0.3870	0.3870	358,340	0.3870	0.3870	172,889,834	0.3870	0.3870	123,056,010	0.3870	0.3870	1,283,329	
Spanish Lake FPD	General Revenue	96,991,980	1.9848	1.9848	177,450	1.1343	1.1343	27,276,910	1.9935	1.9935	24,410,077	2.0000	2.0000	2,959,077	
	Pension	96,991,980	0.1490	0.1490	177,450	0.1410	0.1410	27,276,910	0.1490	0.1490	24,410,077	0.1500	0.1500	222,026	
	Dispatch	96,991,980	0.0500	0.0500	177,450	0.0470	0.0470	27,276,910	0.0500	0.0500	24,410,077	0.0500	0.0500	74,422	
	Debt Service	96,991,980	0.3440	0.1640	177,450	0.3440	0.1640	27,276,910	0.3440	0.1640	24,410,077	0.3440	0.1640	244,125	
Valley Park FPD	General Revenue	169,345,810	0.7560	0.7560	123,410	0.8800	0.8800	61,790,988	0.7850	0.7850	47,712,850	0.8800	0.8800	2,186,272	
	Ambulance	169,345,810	0.2590	0.2590	123,410	0.3000	0.3000	61,790,988	0.2640	0.2640	47,712,850	0.3000	0.3000	745,243	
	Pension	169,345,810	0.0870	0.0870	123,410	0.1000	0.1000	61,790,988	0.0870	0.0870	47,712,850	0.1000	0.1000	248,925	
	Dispatch	169,345,810	0.0270	0.0270	123,410	0.0300	0.0300	61,790,988	0.0240	0.0240	47,712,850	0.0300	0.0300	74,904	
Mid-County FPD St. Louis County	General Revenue	37,465,850	1.9180	1.9180	0	0.0000	0.0000	54,565,404	1.9679	1.9679	32,646,959	2.0000	2.0000	2,445,327	
	Ambulance	37,465,850	0.5270	0.5270	0	0.0000	0.0000	54,565,404	0.5420	0.5420	32,646,959	0.5470	0.5470	671,768	
	Pension	37,465,850	0.2400	0.2400	0	0.0000	0.0000	54,565,404	0.2460	0.2460	32,646,959	0.2500	0.2500	305,766	
	Dispatch	37,465,850	0.0290	0.0290	0	0.0000	0.0000	54,565,404	0.0300	0.0300	32,646,959	0.0300	0.0300	37,029	
	Debt Service	37,465,850	0.3740	0.3740	0	0.3740	0.3740	54,565,404	0.3740	0.3740	32,646,959	0.3740	0.3740	466,297	
West Overland EMS & FPD	General Revenue	51,060,330	0.9480	0.9480	0	0.0000	0.0000	69,184,095	1.0737	1.0100	30,106,478	1.0070	1.0070	1,485,983	
	Ambulance	51,060,330	0.6250	0.6250	0	0.0000	0.0000	69,184,095	0.6300	0.6300	30,106,478	0.6500	0.6500	950,679	
	Pension	51,060,330	0.2780	0.2780	0	0.0000	0.0000	69,184,095	0.3240	0.3000	30,106,478	0.3180	0.3000	439,819	
	Dispatch	51,060,330	0.0500	0.0500	0	0.0000	0.0000	69,184,095	0.0500	0.0500	30,106,478	0.0500	0.0500	75,175	
	Debt Service	51,060,330	0.1940	0.1820	0	0.1940	0.1820	69,184,095	0.1940	0.1820	30,106,478	0.1940	0.1820	273,639	
Black Creek Sewer District	General Revenue	911,872,730	0.0000	0.0000	0	0.0000	0.0000	663,109,060	0.0000	0.0000	150,748,909	0.0000	0.0000	0	
Clayton Central Sewer District	General Revenue	87,255,330	0.0000	0.0000	0	0.0000	0.0000	333,050,255	0.0000	0.0000	41,380,904	0.0000	0.0000	0	
Coldwater Creek Sewer District	General Revenue	893,005,840	0.0000	0.0000	39,260	0.0000	0.0000	602,721,358	0.0000	0.0000	462,302,463	0.0000	0.0000	0	
Creve Coeur-Frontenac SwrD	General Revenue	374,912,500	0.0000	0.0000	0	0.0000	0.0000	203,670,845	0.0000	0.0000	65,453,835	0.0000	0.0000	0	
Deer Creek Sewer District	General Revenue	2,960,723,340	0.0000	0.0000	90,120	0.0000	0.0000	1,206,431,178	0.0000	0.0000	452,011,044	0.0000	0.0000	0	
Fountain Creek Sewer District	General Revenue	79,085,330	0.0000	0.0000	0	0.0000	0.0000	21,344,578	0.0000	0.0000	17,954,060	0.0000	0.0000	0	
Gravois Creek Sewer District	General Revenue	1,087,353,250	0.0000	0.0000	260,090	0.0000	0.0000	484,431,289	0.0000	0.0000	240,066,604	0.0000	0.0000	0	
Loretta-Joplin Sewer District	General Revenue	22,244,710	0.0000	0.0000	0	0.0000	0.0000	2,509,193	0.0000	0.0000	4,326,894	0.0000	0.0000	0	
Maline Creek Sewer District	General Revenue	322,722,570	0.0000	0.0000	156,150	0.0000	0.0000	220,801,962	0.0000	0.0000	134,102,310	0.0000	0.0000	0	
Meramec River Basin Sewer District	General Revenue	2,393,885,000	0.0000	0.0000	972,850	0.0000	0.0000	870,593,446	0.0000	0.0000	472,698,101	0.0000	0.0000	0	
Missouri River-Bonfils SwrD	General Revenue	134,292,980	0.0000	0.0000	110,550	0.0000	0.0000	492,968,329	0.0000	0.0000	235,776,195	0.0000	0.0000	0	
North Afton Sewer District	General Revenue	60,990,140	0.0000	0.0000	0	0.0000	0.0000	7,072,947	0.0000	0.0000	10,382,075	0.0000	0.0000	0	
Seminary Branch RDP Sewer District	General Revenue	244,448,100	0.0000	0.0000	0	0.0000	0.0000	59,640,905	0.0000	0.0000	40,719,490	0.0000	0.0000	0	
Shrewsbury Branch RDP SwrD	General Revenue	21,890,430	0.0000	0.0000	0	0.0000	0.0000	4,875,744	0.0000	0.0000	4,253,866	0.0000	0.0000	0	
Sugar Creek Sewer District	General Revenue	331,081,520	0.0000	0.0000	20,080	0.0000	0.0000	69,729,029	0.0000	0.0000	42,534,740	0.0000	0.0000	0	
University City Branch RDP SwrD	General Revenue	533,666,690	0.0000	0.0000	40	0.0000	0.0000	279,426,526	0.0000	0.0000	156,854,140	0.0000	0.0000	0	
Watkins Creek Sewer District	General Revenue	86,988,440	0.0000	0.0000	7,960	0.0000	0.0000	38,025,174	0.0000	0.0000	25,339,200	0.0000	0.0000	0	
Wellston Sewer District	General Revenue	12,499,130	0.0000	0.0000	0	0.0000	0.0000	12,784,058	0.0000	0.0000	7,335,874	0.0000	0.0000	0	
Hancock Street Light District	General Revenue	48,018,590	0.1390	0.1390	0	0.0000	0.0000	91,967,040	0.1970	0.1970	19,784,330	0.1700	0.1700	281,554	
Wheaton Cook Lyndhurst SLD	General Revenue	4,612,050	0.1870	0.1870	0	0.0000	0.0000	1,659,150	0.1990	0.1990	1,223,330	0.2000	0.2000	14,374	
Castle Point Street Light District	General Revenue	6,373,090	0.1880	0.1880	0	0.0000	0.0000	332,450	0.1360	0.1360	1,309,550	0.1850	0.1850	14,856	
Glasgow Village SLD	General Revenue	11,418,250	0.2270	0.2270	0	0.2200	0.2200	635,970	0.2200	0.2200	2,352,770	0.2270	0.2270	32,659	
Clayton SBD	General Revenue	76,483,180	0.0940	0.0940	0	0.0000	0.0000	329,160,600	0.1220	0.1260	0	0.0000	0.0000	486,636	
Maplewood SBD	General Revenue	592,490	0.1030	0.1030	0	0.0000	0.0000	19,504,160	0.2760	0.2760	0	0.0000	0.0000	54,441	

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		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
University City SBD 57	General Revenue	1,561,030	0.4040	0.4040	0	0.0000	0.0000	8,660,020	0.4550	0.4550	0	0.0000	0.0000	45,710	
Webster Groves-Old Webster SBD	General Revenue	2,666,530	0.1970	0.1970	0	0.0000	0.0000	15,831,570	0.2390	0.2390	0	0.0000	0.0000	43,090	
Webster Groves-Old Orchard SBD	General Revenue	1,832,150	0.3600	0.3600	0	0.0000	0.0000	9,397,700	0.3160	0.3160	0	0.0000	0.0000	36,293	
Kirkwood SBD	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	34,531,690	0.4130	0.4130	0	0.0000	0.0000	142,616	
Jennings SBD	General Revenue	35,730	0.4300	0.4300	0	0.0000	0.0000	3,663,220	0.3500	0.3500	0	0.0000	0.0000	12,975	
Parkview Gardens SBD 39	General Revenue	15,644,270	0.5250	0.5250	0	0.0000	0.0000	1,815,630	0.8500	0.8500	0	0.0000	0.0000	97,565	
Crossroads SBD	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	5,083,830	0.3300	0.3300	0	0.0000	0.0000	16,777	
Robinwood West CID	General Revenue	15,816,770	0.7200	0.7200	0	0.0000	0.0000	66,190	0.0000	0.0000	0	0.0000	0.0000	113,881	
Crestwood Point CID	Debt Service	0	4.7142	3.0000	0	4.7142	3.0000	2,050,460	4.7142	3.0000	0	4.7142	3.0000	61,514	2047
Crossings CID	General Revenue	1,456,710	1.9999	1.9999	0	0.0000	0.0000	8,003,710	1.1372	1.1372	0	0.0000	0.0000	120,151	
Crestwood Market CID	Debt Service	0	8.4716	5.0000	0	8.4716	5.0000	1,355,110	8.4716	5.0000	0	8.4716	5.0000	67,756	
Hazelwood R-I School District	Operating Funds-Schools	854,854,410	5.2804	5.2804	E	945,200	4.7989	4.7989	E	493,710,920	5.4277	5.4277	E	91,589,052	
	Debt Service	854,854,410	1.3648	1.2400		945,200	1.3648	1.2400		493,710,920	1.3648	1.2400		21,232,070	
Ferguson-Florissant R-II SD	Operating Funds-Schools	383,332,880	5.2732	5.1748	E	31,900	2.8891	2.6372	E	294,867,300	5.3323	5.1855	E	50,913,217	
	Debt Service	383,332,880	0.3000	0.3000		31,900	0.3000	0.3000		294,867,300	0.3000	0.3000		2,938,437	
Pattonville R-III School District	Operating Funds-Schools	424,409,860	5.0210	4.3900		200,530	4.4238	4.3698	C	646,243,970	5.2208	5.2998	C	67,730,137	
	Debt Service	424,409,860	0.9080	0.4900		200,530	0.9080	0.4900		646,243,970	0.9080	0.4900		6,672,417	
Kirkwood R-VII School District	Operating Funds-Schools	1,003,969,940	3.5187	3.5354	CE	108,190	3.1929	3.2160	CE	281,455,820	5.1097	5.5198	CE	57,447,870	
	Operating Funds-Temp	1,003,969,940	0.6790	0.4451		108,190	0.3720	0.3720		281,455,820	0.6880	0.3192		6,434,551	2024
	Debt Service	1,003,969,940	0.3640	0.3640		108,190	0.3640	0.3640		281,455,820	0.3640	0.3640		5,209,965	
Lindbergh R-VIII School District	Operating Funds-Schools	859,813,030	3.2604	3.2604	E	296,250	3.5649	3.5649	E	357,516,770	3.9013	3.9013	E	48,289,866	
	Debt Service	859,813,030	0.8330	0.8330		296,250	0.8330	0.8330		357,516,770	0.8330	0.8330		11,484,745	
Mehlville R-IX School District	Operating Funds-Schools	1,250,490,920	4.0504	4.0504	E	174,480	4.5806	4.5806	E	315,804,740	4.0215	4.0215	E	75,009,515	
	Operating Funds-Temp	1,250,490,920	0.0390	0.0390		174,480	0.0400	0.0400		315,804,740	0.0390	0.0390		714,554	2025
Parkway C-2 School District	Operating Funds-Schools	3,005,558,590	3.7684	3.5740	CE	1,627,220	1.7659	1.7659	E	1,163,623,120	4.3045	4.7347	CE	184,901,859	
	Debt Service	3,005,558,590	0.4900	0.4900		1,627,220	0.4900	0.4900		1,163,623,120	0.4900	0.4900		23,248,220	
Affton 101 School District	Operating Funds-Schools	273,972,960	5.7480	5.3980	E	0	0.0000	0.0000	E	69,661,210	5.9410	5.5910	E	21,864,601	
	Debt Service	273,972,960	0.7900	0.4900		0	0.7900	0.4900		69,661,210	0.7900	0.4900		1,958,841	
Bayless School District	Operating Funds-Schools	114,069,250	4.5374	4.5374	BE	0	0.4100	0.0000	BE	15,030,340	4.3753	4.3753	BE	7,083,709	
	Debt Service	114,069,250	0.5400	0.5320		0	0.5400	0.5320		15,030,340	0.5400	0.5320		809,197	
Brentwood School District	Operating Funds-Schools	165,867,380	4.2645	4.1684		0	0.0000	0.0000		110,588,460	4.8761	4.7800		13,877,186	
	Debt Service	165,867,380	0.5620	0.4290		0	0.5620	0.4290		110,588,460	0.5620	0.4290		1,361,057	
Clayton School District	Operating Funds-Schools	596,046,990	3.1137	3.0691	C	0	0.0000	0.0000		459,447,630	3.5297	3.4440	C	37,313,061	
	Debt Service	596,046,990	1.3105	0.6230		0	1.3105	0.6230		459,447,630	1.3105	0.6230		7,169,070	
Hancock Place School District	Operating Funds-Schools	47,257,780	4.1129	4.1129	E	0	0.0000	0.0000	E	92,359,100	4.2082	4.2082	E	6,672,988	
	Debt Service	47,257,780	1.3098	1.2200		0	1.3098	1.2200		92,359,100	1.3098	1.2200		1,942,408	
Jennings School District	Operating Funds-Schools	53,633,000	5.5500	5.5500	E	0	0.0000	0.0000	E	21,362,200	5.5500	5.5500	E	5,153,760	
	Debt Service	53,633,000	1.5830	0.9900		0	1.5830	0.9900		21,362,200	1.5830	0.9900		946,811	
Ladue School District	Operating Funds-Schools	1,243,514,380	3.0437	3.0437	E	2,010	0.0500	0.0500	E	244,672,090	3.0953	3.0953	E	50,952,117	
	Debt Service	1,243,514,380	1.3495	0.7800		2,010	1.3495	0.7800		244,672,090	1.3495	0.7800		12,939,151	
Maplewood-Richmond Heights SD	Operating Funds-Schools	186,482,800	4.7002	4.7002	E	0	0.0000	0.0000	E	80,867,390	4.8464	4.8464	E	14,828,754	
	Debt Service	186,482,800	1.3500	1.3500		0	1.3500	1.3500		80,867,390	1.3500	1.3500		4,135,221	
Normandy School District	Operating Funds-Schools	142,517,400	4.4752	4.3952	F	59,290	4.6600	4.5800	F	76,241,560	4.0179	3.9379	F	11,782,144	

Appendix VIII
2018 Property Tax Rates
Listing of 2018 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property				Expiration	
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Revenue	Year
Normandy School District	Debt Service	142,517,400	1.7336	1.7336		59,290	1.7336	1.7336		76,241,560	1.7336	1.7336		54,873,090	1.7336	1.7336		4,744,714	
Ritenour School District	Operating Funds-Schools	233,939,250	4.9616	4.9616	BE	0	0.3900	0.0000	BE	180,957,190	4.9890	5.2589	BCE	134,825,380	4.5161	4.5161	BE	27,212,337	
	Debt Service	233,939,250	1.2518	0.9100		0	1.2518	0.9100		180,957,190	1.2518	0.9100		134,825,380	1.2518	0.9100		5,002,468	
Riverview Gardens School District	Operating Funds-Schools	132,395,870	4.3500	4.3500	E	8,640	4.3500	4.3500	E	26,812,490	4.2964	4.2964	E	39,707,110	4.1177	4.1177	E	8,546,588	
	Debt Service	132,395,870	2.5716	1.6936		8,640	2.5716	1.6936		26,812,490	2.5716	1.6936		39,707,110	2.5716	1.6936		3,368,978	
University City School District	Operating Funds-Schools	528,086,040	4.1241	4.1346	CE	0	0.0000	0.0000	E	71,556,390	4.0952	4.2062	CE	66,485,790	5.1824	5.1824	E	28,289,610	
	Debt Service	528,086,040	1.5620	0.7380		0	1.5620	0.7380		71,556,390	1.5620	0.7380		66,485,790	1.5620	0.7380		4,916,026	
Valley Park School District	Operating Funds-Schools	102,129,150	4.2671	4.3026	CE	2,830	2.3322	2.3322	E	41,601,010	4.4819	4.6190	CE	32,087,180	4.6500	4.6500	E	7,807,880	
	Debt Service	102,129,150	1.3145	0.9410		2,830	1.3145	0.9410		41,601,010	1.3145	0.9410		32,087,180	1.3145	0.9410		1,654,468	
Webster Groves School District	Operating Funds-Schools	619,835,477	4.7955	4.7955	E	0	0.0000	0.0000	E	104,708,430	4.8924	4.8924	E	85,424,700	5.9000	5.9000	E	39,887,022	
	Debt Service	619,835,477	0.9740	0.5699		0	0.9740	0.5699		104,708,430	0.9740	0.5699		85,424,700	0.9740	0.5699		4,616,010	
St. Louis County	General Revenue	14,669,578,730	0.2580	0.1950		6,345,710	0.2700	0.1570		6,193,707,436	0.2860	0.1980		3,575,112,343	0.2810	0.2090		48,351,168	
	Parks & Recreation	14,669,578,730	0.0650	0.0460		6,345,710	0.0530	0.0380		6,193,707,436	0.0690	0.0470		3,575,112,343	0.0700	0.0500		11,449,015	
	Road & Bridge	14,669,578,730	0.1660	0.0980		6,345,710	0.1390	0.0790		6,193,707,436	0.1780	0.0990		3,575,112,343	0.1800	0.1050		24,266,838	
	Health	14,669,578,730	0.2210	0.1310		6,345,710	0.2310	0.1050		6,193,707,436	0.2450	0.1330		3,575,112,343	0.2410	0.1400		32,466,599	
	Developmental Dis. Board	14,669,578,730	0.0840	0.0840		6,345,710	0.0700	0.0700		6,193,707,436	0.0890	0.0890		3,575,112,343	0.0900	0.0900		21,056,889	
	Debt Service	14,669,578,730	0.0190	0.0190		6,345,710	0.0190	0.0190		6,193,707,436	0.0190	0.0190		3,575,112,343	0.0190	0.0190		4,644,501	
																	\$	1,481,601,406	

Legend:

- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
B A voter approved increase or decrease to an existing levy.
C Levy includes a recoupment rate authorized by state law.
D Levied a tax rate in excess of the legally permissible tax levy as provided by state law. No tax rate levied exceeded the legally permissible tax levy in 2018.
E School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
F School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.

Notes:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi-rate calculation. See Appendix VII for a listing of taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's Office by both the taxing authority and the county or counties in which the tax rate is levied.

The Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue shown is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

Acronyms:

CID	Community Improvement District
EMS	Emergency Medical Services
FPD	Fire Protection District
PLD	Public Library District
RDP	River des Peres
SBD	Special Business District
SLD	Street Light District
SD	School District
SwrD	Sewer District



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

Dade County

Dade County

Follow-Up Report on Audit Findings

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*Includes selected findings



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Dade County

We have conducted follow-up work on certain audit report findings contained in Report No. 2018-027, *Dade County* (rated as Poor), issued in May 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - **Implemented:** Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - **In Progress:** Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - **Partially Implemented:** Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - **Not Implemented:** Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by county officials and held discussions with officials to verify the status of implementation for the recommendations. Documentation provided by the county included bank statements, reconciliations, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during November 2018.

Nicole R. Galloway, CPA
State Auditor

Dade County

Follow-Up Report on Audit Findings

Status of Findings

1. Sheriff's Inmate Monies and Commissary Controls and Procedures Inmate receipts totaling \$795.99 were received but not deposited into any of the 3 Sheriff's office bank accounts.

- 1.1 Missing monies Inmate monies totaling \$795.99 from 32 receipt slips were received and not deposited into the inmate bank account, and as a result, these monies are missing.

- Inmate receipts totaling \$45, recorded on 4 manual receipt slips were not deposited.
- Inmate receipts totaling \$750.99, recorded on 28 electronic receipt slips in the computerized accounting system were not deposited.

Recommendation

The Sheriff investigate the missing inmate receipts. The Sheriff should also work with law enforcement officials regarding criminal prosecution.

Status

Partially Implemented

The Sheriff investigated the missing receipts and resolved some of them by reviewing additional accounting records that showed \$267.28 of these receipts were either deposited, issued duplicate (manual and electronic) receipt slips for the same monies, or returned to the inmate or payee. However, inmate monies totaling \$528.71 from 12 receipt slips still remain missing as follows:

Type of Receipt Slip	Date Received	Receipt Slip Number	Amount Received and Not Deposited
Computerized	03/21/2016	125	\$ 10.00
Computerized	03/28/2016	132	10.00
Computerized	05/06/2016	144	0.80
Computerized	05/06/2016	146	2.00*
Computerized	05/28/2016	161	1.75
Computerized	10/18/2016	2275	2.50
Computerized	11/11/2016	2289	31.00
Computerized	03/17/2017	2380	10.14
Computerized	04/04/2017	2398	7.00
Computerized	04/10/2017	2407	441.00
Computerized	05/10/2017	2446	10.00
Computerized	06/28/2017	2496	2.52
Total			\$ 528.71

* Receipt slip number 146 was issued for \$2.72. The Sheriff provided documentation to account for the disposition of 72 cents, leaving \$2.00 not deposited.



Dade County
Follow-Up Report on Audit Findings
Status of Findings

The Sheriff indicated he is working with law enforcement officials.

1.2 Segregation of duties
and supervisory reviews

The Sheriff had not adequately segregated accounting duties or performed adequate and timely supervisory reviews of detailed accounting and bank records.

Recommendation

The Sheriff segregate accounting duties or ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.

Status

In Progress

The Administrative Assistant no longer receipts, records, or deposits inmate monies; and does not prepare checks. However, the Sheriff now makes the deposit, prepares and signs the checks, and reconciles the bank account, thus accounting duties are still not properly segregated. The Sheriff indicated he hired a part-time employee and plans for her to assist him with reconciliations in the future.

1.3 Receipting, recording,
and depositing

Procedures for receipting, recording, and depositing inmate monies needed improvement.

- Manual receipt slips for inmate monies were not always issued in numerical sequence.
- Some cash refunded to inmates was not recorded in the computerized accounting system, resulting in the overstatement of inmates' balances. In addition, the Sheriff made duplicate payments by refunding monies by check to inmates who had already received their refunds in cash.
- The Sheriff's office did not document the transmittal of monies from the jailers to the Administrative Assistant, and the Administrative Assistant did not reconcile the composition of the receipt slips issued to the monies transmitted and deposited.
- Inmate monies were not deposited intact or timely.
- Checks received were not restrictively endorsed at the time of receipt and were only endorsed when deposits were prepared.

Recommendation

The Sheriff establish procedures to issue manual receipt slips in numerical sequence, only issue refunds to inmates by check, document the transmittal of inmate monies between office personnel and reconcile the composition of receipts to the composition of amounts transmitted, deposit monies intact and timely, and restrictively endorse checks at the time of receipt.



Dade County
Follow-Up Report on Audit Findings
Status of Findings

Status

Partially Implemented

The Sheriff discontinued issuing manual receipt slips for inmate monies in May 2018. No cash refunds were made during the month we reviewed (August 2018) and the Sheriff indicated all refunds are now made by check and are recorded in the computerized accounting system. The transmittal of monies between the jail and the Administrative Assistant is documented, and the Sheriff reconciles the composition of the receipt slips issued to the composition of monies transmitted and deposited. We noted inmate monies received during August 2018 were deposited intact. However, the Sheriff did not deposit these monies timely. Thirty-two receipt slips issued during August, totaling \$373, were not deposited until October 29, 2018, after our request for copies of receipt and deposit records was made on October 22, 2018. In addition, the Sheriff indicated he restrictively endorses inmate checks at the time of receipt.

1.4 Bank reconciliations
and liabilities

The Sheriff did not prepare timely monthly bank reconciliations and did not prepare a list of liabilities. In addition, accurate accounting records were not maintained, and errors were not corrected timely. As a result, reports generated from the computerized accounting systems used to track both inmate monies and commissary sales and receipts, deposits, and disbursements could not be relied upon by the Sheriff to reconcile the inmate bank account.

Recommendation

The Sheriff ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled timely. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, if any monies remain unidentified, the monies should be disbursed in accordance with state law.

Status

Not Implemented

The Sheriff did not prepare the August 2018 bank reconciliation until October 27, 2018, after our request for a copy of the bank reconciliation was made on October 22, 2018. In addition, the Sheriff did not prepare lists of liabilities, investigate and resolve differences between the accounting records and reconciliations, or disburse unidentified monies in accordance with state law.

1.5 Inmate Prisoner
Detainee Security Fund

The Sheriff did not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law.

Recommendation

The Sheriff ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Collector-Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.



Dade County
Follow-Up Report on Audit Findings
Status of Findings

Status	Partially Implemented In May and June 2018, the Sheriff disbursed commissary net proceeds and drug testing fees totaling \$9,147 to the County Collector-Treasurer for deposit in the Inmate Prisoner Detainee Security Fund. However, as of November 28, 2018, the Sheriff had not disbursed any commissary net proceeds collected since June 2, 2018.
1.6 Drug testing fees	The Sheriff's office collected a \$10 drug testing fee that was not allowed by state law.
Recommendation	The Sheriff discontinue charging and collecting drug testing fees.
Status	Not Implemented The Sheriff indicated his office no longer administers drug tests to the general public and only administers a drug test when ordered by the court. However, the Sheriff still collects a \$10 drug testing fee although the court order does not authorize a drug testing fee to be charged and collected.
2. Sheriff's Controls and Procedures	Controls and procedures over civil and criminal process fees, bonds, and other miscellaneous fees in the Sheriff's office needed improvement.
2.1 Segregation of duties and supervisory reviews	The Sheriff had not adequately segregated accounting duties or performed adequate and timely supervisory reviews of detailed accounting and bank records.
Recommendation	The Sheriff segregate accounting duties or ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.
Status	Not Implemented The Sheriff did not segregate accounting duties or perform an adequate and timely review of detailed accounting and bank records. The Administrative Assistant continues to be responsible for receipting, recording, and depositing monies. As noted in section 2.4, the Sheriff still does not perform timely supervisory reviews of detailed accounting and bank records. In addition, the Sheriff provided no documentation to indicate a review of the monies received, recorded, deposited, and disbursed is being performed.
2.2 Depositing and recording	Bond monies and civil and criminal process fees were not deposited intact or timely and were not timely recorded in the computerized accounting system.
Recommendation	The Sheriff ensure monies received are deposited intact and are recorded and deposited timely.



Dade County
Follow-Up Report on Audit Findings
Status of Findings

Status

Partially Implemented

The Sheriff recorded and deposited bond monies timely during August 2018. However, civil and criminal process fees totaling \$699 collected in August 2018, were not deposited timely or intact. These fees were not deposited until October 26 through October 30, 2018, after our request for copies of receipt and deposit records was made on October 22, 2018. These deposits included fees received dating back to May 2018. In addition, some civil and criminal process fees received in November 2018 were recorded in the computerized accounting system at the time of receipt; however, some manual receipt slips dating back to November 2, 2018, still had not been recorded as of December 5, 2018.

2.3 Disbursements

The Sheriff did not disburse some civil and criminal process fees and bond monies timely.

Recommendation

The Sheriff ensure receipts are disbursed timely.

Status

Partially Implemented

The Sheriff disbursed bond monies received in August 2018 timely. However, the Sheriff did not disburse any civil or criminal process fees collected from June 19, 2018, through November 12, 2018, until November 13, 2018, when he disbursed \$5,517 to the County Collector-Treasurer.

2.4 Bank reconciliations
and liabilities

The Sheriff did not prepare accurate timely monthly bank reconciliations and did not prepare lists of liabilities.

Recommendation

The Sheriff ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled timely. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, if any monies remain unidentified, the monies should be disbursed in accordance with state law.

Status

Not Implemented

The Sheriff did not prepare the August 2018 fee and bond bank account reconciliations until November 6, 2018, after our request for copies of the bank reconciliations was made on October 22, 2018. In addition, the Sheriff did not prepare lists of liabilities, investigate and resolve differences between the account records and reconciliations, or disburse unidentified monies in accordance with state law.

2.5 Seized property

Access was not adequately restricted to seized cash. Seized cash was stored in a lock box with other receipts collected in the Sheriff's office, and as a result, the Administrative Assistant had access to the seized cash.



Dade County
Follow-Up Report on Audit Findings
Status of Findings

Recommendation

The Sheriff restrict access to all seized cash.

Status

Implemented

The Sheriff indicated seized cash is now being stored in the seized property and evidence room and access to this room is restricted to the evidence officer and the Sheriff.



Office of Missouri State Auditor
Nicole Galloway, CPA

Lewis County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Lewis County

Sheriff's Controls and Procedures	Controls and procedures for receipting and recording bond monies are not sufficient. The Sheriff has not established adequate controls over seized property.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney reduced charges filed on traffic tickets by requiring defendants to perform community service and/or make a contribution to a not-for-profit organization, including an organization he founded. In addition, the Prosecuting Attorney does not disclose to the court the terms of the plea agreement. The Prosecuting Attorney has not established proper controls or procedures for receipting and transmitting monies.
Public Administrator's Controls and Procedures	The Public Administrator does not assess and collect fees from the accounts of some wards and estates and has not filed annual settlements in compliance with state law. Additionally, the Circuit Court, Probate Division does not timely notify the Public Administrator of the annual settlement filing requirement and does not sufficiently review the activity of cases assigned to the Public Administrator.
County Procedures	The county lacks adequate procedures to account for bulk fuel used by the road and bridge department. Procedures and records to account for county property are not adequate. The General Revenue Fund budgets do not reasonably reflect the anticipated financial activity and cash balances reducing the effectiveness of the budget as a tool for monitoring or controlling disbursements.
Electronic Data Security	The Prosecuting Attorney, the County Assessor, and the Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The County Collector does not have security controls in place to lock computers after a certain number of incorrect logon attempts.
Sunshine Law	The County Commission has not adopted a written policy regarding public access to county records as required by state law.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Lewis County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Lewis County

We have audited certain operations of Lewis County in fulfillment of our duties under Section 29.230, RSMo. In addition, Stopp & Vanhoy, LLC, Certified Public Accountants, was engaged to audit the financial statements of Lewis County for the year ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

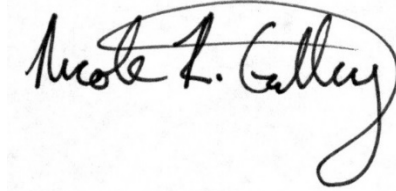
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Lewis County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The signature is written over a faint, rectangular background that appears to be a stamp or watermark.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Hunter O'Donnell, M.Acct.
	Sacha Tejan
	Cody Smith

Lewis County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. During the year ended December 31, 2017, office personnel deposited approximately \$202,500 into the Sheriff's fee bank account, including \$132,500 for bonds and \$70,000 for civil and criminal process fees, prisoner board billings, concealed carry weapon permits, and other miscellaneous receipts.

1.1 Bonds

Controls and procedures for receipting and recording bond monies are not sufficient. Jail personnel collect bond monies and transmit these monies to the Office Administrator for processing. However, jail personnel do not use prenumbered bond forms, do not issue receipt slips for bond monies received, and do not record all bond monies received in the records management system. As a result, neither the Office Administrator nor the Sheriff can account for all bonds received and ensure bonds are handled properly. In addition, while bond monies are placed in a locked box until processed by the Office Administrator, access to this box is not restricted and there is no documentation of the transmittal of this money to the Office Administrator.

For the month of October 2017, we compared records of bonds posted in the records management system to records of bonds receipted by the Office Administrator and identified 3 bonds that were receipted by the Office Administrator but not posted in the records management system.

To reduce the risk of loss, theft, or misuse of bond monies, and provide assurance all bond monies are accounted for properly, procedures for receipting and recording bonds should be improved, access to the locked box should be restricted, and transmittal of bond monies to the Office Administrator should be documented.

A similar condition was noted in our prior audit report. Additionally, Report No. 2015-039, *Follow-Up Report on Audit Findings - Lewis County*, (section 1.3), issued in June 2015, reported the status as partially implemented.

1.2 Seized property

The Sheriff has not established adequate controls over seized property. A comprehensive listing(s) of all seized property is not maintained and the Sheriff's office does not conduct periodic inventories of seized property. The Sheriff indicated his office maintains a log of seized evidence only and does not maintain a separate log documenting property seized for any other reason. The Sheriff indicated an inventory of seized evidence was performed in October 2017 when evidence room personnel changed; however, it was not documented and was limited to a visual review of seized evidence rather than a physical inventory comparing items on hand to the seized evidence log. The Sheriff did not know the last time a physical inventory was performed. In addition, since a comprehensive listing of all seized property is not maintained, any physical inventory performed would not identify other missing property not considered seized evidence.



Lewis County
Management Advisory Report - State Auditor's Findings

During our review of the seized evidence log and items on hand as of June 2018, we noted 1 of 9 items selected for review from the seized evidence log was not on hand. The Sheriff indicated this item was disposed of in October 2017; however, the evidence log was not updated to reflect the disposition. In addition, we noted 1 of 5 items selected for review from the seized evidence room was not recorded on the seized evidence log. According to the Sheriff, this property was seized for safekeeping and not as evidence so it was not included on the seized evidence log.

Considering the often sensitive nature of all seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of seized property. Complete and accurate records of all seized property should be maintained and periodic physical inventories should be performed and the results compared to the inventory records to ensure seized property is accounted for properly.

Recommendations

The Sheriff:

- 1.1 Issue prenumbered receipt slips or prenumbered bond forms for bond monies received and account for the numerical sequence. In addition, the Sheriff should ensure that access to the locked box is restricted and the transmittal of bond monies between staff is documented.
- 1.2 Maintain a comprehensive listing of all seized property, and ensure a periodic inventory is conducted and reconciled to the seized property log and any differences are investigated.

Auditee's Response

- 1.1 *I disagree that controls and procedures for receipting and recording bond monies are not sufficient. Your finding fails to acknowledge that all defendants who post bond are in fact given a receipt. My office uses an Office of the State Courts Administrator (OSCA) bond form OSCA (01-05) CR40. (This form is not numbered.) On this bond form it explains to the defendant the court's rules and also explains the procedures followed by the court in later dispersal of the funds. More importantly from an accounting standpoint, the form also includes the amount of money posted as the bond. The jailer and the defendant both sign the form as well as any other signer.*

Once the money is accepted, and if the Office Administrator is unavailable, the money is placed in a lock box within my office. I dispute your finding that the lock box is not in a restricted area. Members of the general public are not allowed into the office without a member of the Sheriff's office being present. Therefore, the locked box is only at risk of being raided by a member of my own staff.

A person posting bond at my facility will have at minimum a booking incident number and a jail number. Both numbers are in the jail



Lewis County
Management Advisory Report - State Auditor's Findings

records management system. Our software vendor is Lawman. This system is encrypted and also backed up to an off-site server. In addition to the Lawman booking incident number and the jail number, the defendant is assigned an Offense Cycle Number. In some cases there will also be a court case number, a ticket number, and/or another agency's case number. These numbers are also placed on the OSCA provided form. Once the Office Administrator receives the money for the bond she completes a receipt in a one write receipt book and also enters the transaction into a QuickBooks accounting software system. This bond has two more numbers assigned to it. Potentially, a person who posts bond will have up to six different numbers attached to the bond.

Therefore, I do not believe placing a handwritten number on the OSCA provided form will enhance our ability to adequately control and account for monies received for bond.

- 1.2 *Your usage of the words seized property indicates that I currently keep a "seized property log." As I explained to your staff, for the past eighteen years we have kept an evidence inventory log sheet. This does not include items collected for safekeeping such as weapons at the request of the court, found property, or discarded medications. You indicate that items collected are not properly documented. Once again you fail to recognize that deputies are required to document items collected as found property, evidence, and items kept for safe keeping in the Lawman records management software. This includes the name of the person the item is collected from, what type of item is taken, and also any potential owner. This documentation includes the date it was collected, by whom and for what purpose. A separate property form is completed and kept with the file. This collection process also is assigned an incident number through the Lawman software system. The item is required to be properly marked and/or tagged with the incident number, date collected, and other pertinent information.*

In regards to the item "not on hand." I provided your staff with the court order for the destruction of this item, which occurred in October 2017. This court order was kept in the evidence room and I also provided a copy of the case file. This item was then destroyed and the evidence officer and another deputy both signed off that the item had been destroyed. I agree that the evidence officer's initials were not on the evidence log indicating it had been removed. But in October 2017, as we do every year, an entire year's worth of items are destroyed after receiving the proper court order. This is done every year due to the lack of space in our evidence room. But the



Lewis County
Management Advisory Report - State Auditor's Findings

supporting documentation is more important than just the initials of one officer.

In regards to the one item not being listed on the evidence log, this shotgun was seized in 2016 from a suicidal person and the shotgun was kept to prevent possible further harm to the person and/or someone else. The shotgun was properly marked, tagged and assigned an incident number. Upon review of the Lawman database computer software, I provided a copy of the report for your staff to review. My staff generally did not include other property on our evidence log sheet. This does not reflect that any item seized by my staff is not documented. It should also be noted in this case, this item was seized two years ago, and we were able to present proper documentation as well as the item. I believe this demonstrates we have successfully collected the item and kept it in a safe manner.

Auditor's Comments

- 1.1 The Sheriff's response indicates all bonds are entered into the Lawman system. However, as discussed in the finding, our review noted 3 bonds received that were not recorded in this system. Because all bonds may not be in this system or otherwise recorded, a process to account for all bonds, including the use of prenumbered (by a printer) bond forms are necessary to ensure all bond monies received are transmitted to the Office Administrator to be recorded and deposited.
- 1.2 Non-evidence items held at the Sheriff's office may include weapons and other items of a sensitive nature. Records of these items are kept in individual case files and in the Lawman system. Sheriff's office personnel indicated the system does not allow for a report to be generated that lists all property held and, as noted in the finding, no other listing is kept. Without a comprehensive listing of all property, it would be difficult to inventory all items held and ensure all items are accounted for properly.

2. Prosecuting Attorney's Controls and Procedures

The Prosecuting Attorney's office accounting controls and procedures need improvement. Office personnel receipted approximately \$39,700 in bad check, court-ordered restitution, and associated fees during the year ended December 31, 2017. They also processed approximately \$44,000 in contributions to a local not-for-profit organization.

2.1 Unallowable contributions

The Prosecuting Attorney frequently reduced charges filed on traffic tickets by requiring defendants perform community service and/or make a contribution to a not-for-profit organization in Lewis County, as a condition of reducing the charges. Until 2018, the list of suggested not-for-profit organizations provided by the Prosecuting Attorney's office included an organization founded by the Prosecuting Attorney. The Prosecuting Attorney's office did not require defendants submit documentation of



Lewis County Management Advisory Report - State Auditor's Findings

contributions made to this organization like it required for other organizations, thus making it a more convenient and potentially more likely choice for defendants. Beginning in 2018, the Prosecuting Attorney limited the list of possible organizations for contributions to only school booster clubs located in Lewis County (the organization founded by the Prosecuting Attorney is no longer an option).

During the year ended December 31, 2017, the Prosecuting Attorney reduced charges on more than 400 traffic tickets after contributions totaling approximately \$52,000 were made to not-for-profit organizations, including more than \$44,000 to the not-for-profit he founded. While well intentioned, the inclusion of the not-for-profit organization founded by the Prosecuting Attorney as a suggested organization in which a contribution could be made as a condition for a plea deal gives the appearance of a conflict of interest and should be reexamined.

There is also no authority for the Prosecuting Attorney to require a contribution to reduce charges filed on traffic tickets as a term of a plea agreement. Article IX, Section 7, Missouri Constitution, states the proceeds of all penalties, forfeitures, and fines are to be distributed to the County School Fund.

In addition, the Prosecuting Attorney does not disclose to the court the terms of the plea agreement, including the requirement to contribute to a local not-for-profit organization. Supreme Court Rule 24.02 states that if a plea agreement has been reached by the parties, the court shall require the disclosure of the agreement on the record and a determination that there are no promises apart from the plea agreement.

2.2 Receipting and transmitting

The Prosecuting Attorney has not established proper controls or procedures for receipting and transmitting monies. The Prosecuting Attorney's office does not issue a receipt slip for amended ticket fines and costs when the monies are received. These monies are mailed to the Prosecuting Attorney's office and held by his office until all terms of the plea agreement have been met. At that time, the monies are transmitted to the Circuit Clerk's office, but no documentation of the transmittal is obtained.

During a cash count performed on May 14, 2018, we identified 6 checks, totaling \$793, for fines and court costs related to amended traffic tickets that had not been receipted. One of the 6 checks was not transmitted to the Circuit Clerk's office until June 15, 2018.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds or errors occurring and going undetected, proper receipting and transmitting procedures are necessary.



Lewis County
Management Advisory Report - State Auditor's Findings

Recommendations

The Prosecuting Attorney:

- 2.1 Reevaluate the practice of requiring contributions to local not-for-profit organizations as part of reducing charges filed and ensure all terms of plea agreements related to amended tickets are filed with the court.
- 2.2 Issue prenumbered receipt slips for all monies received, and ensure monies are transmitted timely and adequately documented.

Auditee's Response

- 2.1 *My office has already taken significant steps to address your concerns with "unallowable contributions." First of all, based at least partially on a prior audit, my office discontinued the practice of allowing contributions for traffic ticket amendments to the Lewis County Law Enforcement Soccer League in 2017. That organization existed for many years prior to being the recipient of contributions based on the amendment of tickets. I understand the concerns and in order to avoid even the appearance of impropriety I do not intend to allow such contributions in the future.*

As your report suggests, in 2018 my office limited the list of possible organizations to only school booster clubs located in Lewis County. Based on your initial review in this audit and the concerns of the Associate Circuit Judge, Fred Westhoff, that practice was terminated in August 2018. This is a permanent change and allowance of those contributions will not be reinstated.

Finally, my office policy on ticket amendments at this time is simply on those tickets that we agree to amend to do so at the request of the defendant or his/her attorney and not to make any additional requirements. The fine and costs remain the same as they would have been for the speeding ticket. This plan is in effect and has been since August 2018. The court is made aware as each ticket is processed that there are no promises or requirements apart from this agreement. I do not anticipate changing this policy at this time.

- 2.2 *I believe this recommendation has largely been addressed by the modification of our amendment policy. Money orders made payable to the Circuit Clerk's office were sometimes held by our office until the remainder of the plea agreement had been met. This was done at the request of personnel in the Circuit Clerk's office. At this time, we are amending the tickets immediately, therefore, money orders that are delivered to our office are immediately delivered to the Circuit Clerk's office and moving forward, documentation of these transmittals to the court will be obtained. Any monies directed to my office have been and will continue to be timely receipted and adequately documented.*



Lewis County
Management Advisory Report - State Auditor's Findings

3. Public Administrator's Controls and Procedures

Public Administrator controls and procedures need improvement. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division, and was responsible for the financial activity of approximately 40 wards and estates during the year ended December 31, 2017.

3.1 Fees

The Public Administrator does not assess and collect fees from the accounts of some wards and estates. During the year ended December 31, 2017, fees totaling \$1,596 were assessed and paid to the county treasury for only 3 wards and/or estates. Section 473.742, RSMo, provides all fees collected by the Public Administrator who elects to be salaried are to be deposited into the county treasury.

To ensure fees are consistently assessed against the accounts of the wards and estates and remitted to the county treasury, the Public Administrator should work with the court to establish a policy for fees to be assessed.

3.2 Annual settlements

The Public Administrator has not filed annual settlements in compliance with state law. In addition, the Circuit Court, Probate Division does not timely notify the Public Administrator prior to the deadline for the annual settlement or follow up on annual settlements not filed by the required date.

For each ward or estate, the Public Administrator is required to file an annual settlement with the Circuit Court, Probate Division on the anniversary date of the date of letters, which reflects a detailed list of assets held, as well as financial activity for the previous year. As of June 30, 2018, of the 30 wards and estates requiring filing of annual settlements during the year ended December 31, 2017, 9 had not been filed and 3 were filed more than 7 months late.

Additionally, the Circuit Court, Probate Division did not notify the Public Administrator of the annual settlement filing requirement 40 days before the settlement due date for 21 of the 30 wards and estates requiring filing during the year ended December 31, 2017.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely filing of settlements is necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected. In addition, Sections 473.557 and 475.280, RSMo, require the clerk of the court to notify the conservator or guardian (Public Administrator) of the deadline for the annual settlement; however, failure to receive the notice does not excuse the conservator or guardian from filing the settlements as required by law.



Lewis County
Management Advisory Report - State Auditor's Findings

3.3 Supporting documentation

The Circuit Court, Probate Division does not sufficiently review the activity of cases assigned to the Public Administrator. The court's review of disbursements on annual settlements is limited to verifying the accuracy of amounts reported by reviewing copies of canceled checks included as part of the bank statements. The court does not require and the Public Administrator submit supporting documentation, such as invoices, when filing annual settlements. Without additional supporting documentation, it is difficult for the court to assess the validity and reasonableness of costs charged to and paid by wards of the Public Administrator. Consideration should be given to requiring supporting documentation be filed with the court and reviewed in conjunction with the annual settlements.

Similar conditions previously reported

Similar conditions to sections 3.2 and 3.3 were noted in our prior audit report.

Recommendations

- 3.1 The Public Administrator work with the court to establish a policy outlining the fee amount to assess wards and estates and ensure fees are assessed and paid to the county for all applicable wards and estates.
- 3.2 The Public Administrator ensure annual settlements are filed timely for all wards and estates. In addition, the Circuit Court, Probate Division should notify the Public Administrator of annual settlement deadlines timely and follow up on settlements not filed by the required date.
- 3.3 The Circuit Court, Probate Division, establish procedures to adequately monitor the activity of all cases assigned to the Public Administrator, and require supporting documentation such as invoices be filed with the court for the annual settlement.

Auditee's Response

The Public Administrator provided the following responses:

- 3.1 *I will work with the court to establish a fee schedule and ensure fees are assessed and paid to the county once approved for all applicable wards and estates based on this schedule.*
- 3.2 *I have established a calendar to track and notify me 30 days prior to the date each annual settlement is due so I can ensure these settlements are prepared and filed timely with the court. Seven of the nine estates noted for which an annual settlement had not been filed as of June 30, 2018, did not have any financial activity occurring during the audit period. However, I understand an annual settlement was still required to be filed for each of these cases and will ensure these are filed timely moving forward.*



Lewis County
Management Advisory Report - State Auditor's Findings

The Circuit Clerk provided the following response:

- 3.2 *I agree with this recommendation and will work to ensure the Public Administrator is notified of annual settlement deadlines timely and will follow up with the Public Administrator if settlements are not filed timely.*

The Associate Circuit Judge, Probate Division provided the following response:

- 3.3 *In appropriate circumstances, the court will require supporting documentation of disbursements over \$75 be filed with the court.*

4. County Procedures

Controls and procedures over fuel usage and capital assets need improvement. In addition, budgets need to reflect realistic disbursement estimates.

4.1 Fuel use

The county lacks adequate procedures to account for bulk fuel used by the road and bridge department. The county uses 2 bulk fuel tanks to store fuel purchased and 1 mobile fuel tank to haul fuel from the road and bridge department to vehicles and equipment. During the year ended December 31, 2017, bulk fuel purchases totaled approximately \$84,000 for the road and bridge department.

Logs of fuel pumped from bulk fuel tanks are not maintained. One bulk fuel tank and the mobile fuel tank are not equipped with a fuel meter. Without fuel meters the amount of fuel dispensed from these tanks cannot be determined. In addition, mileage and usage logs are not maintained for road and bridge department vehicles and equipment.

Procedures for reconciling fuel use to fuel purchases are necessary to ensure vehicles and equipment are properly utilized; prevent paying vendors for improper amounts; and decrease the risk of loss, theft, or misuse of fuel occurring and going undetected. Mileage and usage logs are necessary to document the appropriate use of vehicles and equipment and to support fuel purchases.

A similar condition was noted in our prior audit report.

4.2 Capital assets

Procedures and records to account for county property are not adequate. The county does not have procedures in place to identify capital asset purchases and dispositions throughout the year. In addition, county officials have not conducted annual physical inventories or provided inventory lists to the County Clerk as required. As a result, the county's capital asset records are not complete and up to date.



Lewis County Management Advisory Report - State Auditor's Findings

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or his/her designee of each county department is responsible for performing annual inspections and inventories of county property used by his/her department and for submitting an inventory report to the County Clerk.

4.3 Budgets

The General Revenue Fund budgets do not reasonably reflect the anticipated financial activity and cash balances reducing the effectiveness of the budget as a tool for monitoring or controlling disbursements. As noted in the following table, the County Commission significantly overestimated disbursements for the General Revenue Fund for the 2015, 2016, and 2017 budgets, and as a result the actual ending cash balances each year were significantly higher than the projected ending cash balances.

		Year Ended December 31,		
		2017	2016	2015
Budgeted disbursements	\$	2,363,334	2,288,745	2,144,125
Actual disbursements		1,632,893	1,781,972	1,623,744
Budgeted over actual disbursements	\$	730,441	506,773	520,381
Projected ending cash balance	\$	3,565	14,545	111,869
Actual ending cash balance		880,470	672,136	738,266
Actual over projected ending cash balance	\$	876,905	657,591	626,397

Realistic projections of the county's uses of funds are essential for the efficient management of finances and for communicating accurate financial data to county residents. Significantly overestimating anticipated disbursements is misleading to the public and prevents an accurate estimate of the county's financial condition.

Recommendations

The County Commission:

- 4.1 Require fuel meters on all bulk fuel tanks and fuel logs to be maintained, and ensure logs are reviewed for accuracy and reconciled to fuel purchases. Any significant discrepancies should be promptly investigated. In addition, the County Commission should require mileage and usage logs be maintained for all road and bridge vehicles and equipment.



Lewis County
Management Advisory Report - State Auditor's Findings

- 4.2 And the County Clerk work with the other county officials to ensure complete and accurate inventory records are maintained, annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year.
- 4.3 Ensure budgets provide reasonable estimates of anticipated disbursements and ending cash balances.

Auditee's Response

- 4.1 *We will look into placing meters on all bulk fuel tanks and ensure fuel logs are maintained for each tank, reviewed for accuracy, and reconciled, if possible, to fuel purchases. Additionally, we will ensure mileage and usage logs are maintained for all road and bridge vehicles and equipment, submitted to the road and bridge department on a periodic basis, and reviewed for reasonableness.*
- 4.2 *We agree with your recommendation and will work with the County Clerk and the other county officials to implement this recommendation.*
- 4.3 *We have revised our budget process for the upcoming fiscal year to ensure budgets provide a more reasonable estimate of anticipated disbursements and ending cash balances.*

5. Electronic Data Security

County officials have not established adequate controls over county computers. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

5.1 Passwords

The Prosecuting Attorney and the County Assessor have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically to help ensure passwords remain known only to the assigned user. In addition, employees in the offices of the Prosecuting Attorney and Recorder of Deeds share passwords.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed by employees in certain offices, and are shared in two offices, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique, confidential, and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

5.2 Security controls

The County Collector does not have security controls in place to lock computers after a certain number of incorrect logon attempts. Logon attempt controls lock the capability to access a computer after a specified number of



Lewis County
Management Advisory Report - State Auditor's Findings

consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission work with the other county officials to:

- 5.1 Require confidential passwords for each employee that are periodically changed.
- 5.2 Ensure county computers have security controls in place to lock each computer after a specified number of incorrect logon attempts.

Auditee's Response

- 5.1 *We will work with the other county officials to ensure employee passwords are kept confidential and changed on a periodic basis, as systems will allow.*
- 5.2 *We will work with the other county officials to ensure county computers have proper security controls in place.*

6. Sunshine Law

The County Commission has not adopted a written policy regarding public access to county records as required by state law. A written policy regarding public access to county records would establish guidelines for the county to make records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees that may be assessed for providing copies of public records.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the county to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission develop a written policy for access to public records.

Auditee's Response

We have already implemented this recommendation. A written policy addressing public access to county records was adopted in June 2018.

Lewis County

Organization and Statistical Information

Lewis County is a county-organized, third-class county. The county seat is Monticello.

Lewis County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 30 full-time employees and 13 part-time employees on December 31, 2017.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Wayne Murphy, Jr., Presiding Commissioner	\$	33,032
Deanne Whiston, Associate Commissioner		30,601
Travis Fleer, Associate Commissioner		30,601
Amy Parrish, Recorder of Deeds		46,365
Chris Flanagan, County Clerk		46,365
Jules V. (Jake) DeCoster, Prosecuting Attorney		54,922
David T. Parrish, Sheriff		51,255
Bonnie Roberson, County Treasurer		46,365
Larry Arnold, County Coroner		13,403
Luke Barton, Public Administrator		46,365
Denise M. Goodwin, County Collector (1), year ended February 28,	50,900	
Craig Myers, County Assessor, year ended August 31,		46,365
Carson W. Lay, County Surveyor (2)		

(1) Includes \$4,463 of commissions earned for collecting drainage district property taxes.

(2) Compensation on a fee basis.

Other Information

The county has entered into 2 lease-purchase agreements for road and bridge equipment (two motor graders). Principal and interest payments are made from the Special Road and Bridge Fund. The final payments for the lease-purchases are scheduled to occur in 2021. The remaining principal outstanding at December 31, 2017, was \$182,378. Interest remaining to be paid over the life of the agreements totals \$13,296.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Office of Sheriff

City of St. Louis - Office of Sheriff

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Vernon Betts, Sheriff
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2010-35, *City of St. Louis, Office of Sheriff*, issued in March 2010, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Office of Sheriff. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Office of Sheriff that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in July and October 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Office of Sheriff

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Personnel Policies and Procedures

Finding Number: 1.A.

Finding: Outside service deputies regularly worked less than 40-hour weeks and were considered full-time employees; however, the Sheriff's written personnel policies did not define any exceptions which allowed these deputies to work less than 40-hour weeks. Records of outside service deputy time were recorded on service logs and sign-in sheets; however, these records were not routinely reviewed for the number of hours worked, leave and pay were not adjusted if total hours recorded were less than 40 per week, and disciplinary action was not taken if deputies did not adequately account for 40 hours per week.

Recommendation: The Sheriff review the required working hours for outside service deputies to ensure compliance with the 40-hour work week or revise the personnel policy as applicable. The personnel policy should address any meal time to be included as normal work time for all employees. In addition, accurate time and leave records should be maintained for all outside service deputies and the records should be reviewed by the deputies' supervisors.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The outside service department has fully implemented the recommendations. A sergeant reviews the worksheets daily to track and analyze the documented meal and personal breaks. The deputy has the option to serve papers in his district that give him the best result as respondents may have to be served after hours or on weekends. With the installation of the current timekeeping system, the supervisors can review, control, and maintain accurate hourly recordkeeping.

Contact Person: Lieutenant Michael Hudson and Sergeant Neil Hogan
Contact Phone Number: (314) 622-3682 and (314) 622-4909



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Personnel Policies and Procedures

Finding Number: 1.B.

Finding: Some Sheriff's employees distributed campaign materials at local polling places while scheduled for election service vacation; however, the applicable time was not charged to their vacation leave balances. It appeared no other leave balances were adjusted for the election service, and employees' pay was not docked for these time periods, resulting in regular salary payments while performing election campaign services.

Recommendation: The Sheriff ensure time spent for distributing campaign materials is charged to the applicable employees' vacation leave balances.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The office now employs a timekeeping system (NovaTime) that requires fingerprint scanning to track hours worked. Hours worked are automatically calculated by this system as well as any time off work, including compensatory, medical, and vacation time. All time worked is automatically logged and recorded by the system. Additionally, supervisors review timesheets for discrepancies, all of which must be noted in the system and are reviewed by command staff.

If an employee is performing election-related activities, he/she is required to enter a leave request using either vacation or compensatory time.

Contact Person: Lieutenant Tammy R. Hogan
Contact Phone Number: (314) 622-3713



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Personnel Policies and Procedures

Finding Number: 1.C.

Finding: The Sheriff had not established a formal written policy regarding his leave benefits, and it appeared the Sheriff was not tracking or recording any sick leave used. No sick leave usage had been recorded against his leave balance for several years. The Sheriff had not determined whether he would be paid a sick leave benefit upon retirement similar to other employees.

Recommendation: The Sheriff develop a policy regarding the Sheriff's accrual of leave, potential payout of accumulated sick leave upon retirement, and the reporting of leave usage.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city discontinued the practice of paying out lump sums for accumulation of unused sick leave for all city personnel effective August 17, 2013. Any personnel who have any "frozen" sick leave time accumulated from service in years prior to 2012 may receive a payout equal to 25 percent of any accumulated sick leave time, with the payouts limited to a maximum of 30 days.

The Sheriff was not a city employee under the previous policy, and thus he has no frozen sick leave. The Sheriff's leave policy is identical to that of every other deputy and his sick and vacation days are currently tracked through our NovaTime system.

Contact Person: Lieutenant Tammy R. Hogan
Contact Phone Number: (314) 622-3713



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Personnel Policies and Procedures

Finding Number: 1.D.

Finding: Leave accruals were computed manually by the Office of Sheriff, and there was no independent or supervisory review of the leave accrual records. Our review of vacation, sick, and compensatory time leave accrual records for calendar year 2008 noted leave accruals were not calculated correctly for 4 of the 20 employee records reviewed. In addition, accrued leave was not always reduced or pay was not docked when time recorded for a work day was less than 8 hours.

Recommendation: The Sheriff maintain centralized records for all types of leave, ensure leave and compensatory time accrual is calculated accurately, and require independent reviews of leave calculations.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The office has a timekeeping system that requires fingerprint scans to clock in and out. The time and hours are automatically recorded and computed. If there is a discrepancy, a supervisor has to review and note any changes.

The system tracks leave accruals, usage, and balances. When an employee is requesting leave, he/she enters the leave request into the system. The request is submitted to his/her supervisor who either approves or denies the request. If the request is approved the system will update accordingly. At the end of each pay period, supervisors verify each employee's time and leave records are correct. There are three designated timekeepers who ensure all employees have entered the correct time and are responsible for payroll closing duties.

Contact Person: Lieutenant Tammy R. Hogan

Contact Phone Number: (314) 622-3713



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Property Room

Finding Number: 2.A.

Finding: The Sheriff's office held monies, evidence, and eviction property, some of which had been held for a few years and could have been disposed in accordance with state law.

Recommendation: The Sheriff establish procedures to periodically review the status of old monies, evidence, and eviction property. The Sheriff should work with the Circuit Attorney and request items no longer needed for evidentiary purposes be disposed in accordance with state law.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All property and evidence must be stored until the Sheriff's office receives confirmation from the Circuit Attorney's office (CAO) that the items in question are no longer necessary to keep. There is new supervision in the property unit as well as new leadership in the CAO. We have made progress by depositing cash evidence into a bank account. With the CAO's new leadership, we anticipate increased cooperation in the future.

Contact Person: Lieutenant Tammy R. Hogan
Contact Phone Number: (314) 622-3713



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Property Room

Finding Number: 2.B.

Finding: Information recorded on evidence item tags and bags did not always correspond to information recorded in the property room database or on property receipts. In addition, periodic physical inventories were not conducted.

Recommendation: The Sheriff establish procedures to ensure accurate information is recorded on the property room database and property tags and bags. Periodic physical inventories of the property room should be conducted or reviewed by personnel independent of property custody and the results of the inventories should be reconciled to the property room database.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Physical inventories are being conducted, and all evidence has been entered into a database. The most recent property received is the most organized and accounted for. New shelving units and cabinets have been installed. They are clearly marked and labeled.

Contact Person: Lieutenant Tammy R. Hogan
Contact Phone Number: (314) 622-3713



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Land Tax Sales

Finding Number: 3.A.

Finding: The Sheriff's office did not prepare lists of liabilities for funds held in trust pending distribution to the responsible party and did not attempt to reconcile liabilities to the balances in the Land Auction Sales Fund. Receipts of \$678,195 from a sale in 2003 were incorrectly posted to the pre-2003 Land Auction Sales Fund, and three 2006 distributions of pre-2003 sale proceeds totaling \$408,652 were incorrectly posted to the current Land Auction Sales Fund. In addition, we noted some duplicate payments, errors in calculations, and fees which were refunded but not recovered from applicable city officials which resulted in overpayments and underpayments. The Sheriff's office has not attempted to identify the liabilities for this account.

Recommendation: The Sheriff ensure liabilities lists for the Land Auction Sales Fund are prepared monthly and reconciled to the fund balance. The Sheriff should correct identified errors and attempt to recover overpayments. In addition, the Sheriff should work with the City Comptroller to determine the proper disposition of unclaimed and unidentified monies in both the current and pre-2003 Land Auction Sales Fund.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department's general ledger is used to verify fund distributions and is checked within the land tax department for accuracy against items such as:

- Disbursement vouchers
- Spreadsheets
- Monies held pending distribution
- List of parcels being sold, which includes the pending trust amount totals

After each sale, a final list of properties is created to verify against funds being held for distribution. Then, the checking account is reconciled against the log sheet to verify distributions from the Land Auction Sales Fund on a monthly basis. Reconciliation reports are reviewed by the supervisor of the department.

Contact Person: Ken Jennings/Liz Hudson
Contact Phone Number: (314) 622-4581



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Land Tax Sales

Finding Number: 3.B.

Finding: The Sheriff's spreadsheets used to track collections and distributions of land tax sale proceeds needed improvement. The spreadsheets did not have separate columns to designate when monies were paid to the Collector of Revenue, Recorder of Deeds, and City Treasurer (Sheriff's fees), even though these payments occurred at different times. Corrections and adjustments of land tax sale distributions calculated by the Collector of Revenue were not always recorded on the Sheriff's spreadsheets, which resulted in distribution errors made by the Sheriff's office.

Recommendation: The Sheriff work with information technology staff to revise the tracking spreadsheets to ensure all land tax sale receipt and disbursement information is accurately recorded, including all adjustments made by the Collector of Revenue. In addition, the Sheriff's office should correct all calculation errors and make the necessary adjustments to tax sale distributions.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A tracking spreadsheet is used within the office which lists all distributions for each parcel of land being sold, making the distributions more accurate.

Contact Person: Ken Jennings/Liz Hudson

Contact Phone Number: (314) 622-4581



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Land Tax Sales

Finding Number: 3.C.

Finding: The Sheriff's office did not recover fees received and turned over to the City Treasurer and Recorder of Deeds when properties were set aside and the sale proceeds were refunded to the purchaser.

Recommendation: The Sheriff recover all funds previously disbursed prior to refunding the sale proceeds to the purchaser when a parcel is set aside.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The office does not control the funds used to account for these monies; therefore, we do not feel that we have responsibility to recover fees paid to elected officials because they provided a service.

Contact Person: Ken Jennings/Liz Hudson

Contact Phone Number: (314) 622-4581



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Land Tax Sales

Finding Number: 3.D.

Finding: The Sheriff's office did not adequately follow up on notification fees due from land tax sales, and as a result, it appeared some fees had not been collected.

Recommendation: The Sheriff establish and implement a method of tracking notification fees due from the Collector of Revenue and follow up on outstanding amounts due.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The office utilizes the tax lawsuit payment document which contains payment information that can be checked and verified against the general ledger as well as internal spreadsheets.

Contact Person: Ken Jennings/Liz Hudson

Contact Phone Number: (314) 622-4581



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Land Tax Sales

Finding Number: 3.E.

Finding: The Land Auction Sales Fund balance included funds from tax sales conducted between 2003 and 2005 which had not been confirmed by the courts in a timely manner. According to the Sheriff's records, no court hearings were conducted for these sales.

Recommendation: The Sheriff establish and implement a formal process and timeline for reporting and following up on properties for which additional actions are required to complete the land tax sale.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Office of Sheriff has implemented actions such as:

- Sending out acknowledgment letters
- Sending out letters when deeds are ready for pick up
- Sending out reminder acknowledgment letters
- Sending out reminder pick-up letters

In the event of no response after 2 years, we will send a list of parcels for which the sale has not been completed to the Collector of Revenue.

Contact Person: Ken Jennings/Liz Hudson
Contact Phone Number: (314) 622-4581



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Accounting Controls and Procedures

Finding Number: 4.A.

Finding: The Sheriff's office did not prepare an initial record of monies received. In addition, some of the monies received by the Sheriff's office remained in unsecure locations after work hours, including various individuals' desks.

Recommendation: The Sheriff prepare and maintain an initial record or mail log for all monies immediately upon receipt, and ensure all receipts are maintained in a secure location prior to deposit or transmittal.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Office of Sheriff has implemented the following policies and procedures for the garnishments, foreign, city service, execution, and adult abuse departments:

- Each above listed department in the Office of Sheriff creates a daily log sheet(s) either by computer or hand for the money that is received that day.
- If a daily log sheet(s) is done by computer, a copy of the report is then e-mailed to the Lieutenant.
- The incoming checks are attached to the log sheet(s) and the person in the specific department will bring them to the inventory room (inside the cashier's office) for security purposes.
- The first door to the cashier's office is secure and made of thick wood and is locked on a nightly basis.
- The second door (inventory door) to the inventory room is secure and made of metal and locked on a nightly basis.
- The only people with keys to these two doors are the cashier, the backup cashier, and management in that department.
- The above listed departments have baskets they put their next day's work in that are secured in the conceal and carry weapon (CCW) room; this room has two thick wooden doors that are locked nightly.
- The only people with keys to the CCW room are the two administrative deputies and management.

Contact Person: Lieutenant Michael Hudson
Contact Phone Number: (314) 622 3682



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Accounting Controls and Procedures
Finding Number:	4.B.
Finding:	Procedures had not been established to resolve outstanding checks.
Recommendation:	The Sheriff establish procedures to periodically contact the payees and attempt to resolve outstanding checks. If payees cannot be located, the amounts should be turned over to the State Treasurer's Unclaimed Property Division.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Office of Sheriff has implemented the following policies and procedures:

- We have an Excel reconciliation sheet(s) for the Office of Sheriff's bank accounts.
- This reconciliation sheet(s) is prepared by the cashier and lists all outstanding checks and any voided checks, along with the reconciliation numbers.
- The reconciliation sheet is put in a large envelope with other paperwork for the bank for the month that has been reconciled.
- This large envelope is then given to a deputy designated by management to review the reconciliation information which is done every month for a double check.
- This large envelope is then given to the Lieutenant for review; this is done every month for a triple check.
- After three years from when the outstanding check was written, the cashier will download the State Treasurer's Unclaimed Property Division forms, fill them out with the outstanding check information, and write up a check request that will be approved by management. Once the cashier receives the approval back from management a check will be cut and sent to the State Treasurer's Unclaimed Property Division.

Contact Person: Lieutenant Michael Hudson
Contact Phone Number: (314) 622 3682



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Accounting Controls and Procedures
Finding Number:	4.C.
Finding:	Monthly lists of liabilities were prepared but were not reconciled to the balance of the Sheriff's bank account.
Recommendation:	The Sheriff reconcile liabilities to the reconciled cash balance on a monthly basis and correct and resolve differences in a timely manner.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The office's cashier department has implemented the following policies and procedures:

- The cashier department will log all deposits on the daily deposit Excel worksheet, and will log all disbursements in the daily disbursement Excel worksheet. Data input is transmitted through Excel formulas to the month being reconciled.
- The cashier will review the above forms with the bank statement to ensure the information is correct on both documents, and the reconciliation totals match.
- The cashier will reconcile the account using the QuickBooks program for the month, review the report, and print the report as long as it matches to the bank statement and the Excel spreadsheets.
- All the paperwork is put in a large envelope, along with the daily small envelope, and passed on to the designated deputy by management to review the reconciliation information every month for a double check. The designated deputy will fill out a form if the reconciliation is okay or if there are corrections needed.
- The large envelope is then passed on to the Lieutenant for the triple check and his notes, which are placed on the supervisory oversight form, regarding his findings about the reconciliation. If there are errors, then the large envelope is given to the cashier to find the errors and fix them, and we repeat steps 4 and 5.

There are no longer liabilities to account for because we no longer handle garnishment sequestrations. All current monies collected, with the exception of fees for serving papers, are turned over to the Treasurer's office.

Contact Person: Lieutenant Michael Hudson
Contact Phone Number: (314) 622-3682



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicle Usage

Finding Number: 5.

Finding: Vehicle usage logs were not maintained for the seven Sheriff's office vehicles not used for prisoner transport, including the vehicle assigned to the Sheriff. While non-commuting personal use was prohibited for all other vehicles, the Sheriff was allowed to use his city-owned vehicle for personal use but did not maintain vehicle usage logs to document commuting and personal use of the vehicle.

Recommendation: The Sheriff prepare a usage log for the vehicle assigned to him that documents personal and commuting use. In addition, usage logs should be prepared for all Sheriff's vehicles and the logs should be periodically reviewed for reasonableness and propriety.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The deputies and the Sheriff complete and sign an annual verification of compliance with city vehicle policy form. The Sheriff signs a personal use form from the city that details his personal mileage.

Contact Person: Lieutenant Tammy R. Hogan
Contact Phone Number: (314) 622-3713



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Controls Over Weapons

Finding Number: 6.A.

Finding: The office did not conduct physical inventories of issued and unissued weapons.

Recommendation: The Sheriff conduct periodic inventories of all office weapons.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All weapons are entered into a database and are signed for by the deputy that such weapon is issued to. The department performs a physical inventory of all weapons at least twice a year.

Contact Person: Lieutenant Dawn Kehoe-Roop

Contact Phone Number: (314) 622-4634



City of St. Louis - Office of Sheriff
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Controls Over Weapons

Finding Number: 6.B.

Finding: Records of deputies' qualifications to carry weapons were not complete and accurate.

Recommendation: The Sheriff adopt procedures to ensure complete and accurate records are maintained for employees' weapons qualifications.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The office performs the qualification process twice a year. All qualifications are marked on paper with the score and the serial number of the weapon used and signed by the St. Louis Metropolitan Police Department personnel, and recorded and filed by our training coordinator.

Contact Person: Lieutenant Dawn Kehoe-Roop

Contact Phone Number: (314) 622-4634



Office of Missouri State Auditor
Nicole Galloway, CPA

Audrain County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Audrain County

Sheriff's Inmate Account	The Sheriff's office does not prepare monthly bank reconciliations for the inmate bank account. In addition, a monthly list of liabilities is not prepared to reconcile to the inmate account balance.
Prosecuting Attorney's Restitution Procedures	The Prosecuting Attorney has not established adequate procedures to ensure restitution amounts owed by defendants are accurately entered into the computer system.
County Collector's City Commissions	The county did not properly report the amount of city commissions paid to the County Collector or withhold payroll taxes from these commissions as required.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Audrain County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Audrain County

We have audited certain operations of Audrain County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Audrain County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

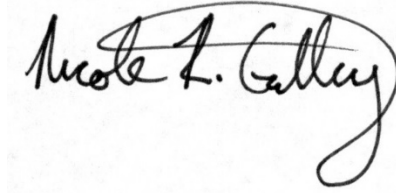
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with a legal provision, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Audrain County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. It is written over a faint, rectangular background.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall, Gordon, M.Acct., CPA, CGAP
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Joel Stucky
	Scott Davis, MAc, CPA
	Tori L. Riley, MBA

Audrain County Management Advisory Report State Auditor's Findings

1. Sheriff's Inmate Account

The Sheriff's office does not prepare monthly bank reconciliations for the inmate bank account. In addition, a monthly list of liabilities is not prepared to reconcile to the inmate account balance. Deposits into the inmate account totaled approximately \$109,000 for the year ended December 31, 2017.

Each month, Sheriff's office personnel document the transactions that have cleared the bank in the commissary system; however, a report of outstanding checks, deposits in transit, and other reconciling items is not prepared or reviewed. As a result, the inmate account's bank balance is not reconciled to the book balance. As of April 30, 2018, the bank balance of the inmate account was \$29,268, while the book balance reported in the commissary system was \$24,686. In addition, the available cash balance is not reconciled to a monthly list of liabilities, such as inmate monies held in the account and amounts due to the commissary vendor.

Performing monthly bank reconciliations helps ensure records are accurate and increases the likelihood errors will be identified. Regular identification and comparison of liabilities to the available cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities.

Recommendation

The Sheriff ensure monthly bank reconciliations, which include outstanding checks and deposits in transit, are prepared for the inmate bank account. In addition, prepare a monthly list of liabilities and reconcile the list to the available cash balance. Any differences should be promptly investigated and resolved.

Auditee's Response

The portion of the commissary monies that are actually monies belonging to the county are reconciled monthly. That reconciliation is based on monies received from the commissary vendor that are due the county from commissary transactions.

In addition, that reconciliation did not include monies in transit, outstanding checks, and other miscellaneous items that are not actually part of transactions directly involving the county (Sheriff's office), or county-owned monies.

After speaking with audit staff during the exit meeting and reviewing the suggested recommendation(s), I have opted to follow the recommendation in part, and periodically (at undetermined times and intervals throughout the calendar year) include monies in transit, outstanding checks, and other miscellaneous items, as reported by the vendor, in reconciliations to aid in ensuring the vendor's disbursements to the county (Sheriff's office) are accurate.



Audrain County
Management Advisory Report - State Auditor's Findings

2. Prosecuting Attorney's Restitution Procedures

The Prosecuting Attorney has not established adequate procedures to ensure restitution amounts owed by defendants are accurately entered into the computer system. The office collected approximately \$95,200 in restitution during the year ended December 31, 2017.

During our test of restitution receipts, we noted the total restitution amount owed by the defendant per the computer system did not agree to documentation from the court for 2 of the 15 receipts reviewed. For example, court documentation indicated a defendant owed \$9,350; however \$9,450 was entered into the computer system and subsequently paid by the defendant, resulting in an overpayment of \$100.

To ensure the accuracy of all amounts owed, and subsequently paid by defendants, restitution amounts entered into the computer system should be reviewed and compared with court documentation. Any differences should be promptly investigated and resolved to ensure the proper amount of restitution is collected.

Recommendation

The Prosecuting Attorney establish procedures to review restitution amounts entered into the computer system to ensure amounts agree with court documentation. Any differences should be promptly investigated and resolved.

Auditee's Response

The Office of the Prosecuting Attorney has developed a process using its Karpel Case Management System software to increase the accuracy of restitution amount tracking in individual cases. The use of the "requested" restitution amount will be used until the case is closed, at which time the "ordered" restitution amount will be verified by the Restitution Coordinator and compared with the court's probation order, also stored in the electronic file, to ensure the two amounts (court-ordered and the amount of restitution in the case management system) match. This document review and cross-checking between court orders and the case management system will occur within 2 business days of the case closing and the court's restitution order being finalized.

To accomplish this, our office will rely on the case information to be entered from live data entry during court proceedings and probation orders as entered in PDF form in case.net, the Missouri state courts automated case management system, and the electronic copies provided to our office through the Missouri Electronic Filing (eFiling) System. The restitution amount requested will be entered promptly upon receipt of documentation supporting the restitution amount such as a damage estimate or an itemized receipt. Support staff, including but not limited to the Restitution Coordinator and the Victim Advocate, will have the responsibility to input requested restitution amounts. We will use existing receipt processing procedures, providing the receipt to defendants promptly upon their receipt of payment.



Audrain County
Management Advisory Report - State Auditor's Findings

3. County Collector's City Commissions

The county did not properly report the amount of city commissions paid to the County Collector or withhold payroll taxes from these commissions as required. The county contracts with 7 cities for the County Collector to collect city property taxes. The county bills these cities for the commissions amount and subsequently pays the commissions to the County Collector. In March 2017, the county paid the County Collector \$5,050 in city property tax commissions without reporting this amount on her W-2 form or withholding payroll taxes. The county reported this payment to the Internal Revenue Service (IRS) on a 1099-MISC form.

IRS regulations require all compensation paid to employees be subject to payroll tax and reported on W-2 forms. The county's current practice of handling city commissions is in violation of a strict interpretation of these payroll tax regulations. The county is at risk of incurring additional payroll liabilities plus interest and penalties by utilizing the current practice.

Recommendation

The County Commission ensure commissions paid to the County Collector are subject to payroll taxes and properly reported on W-2 forms.

Auditee's Response

We have discussed the audit finding concerning the County Collector's city commissions. The city contracts are due for renewal in 2019, and at that time we will explore our options to determine the best method to handle any commissions paid by cities for tax collections.

Audrain County

Organization and Statistical Information

Audrain County is a county-organized, third-class county. The county seat is Mexico.

Audrain County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 93 full-time employees and 14 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Steve Hobbs, Presiding Commissioner	\$	42,508
Alan Winders, Associate Commissioner		40,508
Tracy Graham, Associate Commissioner		40,508
Janis Deimeke, Recorder of Deeds		59,944
Shelley Harvey, County Clerk		59,944
Jacob Shellabarger, Prosecuting Attorney		137,072
Matt Oller, Sheriff		66,568
Patty Meyers, County Treasurer		59,944
Todd Yager, County Coroner		21,491
Connie J. Hagan, Public Administrator		59,944
Kate Becker, County Collector (1), year ended February 28,	65,194	
Melissa Maupin, County Assessor, year ended August 31,		59,553

(1) Includes \$5,050 of commissions earned for collecting city property taxes.

Other Information

The county entered into a lease-purchase agreement with Bank of Oklahoma Financial, N.A. (the trustee) on June 15, 2017. The terms of the agreement called for the trustee to sell certificates of participation totaling \$5,470,000 for the purpose of constructing, expanding, renovating, improving, furnishing, and equipping the county jail. The certificates are to be paid off in full with interest in 2034. The remaining principal and interest due on the



Audrain County Organization and Statistical Information

certificates at December 31, 2017, was \$5,470,000 and \$1,664,755, respectively.

On April 5, 2016, Audrain County voters approved a new 1/4-cent capital improvement sales tax for a period of five years for the purpose of replacing small road structures and maintenance of bridges and related purposes.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
October 2018**

Monthly Report on Political Subdivision Filings

October 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 70 political subdivisions required to file a financial report by October 31, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in October 2018, after their filing deadline. The filing status for these 8 entities is presented in summary on page 3 and by individual entity in Appendix B-C.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

October 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 70 political subdivisions, other than cities, towns, and villages, with a fiscal year end of April 30, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 70 political subdivisions, 56 filed an annual financial report by October 31, 2018.

This report also includes the filing status for 8 political subdivisions, other than cities, towns, and villages, that filed their financial report in October 2018, after their filing deadline.

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2018

Fiscal Year Ended April 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Barton	Golden City Volunteer FPD	No	
Boone	East Ashland Plaza CID	Yes	April 30, 2018
Butler	North Inter-River Drainage District	Yes	July 5, 2018
Camden	Lake Ozarks Community Bridge TDD	Yes	September 13, 2018
Clay	Antioch Center CID	Yes	October 30, 2018
	Brighton Creek Commons CID	Yes	August 8, 2018
	Creekwood Commons CID	Yes	July 25, 2018
	Flintlock Plaza CID	Yes	August 16, 2018
	Flintlock Shoppes CID	Yes	August 16, 2018
	Marketplace 152 CID	Yes	August 8, 2018
	Metro North Square & Commons CID	Yes	August 29, 2018
	North Oak Village CID	Yes	August 31, 2018
	Oak Barry CID	Yes	August 29, 2018
	Shoal Creek Parkway/N. Oak Trafficway TDD	Yes	October 31, 2018
	Shoal Creek Valley CID	No	
	South Bristol Center CID	Yes	August 8, 2018
	Twin Creeks Center CID	Yes	October 31, 2018
	Valley View CID	Yes	July 27, 2018
DeKalb	DeKalb-Clinton Ambulance District 1	Yes	October 1, 2018
Jackson	12th & Wyandotte CID	Yes	August 31, 2018
	39th Street CID	No	
	4840 CID	No	
	5050 Main CID	Yes	August 28, 2018
	51st & Oak CID	Yes	August 28, 2018
	Brookside CID	Yes	August 28, 2018
	Brywood Centre CID	Yes	August 31, 2018
	Downtown Kansas City CID	No	
	Greenway Fields Neighborhood CID	Yes	August 23, 2018
	Independence Avenue CID	Yes	July 24, 2018
	InterContinental CID	No	
	Kansas City Downtown Streetcar TDD	Yes	August 27, 2018
	Kansas City Main Street Rail TDD	Yes	October 3, 2018
	Kansas City MO PID 1	Yes	August 29, 2018
	Kansas City MO PID 2	Yes	August 29, 2018
	Kansas City MO PID 3	Yes	August 29, 2018
	Kansas City MO PID 4	Yes	August 29, 2018
	Landing Mall CID	Yes	August 16, 2018
	Martin City CID	Yes	August 28, 2018
	Noland Fashion Square CID	Yes	August 16, 2018
	Performing Arts CID	No	
	Pershing & Grand CID	Yes	October 31, 2018
	PWSD 2 Jackson County	Yes	July 13, 2018
	Red Bridge CID	Yes	October 29, 2018
	Red Bridge Shopping Center CID	Yes	October 29, 2018

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due October 31, 2018

Fiscal Year Ended April 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	River Market CID	No	
	Shops on Blue Parkway CID	Yes	June 26, 2018
	Skelly CID	Yes	August 16, 2018
	State Line Shopping Center CID	Yes	October 29, 2018
	Troost Avenue CID	Yes	August 28, 2018
	Truman Road CID	Yes	October 25, 2018
	Uptown CID	Yes	July 30, 2018
	Waldo CID	Yes	August 14, 2018
	Ward Parkway Center CID	Yes	September 18, 2018
	Westport CID	No	
	Westport CID II	Yes	October 22, 2018
Jasper	Briarbrook CID	No	
Mississippi	St. James Drainage District	No	
New Madrid	Drainage District 38 New Madrid County	No	
New Madrid	Richland Drainage District	Yes	June 25, 2018
Oregon	PWSD 1 Oregon County	Yes	October 25, 2018
Pemiscot	Elk Chute Drainage District	No	
Platte	Edgewood Farms CID	Yes	August 14, 2018
	K.C. International Airport CID	Yes	August 8, 2018
	Old Foundation CID	Yes	August 16, 2018
	PWSD 6 Platte County	Yes	July 11, 2018
	Tiffany Landing CID	Yes	August 29, 2018
	Zona Rosa CID	Yes	August 9, 2018
Ray	Senior Citizen's NHD	No	
Shelby	Valley Drainage District	Yes	May 5, 2018
Ste. Genevieve	Ste. Genevieve County Memorial Hospital	Yes	August 2, 2018
Total Filed		56	
Total Not Filed		14	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PID	Port Improvement District
PWSD	Public Water Supply District
TDD	Transportation Development District

Appendix B

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2018

Filed in October 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clark	Clark County Ambulance District	Yes	October 5, 2018
Gentry	McFall FPD	Yes	October 23, 2018
Total Filed		2	

Acronyms:

FPD Fire Protection District

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due September 30, 2018

Filed in October 2018

Fiscal Year Ended March 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Barry	Monett Marketplace CID	Yes	October 29, 2018
Caldwell	Golden Age NHD	Yes	October 23, 2018
Cass	Y Belton CID	Yes	October 18, 2018
	Y Belton Two CID	Yes	October 18, 2018
Holt	Union Township Levee District	Yes	October 30, 2018
Jefferson	Twin City Mall CID	Yes	October 24, 2018
Total Filed		6	

Acronyms:

CID Community Improvement District
NHD Nursing Home District



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
October 2018**

Monthly Report on Municipal Court and Revenue Filings

October 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by October 31, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 19 cities, 1 town, and 4 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in October 2018, after their filing deadline. The filing status for these 22 cities and 7 villages is presented in summary on pages 4 and by individual entity in Appendixes B to E.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

October 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 19 cities, 1 town, and 4 villages with a fiscal year end of April 30, 2018, whose financial reports, addendums, or certifications were due by October 31, 2018. Of the 24 cities, town, and villages required to file an annual financial report, 16 filed the annual financial report timely. Of the 9 cities required to file an addendum, 4 filed an addendum timely. Of the 8 cities required to file a certification, 3 filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
October 2018
Executive Summary

This report includes the filing status for 22 cities and 7 villages that filed at least one of the items (financial report, addendum, or certification) in October 2018, after their filing deadline. Of these entities, 18 filed an annual financial report, 12 filed an addendum, and 1 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2018

Fiscal Year Ended April 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Benton	Village of Ionia	Yes	May 17, 2018	n/a	n/a
Boone	City of Ashland	No		n/a	n/a
Dunklin	City of Hornersville	No		No	No
Gentry	Village of Gentry	No		n/a	n/a
Grundy	City of Trenton	Yes	October 18, 2018	n/a	n/a
Jackson	City of Kansas City	Yes	October 31, 2018	No	Yes
Jasper	City of Carl Junction	No		Yes	No
Lafayette	City of Alma	Yes	July 26, 2018	n/a	n/a
Lewis	City of La Belle	No		n/a	n/a
	City of La Grange	Yes	October 2, 2018	Yes	n/a
Lincoln	Village of Truxton	Yes	October 28, 2018	n/a	n/a
Marion	City of Palmyra	Yes	July 6, 2018	Yes	Yes
Mercer	City of Princeton	Yes	May 17, 2018	n/a	n/a
Mississippi	City of Charleston	No		n/a	n/a
New Madrid	City of Portageville	Yes	September 13, 2018	No	Yes
	City of Risco	Yes	October 3, 2018	No	No
Newton	Town of Grand Falls Plaza	Yes	October 4, 2018	n/a	n/a
	Village of Wentworth	Yes	July 13, 2018	n/a	n/a
Osage	City of Linn	Yes	October 10, 2018	n/a	n/a
Phelps	City of St. James	Yes	October 24, 2018	No	No
Ralls	City of Perry	Yes	September 25, 2018	n/a	n/a
Randolph	City of Higbee	Yes	June 11, 2018	n/a	n/a
St. Charles	City of Portage Des Sioux	No		n/a	n/a
St. Louis	City of Beverly Hills	No		Yes	No
Total Filed		16		4	3
Total Not Filed		8		5	5
Total n/a		0		15	16

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in October 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Clinton	City of Plattsburg	Yes	October 17, 2018	***	***
Dunklin	City of Senath	**	October 31, 2017	Yes	No
Grundy	City of Galt	Yes	October 23, 2018	n/a	n/a
Wayne	City of Williamsville	***	July 24, 2018	Yes	n/a
Total Filed		2		2	0

** Filed by December 31, 2017.

*** Filed after December 31, 2017, but before October 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in October 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Benton	City of Lincoln	**	May 30, 2018	Yes	n/a
Butler	City of Neelyville	Yes	October 15, 2018	n/a	n/a
Christian	City of Billings	**	April 24, 2018	Yes	***
	City of Nixa	**	April 27, 2018	Yes	No
Jackson	Village of River Bend	No		Yes	No
Lafayette	City of Bates City	Yes	October 26, 2018	Yes	No
Lincoln	City of Elsberry	***	July 9, 2018	Yes	***
New Madrid	City of Matthews	***	July 12, 2018	Yes	**
Platte	City of Weston	**	June 14, 2018	Yes	**
St. Louis	City of Flordell Hills	Yes	October 11, 2018	No	**
	City of Wildwood	**	June 28, 2018	Yes	***
Taney	City of Branson	**	June 28, 2018	Yes	**
Total Filed		3		10	0

** Filed by June 30, 2018.

*** Filed after June 30, 2018, but before October 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D

Status of Cities, Towns, and Villages Required to File Annual Financial Reports

Reports Due August 31, 2018

Filed in October 2018

Fiscal Year Ended February 28, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Osage	Village of Freeburg	Yes	October 15, 2018	n/a	n/a
St. Louis	Village of Uplands Park	Yes	October 14, 2018	No	Yes
Total Filed		2		0	1

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2018
Filed in October 2018

Fiscal Year Ended March 31, 2018

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Audrain	City of Martinsburg	Yes	October 20, 2018	n/a	n/a
Camden	Village of Sunrise Beach	Yes	October 10, 2018	No	No
Cape Girardeau	Village of Pocahontas	Yes	October 30, 2018	n/a	n/a
Clark	City of Kahoka	Yes	October 17, 2018	n/a	n/a
Clay	City of Glenaire	Yes	October 24, 2018	n/a	n/a
Franklin	Village of Leslie	Yes	October 5, 2018	n/a	n/a
Henry	City of Calhoun	Yes	October 2, 2018	n/a	n/a
Lafayette	City of Odessa	Yes	October 12, 2018	No	No
Montgomery	City of Jonesburg	Yes	October 26, 2018	n/a	n/a
	Village of Rhineland	Yes	October 30, 2018	n/a	n/a
Scott	City of Chaffee	Yes	October 23, 2018	No	No
Total Filed		11		0	0

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Office of Missouri State Auditor
Nicole Galloway, CPA

Home and Community Based Services



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Review of Home and Community Based Services

Trends in Expenditures and Assessments and Reassessments	Average annual costs per participant have increased every year from fiscal year 2014 to 2017 as expenditure growth has outpaced caseload growth. The numbers of assessments and reassessments performed annually has increased, and providers are performing an increasing share of reassessments.
Budgetary Estimates	Department of Health and Senior Services budgetary estimates of proposed program eligibility changes were not reasonable and resulted in overestimated cost savings projections for the Level of Care threshold change.
Level of Care Scores and Authorized Services	The Department of Health and Senior Services lacks an effective system to identify individuals most in need of services for eligibility purposes and to score the severity of need among participants when determining the appropriate amount of services authorized.
Provider Overpayments	Weaknesses in the Department of Health and Senior Services and MO Healthnet Division systems prevent the proper execution of MO Healthnet Division system edits to timely detect and prevent overpayments to some providers.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Home and Community Based Services

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Dr. Randall W. Williams, MD, FACOG, Director
Department of Health and Senior Services
and
Dr. Steve Corsi, Psy.D., Director
Department of Social Services
Jefferson City, Missouri

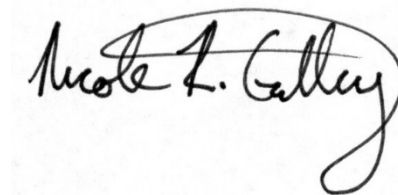
We have audited certain operations of the Department of Social Services and Department of Health and Senior Services related to the administration of in home, consumer directed, and adult day care services. These services, collectively referred to as home and community based services (HCBS), provide assistance to disabled and elderly Medicaid-eligible citizens in their home or community based setting to help the participant remain living in the least restrictive setting possible. Participants are eligible for HCBS when they have been assessed to need a threshold nursing facility level of care (LOC) and are Medicaid-eligible. Beginning July 1, 2017, the state increased the LOC threshold to reduce the number of participants and reduce costs. The objectives of our audit were to:

1. Analyze data on HCBS authorized and paid, and evaluate the key factors influencing the data.
2. Determine the factors that have caused growth in participation and costs related to HCBS.
3. Determine whether the change in LOC is having the intended effect.
4. Evaluate the economy and efficiency of certain management practices and operations as it relates to HCBS.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) the LOC score does not effectively capture some aspects affecting participants' needs limiting its usefulness as an eligibility threshold and management tool, units of authorized services differ regionally for participants with similar LOC scores, providers have become increasingly involved in reassessments of participants, and some providers billed and received payments for more unit of service than authorized, (2) expenditures have grown due to increases in the number of participants, provider reimbursement rates, and units of authorized services in participant care plans, (3) the LOC threshold increase resulted in less cost savings than expected because the DHSS budget estimates did not consider the historical reassessment inflation rates in LOC score, and most of the participants with low LOC scores before the threshold change were reassessed at higher LOC scores after the threshold change and remained eligible for the HCBS, and (4) budget estimates of fiscal year 2018 cost savings did not consider historical increases in LOC scores and were overestimated, and the DHSS has made recent efforts to improve the processes for assessments and reassessments and care plans.

The accompanying Management Advisory Report presents our findings arising from our audit of the administration of the HCBS program.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Home and Community Based Services

Introduction

Background

In home services (IHS),¹ consumer directed (CD) services, and adult day care (ADC) services, collectively referred to as home and community based services (HCBS), assist in meeting the unmet needs of participants to allow them to remain in the least restrictive environment.

Medicaid

HCBS services are Medicaid funded and participants must meet the income limits requirements of that program. Medicaid is a joint federal and state program. The state share of Medicaid expenditures ranged from about 36 percent to about 38 percent during the period from fiscal year 2014 through fiscal year 2018. Most HCBS are authorized through the state's Medicaid plan, which is approved by the Centers for Medicare and Medicaid Services (CMS), the federal agency responsible for the Medicaid program. Certain HCBS, including adult day care and homemaker services, are authorized through Medicaid waivers, which allow the state to target those services at certain populations. Medicaid waivers are approved by CMS.

Services

The primary HCBS available to participants are as follows:

- Personal care (PC) services are generally medically oriented tasks to meet the maintenance needs of persons with chronic health conditions. PC services may include tasks related to dietary, dressing/grooming, bathing, toileting, mobility/transfer, self-administration of medication, and medically related household tasks.
- CD services provide assistance with activities of daily living to individuals with disabilities who are able to direct their own care. Examples of CD services include bathing, cleaning, and meal preparation.
- Homemaker services are short-term tasks to help maintain a clean, safe home environment and include cleaning, laundry, meals, and shopping.
- Respite services are maintenance and supervisory tasks provided to a participant to provide temporary relief for the caregiver of the participant.
- Home delivered meals provide participants with up to 2 prepared meals per day delivered to their home.
- Adult day care (ADC) provides participants with continuous care and supervision in a licensed adult day care setting. Services include but are not limited to assistance with activities of daily living, planned group

¹ IHS administered by the Department of Health and Senior Services Division of Community and Public Health are excluded from this report as noted in the Scope and Methodology section.



Home and Community Based Services Introduction

activities, food services, client observation, skilled nursing services as specified in the plan of care, and transportation.

- Registered nurse (RN) services are for enhanced supervision of the personal care aide and maintenance or preventative services.

All HCBS other than CD services and ADC services are considered IHS. IHS and ADC services are delivered by staff of provider agencies contracted to provide services through the Missouri Medicaid Audit and Compliance (MMAC) unit. Staff members providing the services must meet certain training and experience requirements and cannot be related to the participant. For CD services, the participant selects and trains the individual (cannot be the individual's spouse) to provide the authorized services, and a vendor contracted with the MMAC acts as a conduit to process billings and payments and oversee the provider. To be eligible for CD services, the Department of Health and Senior Services (DHSS) must determine as part of the assessment process that the participant is capable of self-directing his/her care. Recipients of homemaker, chore, respite, and home delivered meals must be 63 years or older.

Services received by participants vary. Most participants receive either PC or CD services, but not both. Many IHS participants also receive RN services. Some participants may receive ADC services rather than, or in addition to, PC or CD services. Some PC participants may also receive homemaker, respite, and/or delivered meals. Table 1 shows fiscal year 2017 authorization information for the most popular services received by participants.

Table 1: Monthly authorized units, participants, and average units per participant, by service during fiscal year 2017

Service	Unit basis	Total monthly authorized units	Total participants receiving authorization	Average monthly units authorized per participant
Adult day care	15 minutes	1,646,952	2,727	604
Delivered meal	1 meal	316,750	10,246	31
Homemaker	15 minutes	306,184	3,785	81
Consumer directed	15 minutes	14,016,380	35,468	395
Personal care	15 minutes	5,668,858	25,869	219
Respite	15 minutes	1,080,905	4,689	231
Registered nurse	1 visit	98,768	30,868	3

Source: Number of units and participants based on SAO analysis of DHSS participant database

CD and PC services comprise most of the cost of HCBS. For example, payments for CD and PC services delivered during December 2017 represented 60 percent and 23 percent, respectively, of total HCBS payments. During fiscal year 2018, payments for CD services totaled about \$469 million, and payments for IHS and ADC services totaled about \$336 million.



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The total cost of services rendered to any participant² cannot exceed the average annual Medicaid nursing facility cost per resident. Reimbursement rates for each service are determined annually as part of the process for determining the state appropriations to pay for the services. In addition, other limits are placed on the number of authorized services for some services. For fiscal year 2017, the reimbursement rates and limits for the most popular services were as follows:

Table 2: Unit reimbursement rates and limits, by service, fiscal year 2017

Service	Unit reimbursement rate	Unit limits
Adult day care	\$2.33	200 units per week
Delivered meal	\$5.91	2 meals per day
Homemaker	\$4.60	690 units per month
Consumer directed	\$4.01	791 units per month
Personal care	\$4.60	414 units per month
Respite	\$4.10	32 units per day
Registered nurse	\$44.35	1 visit per day

Source: DHSS HCBS Policy Manual

Level of care

DHSS staff perform assessments of potential participants to determine the person's care needs and calculate a level of care (LOC) score. The LOC score is used to determine eligibility for HCBS or alternatively, if the participant chooses, for nursing facility residency. Prior to fiscal year 2018, individuals receiving LOC scores of 21 or higher were eligible for HCBS. The DHSS established 9 categories over which to evaluate the needs of the client and determine the overall LOC score. The categories are:

- Monitoring
- Medications
- Treatments
- Restorative
- Rehabilitative
- Personal care
- Dietary
- Mobility
- Behavior and mental condition

Based on the severity of the individual's needs, the individual receives a score of 0, 3, 6, or 9 on each of these categories, so the potential overall LOC scores range from 0 to 81. For fiscal year 2017, about 87 percent of CD services participants received scores between 21 and 39.

² Average costs for all waiver participants may not exceed the average nursing facility cost per resident, but total costs for individual waiver participants may exceed the average nursing facility resident cost.



Home and Community Based Services Introduction

Assessments and care plans

DHSS staff generally meet with the potential participant in his/her home to assess needed services. The DHSS utilizes an assessment form and system developed by a not-for-profit organization and modified to fit DHSS's 9 categories of need. The form requires the DHSS obtain information about the person's condition and make judgments about the severity of his/her disability. Much of the form requires the assessor enter numeric values to code the assessed degree of impairment of the individual currently and over the 3 days preceding the assessment. The form is divided into sections on cognition, communication and vision, mood and behavior, psychosocial well-being, functional status, continence, disease diagnosis, health conditions, oral and nutritional status, skin condition, medications, treatment and procedures, responsibility, social supports, environmental assessment, discharge potential, and overall status. Much of the information to complete the form is obtained from questions to, and observations of, the potential participant. Information can also be obtained from the person's family or other care providers. After the assessor completes the electronic assessment form, the system uses the data to calculate the LOC score for each category and the overall LOC score.

For those potential participants with overall LOC scores meeting or exceeding the LOC threshold and choosing to receive HCBS, the DHSS works with the participant to determine the types of services needed, the amount of time needed for the services, and their frequency. Those considerations are used to determine a plan of care for the participant detailing the monthly units of authorized services. The authorized services are generally effective for one year after authorization. The participant may choose the provider of the services. In developing the plan for authorized services, DHSS policy provides guidance to the assessor including the following:

- Consider the unmet needs of the participant.
- CD services cannot be authorized for services that members of a household may reasonably be expected to share or do for one another.
- When determining authorized services and tasks, consider formal/informal supports (authorized HCBS should not replace or duplicate existing supports) and costs of care.
- When determining the amount of time and frequency required for authorized tasks, consider the size of the home, geographic location, specific participant limitations, and formal/informal supports.
- Care plans among participants should generally reflect standard responses to similar problems.
- Suggested ranges of minutes needed and frequencies for common services tasks for typical participants.

At least annually a reassessment must be performed of each participant using the same process and form as the initial assessment. DHSS staff and provider agency staff share in the reassessment workload. DHSS personnel assign



Home and Community Based Services

Introduction

reassessments to providers, and they review these reassessments and care plans for approval. DHSS personnel provide one-time training to designated individuals of certain provider agencies who are then responsible for training other staff of provider agencies involved in performing reassessments. Currently, DHSS has certified 550 individuals from 363 agencies as reassessment trainers. Provider agencies receive \$75 per completed reassessment. Providers began performing reassessments in fiscal year 2011 to help alleviate a backlog of overdue reassessments. The backlog was eliminated in fiscal year 2016. DHSS personnel may complete certain reassessments by telephone call to the participant rather than an in-person visit.

Agencies involved

The DHSS, Department of Social Services (DSS), and provider agencies are involved in the process of determining eligible participants and authorizing, delivering, and paying for services to participants.

The Division of Senior and Disability Services (DSDS) within the DHSS is responsible for determining whether potential and current participants meet the LOC standard and authorizing services for the participants. Participants are assigned to one of 5 geographic regions based on the location of their residence, and DSDS maintains an office in each region. The DSDS has 112 employees in the regional offices who perform assessments and reassessments and 18 employees in the regions who review reassessments performed by provider agencies. The DSDS uses an electronic case management system, and authorized units recorded on the system are transferred to the electronic payment system used by the DSS.

The MO Healthnet Division (MHD), a division within the DSS, processes and pays Medicaid claims submitted by HCBS providers and vendors. The payments are made from appropriations to the DHSS.

The MMAC unit, a unit within the DSS, contracts with provider agencies and vendors and investigates instances of noncompliance by providers or vendors with Medicaid policies, procedures, or regulations.

The Family Services Division within the DSS determines Medicaid eligibility of HCBS participants.

Provider agencies are responsible for delivering authorized IHS and ADC to participants. Much of the IHS are performed by an aide overseen by a registered nurse. About 500 providers are currently enrolled to provide IHS. Provider agencies delivered about 81 percent of total PC services authorized during December 2016.

Vendors and aides hired by the participant are responsible for delivering authorized CD services to participants. The aide delivers the services and



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processes the billings through the vendor. About 722 vendors are enrolled to facilitate the delivery of CD services. During December 2016, about 90 percent of total authorized CD services were delivered.

Providers or vendors of IHS, CD services, and ADC services may only bill for services on the participant's authorized care plan.

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, HCBS administered by the DSDS³ during the four years ended June 30, 2017 and the 6 months ended December 31, 2017.

We obtained and analyzed data from the DHSS system containing participant assessments, LOC scores, and authorized services.

We obtained and analyzed data from the MHD system containing payments for HCBS services delivered in December 2017, 2016, and 2015. We used the data to compare units paid to units authorized and for other analyses.

For a sample of 25 participants assessed at the lowest eligible LOC score (21) in fiscal year 2017, we reviewed the assessment forms, care plans, and case notes for fiscal year 2017 and fiscal year 2018 assessments and or reassessments.

For 24 participants with relatively high or relatively low units of current authorized CD services and the same assessed needs level (LOC score 30), we compared the assessment forms, care plans, and case notes.

We reviewed budgets, budget estimates, appropriations, and DHSS correspondence and projections related to cost saving measures for fiscal year 2018.

We analyzed total annual HCBS expenditures using records of the state's accounting system (SAM II).

We analyzed trends in expenditures and participants.

We reviewed the DHSS HCBS manual and provider memos.

We reviewed the standard assessment form and accompanying manual.

³ Other HCBS are administered by the DHSS Division of Community and Public Health. Those services include the Healthy Children and Families, AIDS waiver, and Medically Fragile Adults Waiver programs. Expenditures for those programs totaled about \$80 million during fiscal year 2018.



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Our methodology also included reviewing written policies and procedures, and interviewing various DSS and DHSS personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit objective and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

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1. Trends in Expenditures and Assessments and Reassessments

Average annual costs per participant have increased every year from fiscal year 2014 to 2017 as expenditure growth has outpaced caseload growth. Increases in the provider reimbursement rates and number of units of service authorized has driven much of the expenditure growth. The increases in authorized units has occurred despite relatively constant average level of care (LOC) scores. The Department of Health and Senior Services (DHSS), Governor's Office, and General Assembly made changes in fiscal year 2018 to slow the growth of the program costs by reducing reimbursement rates, number of participants, and amounts of allowable authorized units of consumer directed (CD) services. The numbers of assessments and reassessments performed annually has increased, and providers are performing an increasing share of reassessments.

Expenditures

The annual average rate of growth in total expenditures (11 percent) has outpaced the growth in participants (3 percent) leading to an increasing average annual cost per participant. Total annual expenditures to home and community based services (HCBS) providers and vendors, unduplicated HCBS participants receiving services during the year, and the average annual HCBS cost per participant for fiscal years 2014 through 2017 are presented in Table 3.

Table 3: Total expenditures, unduplicated participants, and average annual cost per participant, fiscal years 2014 through 2017

Fiscal Year	Total expenditures	Unduplicated participants	Average annual cost per participant
2014	\$ 620,167,843	61,101	\$ 10,150
2015	675,873,729	61,697	10,955
2016	725,061,720	65,290	11,105
2017	816,114,889	66,332	12,203

Source: Prepared by the SAO from SAM II expenditures and DHSS budget documents

Total expenditures for fiscal year 2018 (\$805 million) were lower than fiscal year 2017 due to cost saving measures.⁴ The growth in expenditures has been driven by the increase in the number of participants and an increase in the average cost per participant. According to DHSS officials, the growth in participants is primarily related to an aging population. The average cost per participant has increased as the state has increased the reimbursement rate for popular services, and the average number of units authorized for those services has also increased. For example for participants authorized CD or personal care (PC) services, the average number of monthly units authorized has increased in recent years (average annual increases of 6 percent and 9 percent for CD and PC service, respectively), and the reimbursement rate for

⁴ Cost savings measures are discussed in more detail in MAR finding number 2. The number of participants for fiscal year 2018 was not available as of July 3, 2018.



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those services has also increased (average annual increases of 3 percent) as noted in Table 4.

Table 4: Average monthly units authorized and unit reimbursement rates, CD and PC services, fiscal years 2014 through 2017

Fiscal Year	Unit reimbursement rate		Average monthly units authorized	
	CD	PC	CD	PC
2014	\$ 3.69	\$ 4.24	335	171
2015	3.89	4.47	355	199
2016	3.93	4.51	381	214
2017	4.01	4.60	395	219

Source: SAO analysis of DHSS participant database

Additionally, the average annual Medicaid cost per nursing facility (NF) resident trended upward during the period as noted in Table 5.

Table 5: Average annual Medicaid cost per nursing facility resident, fiscal years 2014 through 2017

Fiscal Year	Average annual Medicaid cost per nursing facility resident
2014	\$ 36,132
2015	37,584
2016	38,160
2017	38,088

Source: DHSS budget requests

Although average HCBS costs have increased as noted in Table 3, those costs continue to remain much below average nursing facility costs.

LOC score and authorized services

Overall units of services authorized for a year generally tend to increase with increases in LOC score. For example, for CD services authorized in fiscal year 2016, average monthly authorized services increased as the LOC score increased as follows:

Table 6: CD services participants and average monthly units authorized, by LOC score for fiscal year 2016

LOC score	Number of participants	Average units of service authorized
21	4,588	302
24	4,430	328
27	4,382	351
30	4,346	369
33	4,267	388
36	3,528	413
39	2,808	431
42 and higher	4,406	496

Source: SAO analysis of DHSS participant database



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However, when making comparisons from year-to-year of average authorized services and average LOC score, units and LOC score do not always trend directly. For example, the average LOC score for participants receiving PC or CD services stayed relatively constant during the period from fiscal year 2014 through fiscal year 2017 as noted in Table 7, but average units of service authorized increased throughout that period as noted in Table 4.

Table 7: Average LOC scores for PC and CD participants, fiscal years 2014 through 2017

Fiscal Year	Average LOC score for PC participants	Average LOC score for CD participants
2014	32	31
2015	32	31
2016	32	31
2017	32	32

Source: SAO analysis of DHSS participant database

Other variances between units of service and LOC score are noted in MAR finding number 3.

Fiscal year 2018 cost reductions

The DHSS, Governor's Office, and General Assembly made changes beginning in fiscal year 2018 to reduce the rate of growth of expenditures for budgetary reasons. As part of developing the appropriations for HCBS for fiscal year 2018, they decided to increase the LOC eligibility threshold, reduce the cap in allowable CD services, and reduce the provider reimbursement rates.

The LOC eligibility threshold was increased from 21 to 24. This change was expected to reduce the number of projected future participants in the HCBS program as noted in MAR finding number 2. The LOC threshold was last changed in fiscal year 2006 when it was increased from 18 to 21. Additionally, the cap on allowable CD service units was reduced for the first time from 100 percent to 60 percent of average annual Medicaid expenditures per NF resident (changed from 791 to 511 units per month). This change was expected to require reductions in the amount of authorized services for about 8,800 current participants. The reduction made the CD maximum comparable to the PC maximum, which had been at 60 percent of average NF resident costs for many years. Also, provider reimbursement rates were decreased by 3 percent. Provider reimbursement rates had generally increased each year in recent years. The changes seem to have been responsible for decreased expenditures in fiscal year 2018. Expenditures for fiscal year 2018 totaled approximately \$805 million, about \$11 million less than fiscal year 2017 expenditures, but more than \$100 million less than projected costs if no benefit reductions had been made.

Assessments and reassessments

The total number of assessments and reassessments has increased in recent years due to the growth in the number of participants and the elimination of



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the backlog of unperformed reassessments. Additionally, the number of reassessments performed by providers has especially increased in recent years. Assessments and reassessments completed during fiscal years 2014 through 2017 are noted in Table 8.

Table 8: Numbers of assessments and reassessments completed, fiscal years 2014 through 2017

	Fiscal Year			
	2014	2015	2016	2017
Initial assessments	18,228	19,137	18,563	18,418
Reassessments:				
DHSS	21,842	27,255	30,359	26,608
Providers	11,936	19,840	26,603	32,503
Total	52,006	66,232	75,525	77,529

Note: Total assessments often exceed the count of unduplicated participants in Table 3 because some participants receive more than 1 assessment per year, and some assessments result in no services as the potential participants were assessed at an LOC below the eligibility threshold.

Source: SAO analysis of DHSS participant database

Conclusion

Growth in expenditures and caseload and the increasing utilization of contracted providers to perform reassessments tends to generally create additional challenges in monitoring and controlling the HCBS program. While measures to reduce expenditure may help reduce growth to more manageable levels, such restrictions may also tend to make it more difficult to achieve program objectives due to reductions in service amounts and/or participation levels. Additionally, indirect relationships between average units authorized and average LOC scores further complicates efforts to manage and control the program. As noted in the following findings, improvements could be made to manage and control the HCBS program.

2. Budgetary Estimates

DHSS budgetary estimates of proposed program eligibility changes were not reasonable and resulted in overestimated cost savings projections for the LOC threshold change. DHSS estimated cost savings for fiscal year 2018 of about \$43 million due to increasing the LOC threshold score from 21 to 24. However, the assumptions used to estimate the savings were not reasonable. The estimation was overstated because it assumed all 8,000 participants at the LOC 21 level would remain at that level (or lower) upon the next reassessment. DHSS data indicates historically many LOC 21 participants receive higher LOC scores when next reassessed. As noted in Table 9, the rates of LOC 21 participants receiving higher LOC scores at their next reassessment were about 18 percent, 29 percent, and 36 percent, for participants reassessed during fiscal years 2014, 2015, and 2016, respectively. Had DHSS officials considered these past results, their projected cost savings would have been significantly lower.



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For example, using the 36 percent rate from fiscal year 2016 (the most recently completed fiscal year when DHSS fiscal year 2018 estimates were developed in January 2017), the estimated savings for the LOC threshold change would total about \$28 million, or about \$15 million lower than estimated by the DHSS. Additionally, as noted in MAR finding number 3, the rate of increased LOC scores for LOC 21 participants during fiscal year 2018 significantly exceeded the historical rates.

Underestimated program expenditures can lead to the need for supplemental appropriations. As a result, funding may have to shift from other priorities and not be available for those purposes. To improve the integrity of the budget process, it is essential the DHSS develop reasonable estimates of expected HCBS expenditures.

Recommendation

The DHSS develop more accurate budget estimates for HCBS services. When making program changes to produce costs savings, expenditure projections should consider any applicable historical rates.

Auditee's Response

The DHSS provided a written response. See Appendix A.

3. Level of Care Scores and Authorized Services

The DHSS lacks an effective system to identify individuals most in need of services for eligibility purposes and to score the severity of need among participants when determining the appropriate amount of services authorized. As a result, when the recent eligibility threshold increased from a LOC score of 21 to 24, unusually large numbers of participants with scores of 21 received new scores at or above the new threshold. Additionally, our review of 25 of those cases determined the new LOC scores and amount of authorized units were often not directly related. Similarly, the DHSS has significant long-standing differences in authorized units for participants assessed at the same LOC score among the state's regions that have not been sufficiently evaluated and addressed. The DHSS has begun efforts to improve the processes for assessments and reassessments of needs and development of plans of care to achieve better eligibility determinations and more uniformity and consistency in authorized services.

Implementation of the LOC threshold increase

Reassessments in fiscal year 2018 of participants with LOC scores of 21 from fiscal year 2017 resulted in disproportionately larger numbers of increased LOC scores compared to historical averages. Of the 5,497 reassessments completed July 2017 through May 7, 2018, of participants with LOC scores of 21, 4,081, or 74 percent, received higher LOC scores and remained eligible for services. In the previous 4 years when the LOC threshold was not changed, the percentage of participants with scores of 21 subsequently reassessed at higher scores were much lower, averaging about 30 percent per year. See Table 9.



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Table 9: Reassessment results for participants with LOC scores of 21, fiscal years 2014 through 2018

	Fiscal Year				
	2014	2015	2016	2017	2018 ¹
Number of participants with LOC score of 21 at beginning of fiscal year	11,880	10,597	9,521	7,978	5,497
Number of those participants subsequently reassessed at a higher LOC:					
- number	2,099	3,069	3,391	3,291	4,081
- percentage	18%	29%	36%	41%	74%

¹ Only includes reassessments from July 1, 2017 to May 7, 2018.

Source: DHSS analysis

The unusually large percentage of reassessments in fiscal year 2018 resulting in higher LOC scores creates questions as to whether some participants were improperly found to remain eligible for services under the higher LOC threshold. The unexpected results occurred despite refresher training provided by the DHSS personnel to department assessors in spring 2017 prior to implementation of the new threshold. No refresher training was given to provider reassessors.

The LOC score does not effectively reflect some circumstances affecting the need for HCBS of participants and potential participants and consequently has weaknesses as a tool to determine those most in need of services. Additionally, those weaknesses in the LOC score limits the ability of DHSS to compare needs assessments and authorized services and understand causes for unusual changes. For the 25 cases sampled of participants assessed at LOC 21 in fiscal year 2017 and reassessed at a higher LOC score in fiscal year 2018, many of the new LOC scores differ from previous LOC scores, but the authorized units of service did not correlate with the score change as noted below.

- For the 16 cases containing one or more assessments prior to the fiscal year 2017 assessment, 9 cases had assessment scores of 21 in all previous annual assessments.
- In 9 cases, the types and units of services authorized in fiscal year 2018 were the same as those in fiscal year 2017, and the number of units authorized either decreased or remained unchanged despite the increased LOC score (excluding those cases where the units authorized for fiscal year 2018 were lowered from the previous year to comply with the reduced maximum for CD services).
- For 6 cases, the participants received higher LOC scores in fiscal year 2018, but were authorized fewer units of service than in the previous year



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to comply with the lowered maximum on CD services. These participants had been authorized many units of service for fiscal year 2017, despite being assessed at the lowest possible LOC score to receive services. The fiscal year 2018 LOC scores on these cases ranged from 24 to 45.

DHSS officials indicated the LOC score cannot always be related to units of service authorized because some issues affecting need are not proportionately reflected in the LOC score. For example, a participant receiving continuous oxygen typically receives the maximum LOC score of 9 in the treatment category, but participants with that disability may sometimes require relatively little HCBS; and the lack of support from spouse or family will not affect the LOC score, but a participant with few social supports often will receive relatively high units of authorized services.

Regional disparities in authorized services

The DHSS has not taken sufficient actions to evaluate and address inconsistencies in the average amounts of unit of service authorized among the regions. Significant differences exist between the regions, and the St. Louis region leads all regions in the amount of services authorized. For example, the average units of CD services per participant during fiscal year 2016 authorized in region 3 (St. Louis area), 457 units, exceeded all other regions and was about 61 percent more than the lowest-average region (2), 283 units, while average LOC scores among the regions was less variable, as noted in Table 10.

Table 10: Average CD services units and LOC score per participant by region, Fiscal Year 2016

Region	Geographic area	Average authorized units of CD services per participant	Average LOC score	Average units per LOC score
1	Southwest MO including Springfield	304	32	9.5
2	Southeast MO	283	29	9.8
3	St. Louis area	457	31	14.7
4	Northwest MO including Kansas City	427	33	12.9
5	Northeast MO and central MO	303	32	9.5

Source: SAO analysis of DHSS participant database

In previous audits,⁵ we also noted participants were generally authorized more units of service in the St. Louis region than other regions. According to DHSS officials, transportation needs and social supports typically have little effect on LOC scores but these variables affect the amounts of services authorized, and participants in the St. Louis region often are authorized more units of service due to those participants typically having relatively few social

⁵ SAO, Report No. 2006-69, *Health and Senior Services Home and Community-Based Services*, issued in November 2006, and SAO, Report No. 2004-02, *Medicaid Personal Care Services Program*, issued in January 2004.



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supports and generally more access to medical care facilities than participants in other regions.

Based on our review and comparison of case documentation for 24 participants with LOC scores of 30 and relatively high or relatively low numbers of authorized CD services units, after considering social supports, units of service authorized still varied widely among the cases. For the tested cases, the number of authorized monthly units ranged from 186 to 511. Some of the high-authorized unit cases also had hours of informal care and active monitoring from family, friends, and/or neighbors within the last 3 days recorded on the assessment form, and some of the low-authorized unit cases had no hours of informal social support noted on the form. After considering the social supports (projecting the hours of social supports noted on the assessment form to a number of 15 minute monthly units and combining with the authorized DHSS services), the hours of total monthly support ranged from 226 to 871 for the tested cases. Most of the high units cases reviewed were from regions 3 and 4.

Recent efforts by DHSS

DHSS has recently taken actions, and is considering further actions, to improve the system and process for assessments and reassessments and service authorizations.

- In January 2018, the DHSS received a grant to contract with a consultant to study systems used by other states to provide recommendations to DHSS about improved practices for LOC assessments and reassessments and eligibility determinations. Results and recommendations from the consultant are expected in October 2018 with a decision about changes based on that information expected in November 2018.
- In October 2017, DHSS provided additional training to employees in the St. Louis regional office who tended to authorize relatively large amounts of services to help those employees authorize services more comparable to those of other assessors and reassessors.
- In February 2018, the DHSS developed a new form requiring the assessor or reassessor and participant to sign with attestations about the accuracy and truthfulness of the information in the assessment document.
- In fall 2017, the DHSS began requiring DHSS staff reviewing reassessments completed by providers to contact primary care physicians of the participant to verify information on the assessment form and help understand the causes for increases in LOC scores from the previous assessment or reassessment when they have questions about the reasons for increases in the LOC score for participants with previous LOC scores of 21.



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- DHSS officials indicated they are considering purchasing additional decision support tools to assist in the development of individual participant care plans.

Conclusions

An effective system for measuring the needs of participants is necessary to ensure the most needy participants are provided appropriate services and the goals of the program are met. Without an effective system, unusual changes in participant LOC scores from year-to-year, units of service authorized that trend opposite to LOC scores, and disparities in units authorized among the regions for participants with the same LOC score can occur and create doubts about the accuracy of the assessment or reassessment and/or the propriety of the authorized services, and also make less predictable the results from changes to the LOC threshold. Developing a more effective LOC scoring system that better reflects participants needs along with establishing limits on the amounts of authorized services by LOC score in conjunction with other recent DHSS changes may help reduce such inconsistencies, disparities, and unusual results. A more consistent evaluation methodology will provide for more uniformity and fairness in services provided to participants.

Recommendation

The DHSS should continue efforts to improve the systems and processes for LOC assessments and authorizations of service, and consider establishing limits on the amounts of authorized services by LOC score.

Auditee's Response

The DHSS provided a written response. See Appendix A.

4. Provider Overpayments

Weaknesses in the DHSS and MHD systems prevent the proper execution of MHD system edits⁶ to timely detect and prevent overpayments to some providers. Our review of MHD system records for December 2017, 2016, and 2015 indicated the number of monthly units of service billed by providers on behalf of participants and paid by the MHD often exceeded the total monthly number of units authorized by DHSS for those services and participants.

Based on a comparison of MHD system records of all HCBS units authorized and paid for December 2017, 2016, and 2015, we noted about 2,500 records totaling about \$431,000 where units paid exceeded units authorized. For 17 of the records with relatively large units paid in excess of units authorized, we reviewed the authorizations on the DHSS system and noted 13 of the records seem to represent overpayments, or instances where services were billed and paid in excess of services authorized, totaling about \$17,000. The discrepancies occurred during months when recipient care plans were reauthorized by DHSS due to reassessment or other reasons, and the MHD

⁶ An edit, also known as a data validity check, is program code that tests the input for correct and reasonable conditions; such as account numbers falling within a range; numeric data being all digits; dates having a valid day, month, and year; etc.



Home and Community Based Services Management Advisory Report - State Auditor's Findings

system recorded the full amount of monthly authorized units for the participant under both the old and new care plans based on authorization data received from the DHSS system.

According to MHD and MMAC officials, the transfer of units authorization data between the DHSS and MHD systems is insufficient to allow for a proration of the authorized units under each care plan (old and new) during months when a participant's care plan is changed causing MHD system edits to function improperly during those months, and MMAC audits of providers have also noted instances where providers billed and were paid for more units than authorized in those circumstances resulting in overpayments to be recouped because the MHD system did not detect those overpayments.

Without accurate information about service authorizations, edits denying, or flagging for further review, instances where billed units exceed authorized units are ineffective. Allowing a known weakness to continue to result in overpayments results in resources being unnecessarily used to identify the overpayments and seek collection.

In a previous audit of the MHD system,⁷ we noted other edits did not function properly resulting in improper payments.

Recommendation

The DHSS and MHD implement changes to provide for more effective execution of MHD system edits to prevent and detect potential overpayments of HCBS benefits. In addition, the MMAC should investigate the potential overpayments identified and recoup any resulting overpayments.

Auditee's Response

The DHSS provided a written response. See Appendix A.

The DSS provided a written response. See Appendix B

⁷ SAO, Report No. 2013-020, *Social Services Medicaid Management Information System Data Security*, issued in March 2013.

Appendix A

Home and Community Based Services

Auditee Response - Department of Health and Senior Services



Missouri Department of Health and Senior Services

P.O. Box 570, Jefferson City, MO 65102-0570 Phone: 573-751-8400 FAX: 573-751-8010
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Randall W. Williams, MD, FACOG
Director



Michael L. Parson
Governor

August 27, 2018

The Honorable Nicole Galloway, CPA
State Auditor
State Capitol, Room 121
Jefferson City, MO 65101

Dear Auditor Galloway,

The Department of Health and Senior Services (DHSS) is in receipt of the audit entitled Home and Community Based Services (HCBS) and has reviewed the draft audit report. This letter will serve as a written response to the audit recommendations 2.1, 3.1, and 4.1.

Recommendation 2.1: *The DHSS develop more accurate budget estimates for HCBS services. When making program changes to produce costs savings, expenditure projections should consider any applicable historical rates.*

While DHSS agrees with the aspect of this recommendation regarding program changes and the need to consider any applicable historical rates, the recommendation to develop more accurate budget estimates for HCBS services does not take into account all of the relevant projections provided to the Office of Administration-Budget & Planning, as well as the General Assembly, which historically have been reflective of actual expenditures. This recommendation is based on one estimate prepared for a specific purpose and assumptions. Given the size and variabilities of the program, DHSS will work to provide the most accurate budget estimates possible by studying all available information in formulating budget estimates. In addition, DHSS will continue to provide a detailed explanation of all assumptions used in formulating budget projections.

Recommendation 3.1: *The DHSS should continue efforts to improve the systems and processes for LOC assessments and authorizations of service, and consider establishing limits on the amounts of authorized services by LOC score.*

Response: DHSS will continue to move forward with changes to the nursing facility LOC. As DHSS has indicated, nursing facility LOC is one component of eligibility and not completely reflective of a participant's acuity level. Authorization of services in the current LOC process is person centered and based upon the needs of each individual participant, taking into account available formal and informal supports as well as the nursing facility LOC. DHSS will continue to move forward with analysis of different authorization systems, which would facilitate consistent person centered care planning amongst all regions, and provide targeted care planning guidance to the regions with higher authorization levels.

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Home and Community Based Services
Auditee Response - Department of Health and Senior Services

SAO – HCBS Letter
August 27, 2018
Page 2

Recommendation 4.1: *The DHSS and MHD implement changes to provide for more effective execution of MHD system edits to prevent and detect potential overpayments of HCBS benefits. In addition, the MMAC should investigate the potential overpayments identified and recoup any resulting overpayments.*

Response: DHSS agrees with the recommendation. DHSS will evaluate system changes in the current prior authorization system. In addition, DHSS will provide further guidance to providers concerning this issue. DHSS will continue to work side-by-side with MHD and MMAC to identify potential solutions.

Thank you for your consideration.

Sincerely,

Randall W. Williams, MD, FACOG
Director

c: Jessica Bax, Director, Division of Senior and Disability Services
Tonya R. Loucks, Director, Division of Administration

Appendix B

Home and Community Based Services

Auditee Response - Department of Social Services



MICHAEL L. PARSON, GOVERNOR • STEVE CORSI, Psy.D., DIRECTOR

P.O. BOX 1527 • BROADWAY STATE OFFICE BUILDING • JEFFERSON CITY, MO 65102-1527
WWW.DSS.MO.GOV • 573-751-4815 • 573-751-3203 FAX

October 11, 2018

Honorable Nicole R. Galloway, CPA
Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear State Auditor Galloway:

Please find below the Department of Social Services (DSS), MO HealthNet Division (MHD) and Missouri Medicaid Audit and Compliance (MMAC) combined response to the recommendation from the audit of the administration of the home and community based services (HCBS) program.

Audit Recommendation:

The DHSS and MHD implement changes to provide for more effective execution of MHD system edits to prevent and detect potential overpayments of HCBS benefits. In addition, the MMAC should investigate the potential overpayments identified and recoup any resulting overpayments.

DSS/MHD and MMAC Response:

MHD agrees, in part, with the findings of this report. MHD agrees that overpayments did occur in months where care plans were reauthorized by Department of Health and Senior Services (DHSS). MHD does not agree that these overpayments were due to the lack of system edits in the MHD system (MMIS). The appropriate edits exist in the MMIS to reimburse services in accordance with the authorization received from the DHSS system. MHD agrees with the recommendation to implement changes (in the authorization process) to provide for more effective execution of MHD system edits; however, this is subject to available state funding and staff resources.

In response to the recommendation to recoup overpayments, MMAC is running reports to identify each category of HCBS services that is authorized through DHSS within the MMIS system. MMAC opened a special project covering State Fiscal Years 2016, 2017, and 2018 and identified overpayments to providers

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Home and Community Based Services
Auditee Response - Department of Social Services

for Personal Care, Advanced Personal Care Assistance (PCA), and Consumer Directed Services (CDS) PCA Services; some of which was identified in the SAO report. MMAC is in the process of notifying the providers and recouping the identified overpayments. MMAC calculated the overpayments based on the number of units billed in excess of the larger amount of units authorized on the two Prior Authorizations. Additionally, MMAC is running separate reports for Respite, Home Maker Chore, Nursing, and Adult Day Care services.

Thank you for allowing the Department of Social Services, MO HealthNet Division and Missouri Medicaid Audit and Compliance the opportunity to prepare and submit this response.

Sincerely,

/s/

Steve Corsi, Psy. D
Director



Office of Missouri State Auditor
Nicole Galloway, CPA

City of Seymour



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Audit of the City of Seymour

Utility System Controls and Procedures	The Board of Aldermen has no documentation of any discussions held or the basis for determining the amounts to be transferred from each of the city's three utility funds to the General Fund. Periodic formal cost studies of utility rates have not been performed and rates have not been increased or decreased for any utility services for the past several years. The city does not reconcile customer utility deposit balances reported in the utility system to the city's accounting records. The city's utility customers that qualify as tax-exempt entities under Section 501(c)(3) of the Internal Revenue Code are not billed for sewer service, and the city is not open and/or transparent when awarding certain economic incentives in the form of reduced or waived electric charges. Controls over non-monetary adjustments posted to customer utility accounts need improvement. The city did not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for any of the city's utility services. City officials do not have any procedures to determine electric losses, and do not review and investigate significant water losses.
Monitoring Financial Condition	The Board has not been monitoring the financial condition of the city, is not receiving detailed information showing cash balances for each fund, and has relied on transfers from utility funds to balance the city's budget.
Budgets and Financial Reporting	Annual budgets do not contain a budget message, the actual beginning and estimated ending cash balance for each fund, or a budget summary as required by state law. The Board unknowingly approved deficit budgets for the General Fund and Library Fund for the fiscal year ended June 30, 2017, in violation of state law. The Board does not adequately monitor budget-to-actual receipts and disbursements. The Board needs to evaluate its relationship with the Missouri Joint Municipal Electric Utility Commission (MJMEUC), including the Mid-Missouri Municipal Power Energy Pool, a power pool managed by the MJMEUC, to determine proper disclosures about the relationship in the city's financial statements.
Nepotism	During the February 22, 2018, Board meeting, Alderwoman Nadine Crisp voted to approve the appointment of her daughter, Sheila Sturdefant, to a 2-year term on the newly created Seymour Electric Rate Utility Commission.
Disbursements	Some disbursements paid from the Electric Fund should have been paid from the General Fund. The city does not have written contracts with some service providers and certain outside parties. The city does not always solicit competitive bids or proposals for goods and services as required by city code. The city does not require documented supervisory approval for purchases. Mileage records are not reviewed for reasonableness and bulk fuel purchases are not reconciled to bulk fuel dispensed. The Board was aware of two planned projects that resulted in the city using public resources for private gain, but it took no action to stop these projects.
Closed Meetings	Some topics discussed and voted on in closed meetings by the Board were not related to the reasons cited for closing the meeting listed in the open meeting minutes. In addition, the Board discussed some items in closed meetings that were not allowable under the Sunshine Law.

Payroll Controls and Procedures	The Board approved year-end payments to all full-time city employees in violation of the Missouri Constitution. The city does not require time records be prepared or maintained for salaried employees, the city's procedures for calculating overtime are not compliant with city policies and federal regulations, and employees are paid based on estimated instead of actual hours. The city's computerized system only allows employees to accrue 200 hours of vacation leave instead of the maximum of 320 hours allowed by personnel policy due to a programming error. At the Emergency Services Coordinator's request, the city changed the Coordinator from an independent contractor to an employee starting in January 2016. The city did not document the reasons for the change or document how it determined what the proper classification was for this position. The city does not have ordinances establishing the compensation of city officials and employees as required by city code. The city is not complying with city code or personnel policy when giving pay raises to appointed officers.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city office personnel are performed. The city is not properly tracking and recording some restricted monies. The city has not established procedures to routinely follow up on outstanding checks. The Board members, who sign checks and have access to monies held in bank accounts, are not covered by a bond. Also, the Utility Clerk's bond does not provide adequate coverage.
Planning and Zoning	The City of Seymour does not have a city plan or comprehensive plan to guide planning and zoning activities.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Seymour

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
Seymour, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Seymour. We have audited certain operations of the city in fulfillment of our duties. The city engaged Decker and DeGood, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2017. To minimize duplication of effort, we reviewed the CPA firm's report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2017. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

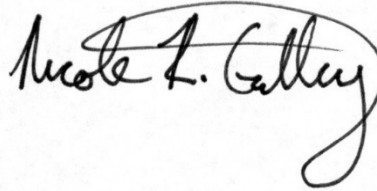
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and its audited financial statements and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Seymour.

An additional report, No. 2018-040, *Thirtieth Judicial Circuit, City of Seymour Municipal Division*, was issued in June 2018.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Shannon Spicer, MBA
Audit Staff:	Misty Bowen, MSED

City of Seymour

Management Advisory Report

State Auditor's Findings

1. Utility System Controls and Procedures

1.1 Utility transfers

There are significant weaknesses in the city's utility operations. The city provides electric, water, and sewer services, and accounts for the financial activity of each service in a separate fund. The city collected approximately \$2.7 million in utility revenues during the fiscal year ended June 30, 2017.

The Board of Aldermen (Board) has no documentation of any discussions held or the basis for determining the amounts to be transferred from each of the city's three utility funds to the General Fund. The city has historically transferred substantial amounts of money from the Electric Fund, and more recently from the Water Fund and Sewer Fund, to help finance the operations and activities of the General Fund.

During the fiscal year ended June 30, 2017, the city transferred \$561,853 (classified in the city's financial system as transfers and fees in lieu of taxes) in utility monies to the General Fund. Transfers included the following dollar amounts and the corresponding percentage of each fund's total operating revenues: (1) \$450,653 from the Electric Fund (20 percent), (2) \$15,692 from the Water Fund (13 percent), and (3) \$95,508 from the Sewer Fund (29 percent). These utility monies transferred to the General Fund represent approximately 87 percent (Electric Fund), 57 percent (Water Fund), and 116 percent (Sewer Fund) of the operating income for each fund. Thus, the city is transferring the majority of operating income from utilities, and even transferring some amounts exceeding the amount of operating income, in order to subsidize the General Fund. This is an indicator that current utility rates may be higher than what is reasonable and necessary.

For the fiscal year ended June 30, 2018, the city budgeted transfers from the utility funds (formally referred to as "in lieu of tax") to the General Fund totaling \$265,390. The transfer amounts for 2018 are based on 10 percent of each utility fund's total operating revenues. In addition, the city budgeted additional transfers between funds including a transfer from the Water Fund to the General Fund of \$20,810, and 2 transfers from the Electric Fund of \$27,620 and \$61,505 to the Library Fund and Park Fund, respectively. The city could not provide a reason why these transfers were needed. In total, the city budgeted \$286,200 for utility transfers to the General Fund.

To compare Seymour to other cities, we haphazardly selected 12 cities (7 with municipally-owned utilities and 5 with privately-owned utilities) with populations of less than 6,000. In March and April 2018, we contacted each city to obtain the approximate percentage of utility revenues transferred to the city's General Fund for electric, water, and sewer for each city's most recently completed fiscal year. We also obtained the total dollar amount of utility monies transferred to each city's General Fund. Using data provided by the Missouri Municipal League, we also calculated the average transfer amount



City of Seymour
Management Advisory Report - State Auditor's Findings

on a per-capita basis. Our survey included 11 cities with electric transfers,¹ 9 cities with water transfers, and 7 cities with sewer/wastewater transfers. Table 1 shows the results of our survey.

Table 1: Utility transfers to the General Fund for similarly sized cities and City of Seymour, most recently completed fiscal year

	Electric	Water	Sewer/ Wastewater	Total Transferred	Average per capita (1)
Lowest	3%	3%	3%	\$ 34,308	\$ 11
Average	6%	7%	7%	338,158	113
Highest	10%	10%	9%	1,054,602	197
Seymour	20%	13%	29%	561,853	\$ 292

(1) This was calculated by taking the total dollar amount of utility monies transferred to the General Fund divided by the city's population at the most recent census.

As shown in the table, the City of Seymour's percentage of utility revenues transferred was significantly higher than the other cities surveyed, and the average transfer amount per capita was also significantly higher. Because these transfers represent a significant revenue source for the General Fund, it is important for the Board to periodically re-evaluate the impact, not only on the General Fund budget, but also on utility rates. The 12 cities surveyed reported various reasons for the transfers including recovery of administrative or overhead costs that benefited the city utilities, or the need for funding to provide other city services such as police and street services.

To ensure utility transfers are reasonable, it is important the city evaluate the value of government services the transfers are offsetting during the annual budget process and document the process for determining the percentage to be charged.

1.2 Utility rates

Periodic formal cost studies of utility rates have not been performed and rates have not been increased or decreased for any utility services for the past several years. Although utility rates have not been changed, some utility funds subsidize other city funds, and heavily subsidize the General Fund as discussed in section 1.1. Electric, water, and sewer rates have not been adjusted since 2014, 1979, and 2012, respectively.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs that shows the increase is necessary to cover costs of providing the service. To ensure utility rates are set to cover the cost of providing the related services, the city should periodically perform and document a detailed cost study of each of its utility costs, including

¹ Transfers in cities with privately-owned utilities consist of payments in lieu of taxes and/or franchise fees.



City of Seymour
Management Advisory Report - State Auditor's Findings

depreciation, and establish rates to cover the total cost of operations without generating excessive profits. Additionally, City Code Section 710.450 requires a review of the balance of the Sewer Fund at the end of each fiscal year to ensure adequate and equitable rate schedules for the following year.

1.3 Utility deposits

The city does not reconcile customer utility deposit balances reported in the utility system to the city's accounting records. The city collects deposits from new electric and water customers and places the monies in the city's primary bank account. According to city officials, customer utility deposits are held, along with other monies, in the city's primary bank account or are included in certificates of deposit. At our request, the city generated a detailed list of customer deposits from the utility system, which totaled \$137,640 as of June 30, 2017. However, customer deposits recorded in the accounting system (general ledger) totaled \$139,656 as of June 30, 2017, a difference of \$2,016. City officials were unable to explain the apparent shortage, but noted monies in the General Fund or certificates of deposit could also be used to return customer deposits if needed.

Periodic reconciliation of customer utility deposit balances to city accounting records is necessary to ensure sufficient funds are available for potential utility deposit refunds. Such reconciliations would allow for prompt detection of discrepancies.

1.4 Utility billing

The city's utility customers that qualify as tax-exempt entities under Section 501(c)(3) of the Internal Revenue Code (i.e., nonprofit entities) are not billed for sewer service. Additionally, the Board does not discuss or approve economic incentives, and as a result, the city is not open and/or transparent when awarding certain economic incentives in the form of reduced or waived electric charges.

The City Administrator granted economic incentives for businesses and other entities to locate in the city. For example, the city informally agreed to permanently charge a commercial business the industrial electric rate that is significantly less than the commercial rate in exchange for opening a new grocery store in the city, resulting in a cost savings of \$28,000 to the grocery store during fiscal year 2017. The city could provide no documentation this decision was approved or discussed by the Board. In addition, the city waived \$1,000 in electric charges for a religious organization as an incentive for it to locate in city limits and did not bill 10 nonprofit entities for sewer service. As a result of these actions, the city did not collect approximately \$9,000 in sewer revenues and \$29,000 in electric revenues for the fiscal year ended June 30, 2017.



City of Seymour Management Advisory Report - State Auditor's Findings

Per City Code Section 710.390, customers that qualify as tax-exempt Section 501(c)(3) entities are not billed for monthly sewer charges if they submit documentation of their exemption. However, this practice of waiving sewer charges violates Article VI, Section 23, Missouri Constitution, that specifically prohibits counties, cities, or other political subdivisions from granting public money or things of value to any corporation, association, or individual. Also, allowing customers to receive free or preferential utility services reduces city revenues and could create higher utility rates for other paying customers. Further, the city does not have an ordinance or policy for offering or approving financial incentives to new or existing businesses. Economic development financial incentives should be fair and transparent, and requiring these incentives to be approved by the Board and discussed in open meetings would help provide transparency and full disclosure to the public.

1.5 Non-monetary adjustments

Controls over non-monetary adjustments posted to customer utility accounts need improvement. Non-monetary adjustments are any transactions where monies are not received; however, the account balance has been changed in the accounting records, such as waiving customer late charges, adjusting usage for inaccurate meter readings, or reducing a balance due to water leaks. Non-monetary adjustments posted to the system are not reviewed and approved by an independent person and documentation of the reasons why these adjustments are necessary is not always retained.

Non-monetary adjustments should be verified and approved by a person independent of the person posting these transactions to ensure they are legitimate. Considering the risks associated with non-monetary adjustments, the Board should consider monitoring all such transactions.

1.6 Accounts receivable reconciliations

During the fiscal year ended June 30, 2017, the city did not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for any of the city's utility services.

Monthly reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected timely.

1.7 Utility loss

City officials do not have any procedures to determine electric losses, and do not review and investigate significant water losses.

City officials do not reconcile the total kilowatts of electricity purchased to the total kilowatts billed to customers and kilowatts used for city operations to determine if there has been any significant electric loss. For water, the City Clerk prepares a monthly reconciliation of total gallons of water pumped to total gallons of water billed and other known usage including flushing of fire hydrants and usage by the sewer/wastewater plant; however, the monthly water reconciliation is not reviewed by a supervisor and significant



City of Seymour
Management Advisory Report - State Auditor's Findings

differences are not investigated. During our review of the reconciliations performed during 2017, we noted water losses of over 10 percent for 4 months, and one month was 18 percent.

Monthly reconciliations and reviews of electric and water loss are necessary to help detect significant utility loss and ensure all utility use is properly billed. Significant differences should be investigated.

Recommendations

The Board of Aldermen:

- 1.1 Determine the value of government services being offset by the utility transfers, maintain documentation to support the amounts transferred, and evaluate the effect on the General Fund.
- 1.2 Ensure formal reviews of utility rates are performed periodically to ensure revenues are sufficient to cover all costs of providing the service without generating excessive profits.
- 1.3 Periodically reconcile customer utility deposits per the utility system to accounting records and promptly investigate any differences.
- 1.4 Ensure all sewer charges are assessed and paid, and determine whether the city should seek reimbursement of sewer charges not paid. Also, the Board should review and approve any economic incentives offered by the city.
- 1.5 Ensure all non-monetary adjustments are properly approved and compared to actual changes posted to the computer system. Documentation of all non-monetary adjustments should be retained.
- 1.6 Ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed.
- 1.7 Prepare a monthly reconciliation of electric purchased to amounts billed and used by the city. Also, the Board should review the city's monthly water and electric loss reports and investigate significant differences.

Auditee's Response

- 1.1 *The Board will determine the value of government services being offset by the utility department, determine the effect on the General Fund, and work towards eliminating those offsets.*
- 1.2 *The Board has already initiated a current professional rate study and is awaiting the results. We will continue to monitor utility rates periodically.*



City of Seymour
Management Advisory Report - State Auditor's Findings

- 1.3 All utility customer deposit accounts will be reconciled.
- 1.4 The Board will address the grocery store that is being charged industrial rates, and will begin charging sewer fees to everyone to follow state law. The Board will amend the existing city ordinance that allows free sewer to certain entities and will also begin approving all economic incentives.
- 1.5 We have already implemented this recommendation by requiring an approval signature and documentation for any adjustment. All documentation will be retained.
- 1.6 We will reconcile amounts billed to amounts collected and delinquent accounts.
- 1.7 We have already implemented this recommendation. A monthly calculation of electric loss is being performed, and the electric and water losses are being reported to each department for investigation.

2. Monitoring Financial Condition

The Board has not been monitoring the financial condition of the city, is not receiving detailed information showing cash balances for each fund, and has relied on transfers from utility funds to balance the city's budget.

As discussed in Management Advisory Report finding number 1.1, the utility funds have been used to subsidize the General Fund. During the fiscal year ended June 30, 2017, the city transferred utility monies totaling \$561,853 to the General Fund. These transfers represented approximately 50 percent of General Fund revenues and transfers in, which totaled \$1,117,390.

As shown in Appendix A, the General Fund and Library Fund had deficit fund balances at June 30, 2017. Despite a transfer of \$52,713 from the General Fund, the Library Fund was still operating at a deficit. Also, despite the large amount transferred from the three utility funds, the General Fund was still operating at a deficit.

As shown in Table 2, the adjusted cash balances of the General Fund and Library Fund are negative (deficits) as of June 30, 2017. This was a direct result of monies owed to other funds.

Table 2: Adjusted cash balance for the General Fund and Library Fund at June 30, 2017

Category	General Fund	Library Fund
Cash and cash equivalents	\$ 270,992	0
Due from other funds	36,201	0
Due to other funds	(393,546)	(36,201)
Adjusted cash balance	\$ (86,353)	(36,201)

Source: Appendix B



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As shown in Appendix A, fiscal year 2017 revenues for the General Fund were \$555,537 and disbursements were \$858,107, for a deficit of \$302,570. Fiscal year 2017 revenues for the Library Fund were \$61,615 and disbursements were \$97,219, for a deficit of \$35,604. The General Fund and Library Fund cannot continue to operate by spending significantly more than they receive. As a result, other funds are subsidizing these funds.

The utility transfers to the General Fund were budgeted and approved by the Board. However, the budgets do not contain beginning and ending cash balances, and financial reports of cash and fund balances are not prepared and provided to the Board members. Without having adequate financial data, it is apparent the Board is not monitoring the financial condition of the various city funds throughout the year. There is no documentation to support discussion of these cash flow problems or the reasons for transferring the monies from the utility funds.

Numerous internal control weaknesses, lax controls over disbursements, poor budgeting practices, and lack of financial reporting to the Board have been identified and discussed in more detail throughout our Management Advisory Report. These weaknesses and lack of monitoring by the Board have put several of the city's funds in financial difficulty.

It is essential the Board address the financial condition of the various city funds in both the immediate and long-term future. Restricted utility funds should not be used to subsidize other funds. The Board should reduce spending where possible, evaluate controls and management practices to ensure efficient use of resources, monitor detailed financial data that includes cash balances for each fund, and closely monitor budgets.

Recommendation

The Board of Aldermen ensure monthly detailed financial data is provided to Board members, perform immediate and long-term planning, and closely monitor and take necessary steps to improve the financial condition of the various city funds. In addition, the Board should discontinue subsidizing city funds with utility monies.

Auditee's Response

The Board has been implementing new practices to improve the financial condition of each city fund. The Board will also receive a copy of detailed financial data monthly. The Board will work on identifying methods to eliminate the subsidizing of city funds with utility monies.

3. Budgets and Financial Reporting

Budgeting and financial reporting procedures need improvement.

3.1 Budgetary requirements

Annual budgets do not contain a budget message, the actual beginning and estimated ending cash balance for each fund, or a budget summary as required



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by state law. As a result of not having all information required to accurately prepare budgets, the Board unknowingly approved deficit budgets for the General Fund and Library Fund for the fiscal year ended June 30, 2017, in violation of state law. Deficit budgeting and/or fund balances were also noted as problems in the financial statement audit report.

A complete and well-planned budget, in addition to meeting statutory guidelines, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and utility rates and informing the public about city operations and current finances. Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific requirements for information to be included in the budget. The law also indicates that in no event shall the total proposed disbursements from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

3.2 Budget monitoring

The Board does not adequately monitor budget-to-actual receipts and disbursements. Per reports provided by the city, the city's actual disbursements exceeded budgeted disbursements for the General, Library, Electric, and Water Funds prior to June 30, 2017; however, a budget amendment was not prepared or approved by the Board before the budget was overspent or before the fiscal year ended.

The Board does not receive a report of the city's budget-to-actual financial information at its meetings, and as a result, does not adequately monitor the city's annual budget. The Board first amended the budget on March 23, 2017. On July 13, 2017, the Board approved a second and final budget amendment for all seven of the city's funds that changed each variance of budget-to-actual disbursements to zero. This was done after the actual disbursements had already exceeded the budgeted amounts and after the fiscal year had ended.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursements of public monies should be made unless it is authorized in the budget. Proper monitoring and amending prior to disbursing funds is necessary for the budget to be an effective management tool and to comply with state law.

3.3 Mid-Missouri Municipal Power Energy Pool disclosures

The Board needs to evaluate its relationship with the Missouri Joint Municipal Electric Utility Commission (MJMEUC), including the Mid-Missouri Municipal Power Energy Pool (MMMPEP), a power pool managed by the MJMEUC, to determine proper disclosures about the relationship in the city's financial statements.



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The city contracts with the MJMEUC for the purchase of electrical power and energy. The city, along with other Missouri municipalities, is also a member of the MMMPEP. The city has a long-term commitment to these entities that expires May 31, 2028. The obligations of the MMMPEP members include maintaining adequate customer rates and maintenance of power facilities and contracts in order to meet members' commitments to the pool. If a member city decides to leave the pool, it must give a 5-year notice. At the end of the 5-year period, the city would be responsible for a pro-rata share of the ongoing capital and operation costs of each pool project based on its share of energy.

The city did not include any disclosure about MJMEUC and MMMPEP or details regarding potential financial obligations in the city's audited financial statements until after we brought this issue to the city's attention. Such disclosures are necessary to fully disclose the financial arrangements, as well as potential, significant future debt to citizens.

Recommendations

The Board of Aldermen:

- 3.1 Ensure annual budgets contain all information required by state law. In addition, the Board should not approve deficit budgets.
- 3.2 Periodically obtain and review reports of budgeted and actual disbursements to properly monitor the annual budget, ensure disbursements do not exceed budgeted appropriations, and prepare any necessary budget amendments timely.
- 3.3 Continue to consult with its independent auditor to ensure proper and necessary disclosures are included in the financial statements.

Auditee's Response

- 3.1 *The Board has already implemented a budget message and will begin including the beginning and estimated ending cash balances for each fund to help ensure it does not approve deficit budgets in the future. The Board will also implement a budget summary.*
- 3.2 *The Board will review reports of budgeted and actual disbursements to monitor the budget, and will amend the budget when necessary.*
- 3.3 *The Board has and will continue to consult with our independent auditor to determine the proper and necessary disclosures for financial statements.*

4. Nepotism

During the February 22, 2018, Board meeting, Alderwoman Nadine Crisp voted to approve the appointment of her daughter, Sheila Sturdefant, to a 2-year term on the newly created Seymour Electric Rate Utility Commission. The Seymour Electric Rate Utility Commission Rules and Regulations state



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each member of the commission shall receive a salary of \$100 per meeting; however, as of April 16, 2018, no payments had been made to any of the five appointees.

Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office.

Recommendation

The Board of Aldermen consult with legal counsel regarding matters of legal interpretation and ensure compliance with the Missouri Constitution related to the hiring or appointment of relatives.

Auditee's Response

The Board will consult with legal counsel to ensure we are in compliance with the Missouri Constitution, and evaluate if any action is needed.

5. Disbursements

Improvement is needed over city disbursements.

5.1 Electric Fund disbursements

Some disbursements paid from the Electric Fund should have been paid from the General Fund. For example, in fiscal year 2017 disbursements totaling \$10,406 for the bi-annual citywide clean ups, \$2,048 for the city's recycling program, and \$315 for advertising a rabies clinic were charged to the Electric Fund when these costs should have been charged to the General Fund. These disbursements do not benefit or relate to the city's electric operations.

To ensure restricted monies are used for the intended purpose, disbursements should be paid from the appropriate funds. This is also necessary to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs.

5.2 Written contracts

The city does not have written contracts with some service providers and certain outside parties. During the fiscal year ended June 30, 2017, the city paid for various services without a written contract including mowing (\$28,400), consulting (\$18,001), information technology (\$10,057), legal (\$38,214), and pest control (\$1,450).

Clear and detailed written contracts, including reporting requirements and provisions to allow for proper monitoring, are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city monies are used appropriately and effectively. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

5.3 Bidding and documentation

The city does not always solicit competitive bids or proposals for goods and services as required by city code. With the exception of pest control services, which is under the bidding threshold, the remaining services listed in section



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5.2 were not bid in violation of city code. Also, the city has not solicited bids for other professional services including banking services. In addition, city personnel do not document the reasons when rejecting the lowest bid. For example, mowing services were not awarded to the lowest bidder, and no reasons for rejecting this bid were documented. Per City Code Section 135.010, sealed bids are required for purchases over \$2,000; however, City Code Chapter 135, "Purchasing and Inventory Policies," does not include sufficient detail on how bids are to be solicited or advertised, and does not include discussion of procedures or required documentation for selecting a bidder that is not the lowest bidder.

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business. Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration. Formal bidding procedures should be sufficiently detailed and include requirements for documenting the process of awarding a bid.

5.4 Approval process

The city does not require documented supervisory approval for purchases. Although the city has adopted a purchase order form to document supervisory approval prior to payment, the purchase order procedure has not been added to the city code and is not being consistently followed. As a result, some payments were made without documented supervisory approval.

Payment of invoices without documented approval from a department head and/or the City Administrator and a properly completed purchase order increases the risk of paying for goods and services not received.

5.5 Mileage records and fuel

Mileage records are not reviewed for reasonableness and bulk fuel purchases are not reconciled to bulk fuel dispensed. The city purchases gasoline and diesel for vehicles using fuel cards, and uses a bulk fuel tank to fuel equipment with diesel fuel. The city has 24 vehicles and 20 pieces of heavy equipment. The city spent approximately \$18,500 on gasoline and diesel fuel during the fiscal year ended June 30, 2017.

The fuel card vendor provides detailed monthly statements, and each piece of equipment that uses bulk fuel (diesel) has a manual log for employees to record gallons pumped. However, the city does not compare mileage records provided by the fuel card vendor with the fuel purchases for reasonableness. Also, the city does not perform a reconciliation to compare bulk fuel



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purchases against bulk fuel usage logs, and does not review bulk fuel usage for reasonableness.

Procedures for maintaining and reviewing fuel usage logs and reconciling fuel use to fuel purchases are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper amounts, and decrease the risk of loss, theft, or misuse of fuel occurring without detection.

5.6 Questionable use of city resources

The Board was aware of two planned projects that resulted in the city using public resources for private gain, but it took no action to stop these projects. Also, when Alderwoman Crisp made inquiries related to these two projects at Board meetings, the Board did not discuss or approve the projects. In addition, the city did not seek to recover any of the expenses incurred for working on or making improvements to private land.

- The October 26, 2017, board meeting minutes indicate Alderwoman Crisp inquired whether the city could assist with clearing a fence row separating private property and undeveloped city property. The work was subsequently performed by city personnel and city equipment, but there was no discussion or approval of this matter by the Board. At our request, the Assistant Supervisor determined the use of city labor, equipment, and diesel to clear the fence row were valued at over \$1,000. Since the city did not build the fence row, the city did not have any responsibility for the maintenance or repair of the fence row.
- The May 11, 2017, board meeting minutes indicate Alderwoman Crisp inquired whether the city could assist with mowing a ditch on private property. The work was subsequently performed by city personnel and city equipment on a weekly basis, but there was no discussion or approval of this matter by the Board.

Taxpayers have placed a fiduciary trust in the Board to spend public funds only on items necessary and beneficial to the city. These projects were not a reasonable or necessary use of city resources. In addition, Article VI, Section 23, Missouri Constitution, specifically prohibits counties, cities, or other political subdivisions of the state from granting public money or things of value to any corporation, association, or individual. Further, the city could have been liable in the event of injury on or damage to private property.

Recommendations

The Board of Aldermen:

- 5.1 Ensure costs are charged to the appropriate funds.
- 5.2 Enter into written contracts defining services provided and benefits received.



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- 5.3 Solicit bids and proposals for all applicable purchases and clarify city code to include the requirements for soliciting and/or advertising bids. In addition, document the reasons when the lowest bid is not accepted.
- 5.4 Establish formal policies and procedures to ensure the proper use, accountability, and review and approval of purchase orders and invoices prior to payment.
- 5.5 Reconcile fuel billings to fuel use records, promptly investigate any discrepancies, and periodically review fuel usage for reasonableness.
- 5.6 Prohibit the use of public resources for private gain and consult with legal counsel to determine whether the value of services provided to private citizens should be recovered.

Auditee's Response

- 5.1 *The Board has implemented this recommendation and will continue to charge costs appropriately.*
- 5.2 *The Board will implement this recommendation, taking into account the requirements of state law.*
- 5.3 *The Board will solicit sealed bids when necessary and document any reason for not accepting the lowest bid. The Board will clarify city code to include requirements for soliciting and/or advertising bids.*
- 5.4 *This recommendation has already been implemented by requiring a Financial Reconciliation Report be prepared and approved for each purchase.*
- 5.5 *This recommendation has already been implemented by reconciling all fuel billings to fuel use records. Fuel usage will be monitored for reasonableness.*
- 5.6 *The Board will not use public resources for private gain. Regarding past actions taken by a specific elected official, the Board will discuss these actions to ensure those types of actions do not happen again.*

6. Closed Meetings

Some topics discussed and voted on in closed meetings by the Board were not related to the reasons cited for closing the meeting listed in the open meeting minutes. For example, the September 22, 2016, open meeting minutes cited real estate and personnel as the reasons for the closed meeting; however, closed meeting minutes included discussion of potential litigation. In addition, the Board discussed some items in closed meetings that were not allowable under the Sunshine Law. For example, the Board discussed in a closed meeting on January 25, 2018, whether a currently closed city street



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should be re-opened. In the same closed meeting, the Board discussed the need to create salary schedules for city employees.

Section 610.021, RSMo, lists the topics that may be discussed in closed meetings and requires discussion in closed meetings be restricted to the allowable topics listed. Also, Section 610.022, RSMo, requires the Board's motion to enter closed session include specific statutory citations for the allowable topics that will be discussed and requires the Board to limit discussion to those topics.

Recommendation

The Board of Aldermen ensure only allowable topics cited in the open minutes as the reason for closing the meeting are discussed in closed meetings.

Auditee's Response

The Board will ensure closed session discussion is limited to topics that have been cited in the open minutes or on the agenda for the closed session. During closed session the Board will only discuss allowable topics.

7. Payroll Controls and Procedures

Payroll controls and procedures need significant improvement. The city disbursed approximately \$727,000 in salaries and wages during the fiscal year ended June 30, 2017.

7.1 Bonuses

The Board approved year-end payments to all full-time city employees in violation of the Missouri Constitution. The December 2016 board meeting minutes indicate each employee received \$100 cash, totaling \$1,800 for all employees. The cash payments represent bonus compensation for services previously rendered. In addition, the city did not report these cash payments as taxable wages on employee W-2 forms as required by federal and state employment laws.

Payments for services previously rendered are in violation of Article III, Section 39(3), Missouri Constitution and contrary to Attorney General's Opinion 72-1955 (June 14, 1955), which states, "... a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

7.2 Time records

The city does not require time records be prepared or maintained for salaried employees, the city's procedures for calculating overtime are not compliant with city policies and federal regulations, and employees are paid based on estimated instead of actual hours. Errors were noted with processing of time and leave records, and documentation to support payroll transactions was not always adequate.

Hourly employees typically record daily time using the electronic time clock to record their arrival and departure times, or by manually recording their



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	<p>arrival and departure times on time cards or records. Hourly employees also complete separate overtime request forms and leave request forms when applicable.</p>
Records not required or approved	<p>Salaried employees are not required to submit documentation of hours worked and/or tasks performed. Also, of the 6 hourly employee time records we reviewed, 4 were not signed or approved by a supervisor.</p>
Overtime and compensatory leave	<p>Hourly employees do not always record overtime worked on time records and/or submit separate overtime requests for overtime worked, and overtime and compensatory time accruals are not always recorded on an employee's weekly time record. As a result, there is a risk that employee overtime could be calculated and recorded incorrectly in the city's payroll system. In addition, the city's method of calculating overtime is not consistent with the Fair Labor Standards Act (FLSA) or city personnel policies, resulting in increased and unnecessary costs to the city.</p> <p>Per the City Clerk, employees either work 8- or 10-hour days and overtime is calculated for any hours physically worked in excess of 8 or 10 hours per day, respectively. We reviewed pay records for one payroll cycle and noted a streets employee earned 43.25 hours of compensatory time but should have earned 11.75 hours for the pay period. The difference of 31.50 hours cost the city approximately \$500. Also, the city calculates employee overtime at twice the regular rate for holidays, but the personnel policy does not clearly indicate how to determine the amount of overtime or compensatory time accrued on holidays. The City Clerk indicated the personnel policies were implemented during previous administrations and have not changed in recent years.</p> <p>City personnel policy 3-8 indicates non-exempt employees excluding police and fire will be paid overtime at 1.5 times the regular hourly wage for hours exceeding 40 hours a week. City personnel policy 4-3 indicates that work performed on a holiday will be compensated at the city's approved overtime rate or a day off at the regular pay rate in lieu of the holiday missed. This policy is vague, could lead to varying interpretations, and may result in an increased cost to the city.</p>
Payments made based on estimates	<p>The city distributes payroll for all employees every other Friday. Time records are prepared and submitted approximately 2 days in advance of the payroll distributions, and as a result, are not accurate because they reflect the employee's scheduled hours instead of actual hours worked. The city has not established an official policy or provided employees with guidance on how to report unanticipated changes such as unplanned vacation leave or sick leave taken on the days that were paid based on estimates. However, the City Clerk indicated she will update the employee leave records accordingly if a leave request is submitted to her.</p>



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Signed and approved time records are necessary to document hours worked, substantiate payroll disbursements, monitor hours worked and leave taken, and demonstrate compliance with the FLSA. Also, compliance with city policy and the FLSA is necessary to limit the city's financial liability for overtime and compensatory time. Further, due to timing of the city's payroll cycle and due dates for timesheets, employees are partially paid based on their estimated hours, which may lead to errors and the potential for employees to be over/under paid.

7.3 Leave accruals

The city's computerized system only allows employees to accrue 200 hours of vacation leave instead of the maximum of 320 hours allowed by the personnel policy due to a programming error. In addition, employees accrue 10 hours of sick leave monthly instead of 3.69 hours per bi-weekly pay period established by the personnel policy.

City personnel policy 4-4 indicates employees should be allowed to accrue a maximum of 320 hours of vacation leave, and city personnel policy 4-5 indicates sick leave should be accrued at a rate of 3.69 hours per bi-weekly pay period. The personnel policies do not specify what happens when employees reach the maximum leave accrual. Strict compliance with personnel policies is necessary to ensure employees are properly compensated. In addition, timely policy revisions are necessary to provide guidance to city employees, provide a basis for proper compensation, and avoid misunderstandings.

7.4 Independent contractor

At the Emergency Services Coordinator's request, the city changed the Coordinator from an independent contractor to an employee starting in January 2016. The city did not document the reasons for the change or document how it determined what the proper classification was for this position.

During the fiscal year ended June 30, 2017, the city paid the Coordinator \$7,200 (\$600 per month) and also contributed \$551 for the employer's share of payroll taxes. Prior to January 2016, the employee was classified and paid as an independent contractor, and the city did not withhold or remit payroll taxes. Although his classification changed, there were no significant modifications to his responsibilities or the contractual requirements. The contract with the Coordinator indicates "the Emergency Services Coordinator is not an employee of the City." In addition, the Coordinator does not submit a log or other records to document hours worked. Section III of the contract indicates the Coordinator is required to submit a log and provide time entries for a minimum of 36 hours per month.

Proper classification of employees is necessary to ensure compliance with various state and federal laws and regulations.



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7.5 Compensation ordinance The city does not have ordinances establishing the compensation of city officials and employees as required by city code. City personnel policy 3-1 indicates the employee pay rate is established by the pay plan. However, the city was unable to provide a pay plan.

Ordinances documenting approved salary amounts help ensure equitable treatment and help prevent misunderstandings. Section 79.270, RSMo, authorizes the Board to fix the compensation of all city officials and employees by ordinance, and City Code Section 115.060 requires the Board to fix compensation of all officers (appointed or elected officials) and employees by ordinance.

7.6 Pay raises and performance appraisals The city is not complying with city code or personnel policy when giving pay raises to appointed officers. For example, in March 2018 the Board approved a pay increase for the City Administrator (who was appointed in 2014) with options for additional raises based on his performance, in violation of city code. Additionally, the city does not conduct documented performance reviews or appraisals of employees as required by the city personnel policy, though various pay increases are given including, but not limited to, successful completion of job specific certifications, successful completion of a probationary period, and promotions.

City Code Section 115.060 indicates the salary of an officer shall not be changed during the time for which he/she was elected or appointed. The term of the City Administrator is indefinite until such time as he is removed by the Board or voluntarily resigns. City personnel policy 3-16 indicates no performance increase shall be applied to the salary of any employee unless accompanied by a complete performance review that contains both the employee and supervisory signatures.

Recommendations

The Board of Aldermen:

- 7.1 Discontinue paying employee bonuses and ensure all employee compensation is properly reported on each employee's W-2 form.
- 7.2 Ensure daily time records are prepared, properly signed, approved, and retained for all employees, and the information should be reviewed for accuracy prior to entry into the accounting system. In addition, ensure overtime and compensatory time accruals comply with established city policies and the FLSA, ensure controls are in place to make sure employees are not over/under paid based on the payment of estimated hours, and ensure personnel policies contain adequate detail.
- 7.3 Ensure vacation and sick leave accruals are in compliance with personnel policies.



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- 7.4 Determine the proper classification for the Emergency Services Coordinator. In addition, proper supporting documentation indicating hours worked should be obtained.
- 7.5 Establish the compensation of all city officials and employees by ordinance, and ensure city code and city personnel policies reflect current procedures.
- 7.6 Ensure compensation for appointed officials does not increase during the time for which he/she was elected or appointed in compliance with city code. In addition, ensure documented performance reviews are performed in conjunction with pay raises and promotions.

Auditee's Response

- 7.1 *The Board has not paid any other bonuses and will not in the future. The Board was unaware that this previous action violated the Missouri Constitution.*
- 7.2 *This recommendation has already been implemented by requiring time records to be signed and approved by a supervisor and retained. All overtime and compensatory time accruals now comply with city policy and the FLSA. Employee pay dates were adjusted to ensure employees are not being paid for estimated time, and the personnel policy is being updated to reflect accurate information.*
- 7.3. *This recommendation has already been implemented. Employees accrue vacation and sick leave in compliance with the city's personnel policy.*
- 7.4 *The Board will review the position of Emergency Services Coordinator and better define its role and monetary compensation. The Board will determine the proper classification for the position and require documentation of the hours worked.*
- 7.5 *The Board has already created an employee pay plan, and will create an ordinance to reflect this change.*
- 7.6 *The Board has already implemented this recommendation by creating a performance review record for each employee, and will not increase compensation for officials during the time for which they are appointed or elected.*

8. Accounting Controls and Procedures

Accounting controls and procedures need improvement. The city receives monies for charges for services (utilities), sales taxes, property taxes, franchise fees, merchant licenses, and other miscellaneous receipts. During the year ended June 30, 2017, the city collected approximately \$3.5 million.



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8.1 Segregation of duties

The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work completed by city office personnel are performed. The City Clerk, Utility Clerk, and Court Clerk can all receipt and deposit monies and post transactions to the accounting system, including adjustments to customer account balances. The City Clerk is primarily responsible for making purchases, preparing checks, and reconciling the bank accounts. No reviews of the detailed accounting and bank records are performed by other city personnel or Board members.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

8.2 Restricted monies

The city is not properly tracking and recording some restricted monies. During the fiscal year ended June 30, 2017, approximately \$77,000 in state motor vehicle related monies and \$52,700 in Capital Improvements Sales Tax (CIST) monies were deposited into the General Fund. Although these monies are restricted for specific purposes, they were deposited into the General Fund and the related disbursements and balances were not tracked separately. As a result, the city cannot determine at a point in time what portion of the General Fund represents restricted monies or demonstrate disbursement of these funds was allowable or appropriate.

Article IV, Sections 30(a) and 30(b), Missouri Constitution require motor vehicle-related receipts apportioned by the state of Missouri be disbursed for street-related purposes only. As required by City Code Section 130.120, the capital improvements sales tax is to be used for the funding of capital improvements including fire apparatus, training equipment, police vehicles, and emergency services stations, including the operation and maintenance of capital improvements. In addition, Section 94.577.3, RSMo, requires that CIST monies be deposited in a special trust fund. Separate accounting of restricted monies is necessary to ensure compliance with the Missouri Constitution and state laws.

8.3 Outstanding checks

The city has not established procedures to routinely follow up on outstanding checks. As of June 30, 2017, 29 outstanding checks totaling \$2,001 had been outstanding for over a year, with 3 checks dating back to 2006.

Proper follow up procedures are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law. Old outstanding checks should be voided and reissued to payees that can be readily located, and amounts remaining unclaimed should be disposed of in accordance with state law.



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8.4 Bonding

The Board members, who sign checks and have access to monies held in bank accounts, are not covered by a bond. Also, the Utility Clerk's bond does not provide adequate coverage since it is significantly less than other personnel. The Utility Clerk's bond is \$15,000, while the bonds for the Court Clerk, City Clerk, and City Administrator are \$150,000 each.

Failure to properly bond individuals who have access to funds exposes the city to risk of loss.

Recommendations

The Board of Aldermen:

- 8.1 Segregate the accounting duties of the city office personnel. If proper segregation cannot be achieved, ensure a documented independent or supervisory review of detailed accounting and bank records is performed.
- 8.2 Determine the amount of restricted monies in the General Fund and establish separate funds or a separate accounting of the restricted monies.
- 8.3 Establish procedures to routinely follow up on and reissue old outstanding checks and dispose of unclaimed monies in accordance with state law.
- 8.4 Obtain bond coverage for all personnel with access to city monies, and ensure the bond amount for the Utility Clerk is comparable to other personnel.

Auditee's Response

- 8.1 *This recommendation has already been implemented by segregating accounting duties among office personnel.*
- 8.2 *This recommendation has already been implemented by establishing separate accounting for the restricted monies.*
- 8.3 *We have begun the process of reporting and distributing all unclaimed monies to the State Treasurer.*
- 8.4 *All office personnel with access to city monies are currently bonded in accordance with city ordinance, and all Board members with authority to sign checks will be covered by a bond. The Board believes the Utility Clerk's bond is adequate.*



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9. Planning and Zoning

The City of Seymour does not have a city plan or comprehensive plan to guide planning and zoning activities.

According to a report from the Missouri Municipal League (MML), a "city plan is a detailed development plan, commonly referred to as a comprehensive development plan or master plan, showing the future growth of the municipality." A "comprehensive plan . . . means that zoning decisions should be governed by what is good for the community as a whole rather than by what is best for an individual land owner." The MML report also noted "most professional city planners believe that a separate document or plan is needed in order for zoning to work, both from a legal and practical standpoint."

City Code Section 405.010 states that the zoning regulations will be based on the comprehensive plan; however, officials were unable to provide us a plan other than the current zoning map. All cities, towns, and villages in Missouri may adopt planning and zoning. Section 89.340, RSMo, requires the city's planning and zoning commission to make and adopt a city plan for the physical development of the municipality. Section 89.040, RSMo, states the zoning regulations shall be made in accordance with a comprehensive plan. The MML report noted that a zoning ordinance based on a comprehensive plan is administered in a consistent manner and furthers a legitimate public purpose.

Recommendation

The Board of Aldermen and/or the Planning and Zoning Board create and adopt a city plan and comprehensive plan to help guide future decisions regarding development of the municipality.

Auditee's Response

The Board will take this under consideration.

City of Seymour

Organization and Statistical Information

The City of Seymour is located in Webster County. The city was incorporated in 1895 and is currently a fourth-class city. The city employed 18 full-time employees and 4 part-time employees on June 30, 2017.

City operations include fire protection services, law enforcement services, utilities (electric, water, and sewer), street maintenance, city parks, a municipal library, and a municipal cemetery.

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a two-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2017, are identified below. The Mayor is paid \$600 per month and Board of Aldermen members \$150 per month. The compensation of these officials is not established by ordinance.

Larry Chafin, Mayor
Grady Bennett, Alderman
Mary Carpenter, Alderwoman
Nadine Crisp, Alderwoman
Jim Ashley, Alderman

Other Principal Officials

The City Clerk, City Administrator, Chief of Police, Fire Chief, and City Attorney are appointed positions. The city's principal officials at June 30, 2017, are identified below:

Leslie Houk, City Clerk
Sam Burt, City Administrator
Ron Wright, Chief of Police
Shawn Crump, Fire Chief
Paul Link, City Attorney

Financial Activity

A summary of the city's financial activity for the year ended June 30, 2017, obtained from the city's audited financial statements follows:

CITY OF SEYMOUR, MISSOURI
 STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES -
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Park Fund	Non-major		Total Governmental Funds
			Cemetery Fund	Library Fund	
REVENUES					
Taxes:					
Property taxes	\$ 71,825	\$ 15,831	\$ 10,065	\$ 4,475	\$ 102,196
Franchise taxes	43,374	-	-	-	43,374
Sales taxes	322,898	170,969	-	28,800	522,667
Intergovernmental:					
Missouri motor fuel taxes	77,018	-	-	-	77,018
Licenses & permits	7,796	-	-	-	7,796
Fines & forfeitures	17,227	-	-	1,894	19,121
Charges for services	3,850	-	7,950	-	11,800
Sale of lots	-	-	8,784	-	8,784
Interest	3,283	129	3,735	42	7,189
Rents	3,000	-	-	-	3,000
Grants	500	-	-	1,442	1,942
Donations	-	-	-	24,534	24,534
Miscellaneous	4,766	379	-	428	5,573
Total Revenues	<u>555,537</u>	<u>187,308</u>	<u>30,534</u>	<u>61,615</u>	<u>834,994</u>
EXPENDITURES					
Current:					
General government	206,539	-	-	-	206,539
Public safety:					
Police	256,181	-	-	-	256,181
Court	15,597	-	-	-	15,597
Fire	58,888	-	-	-	58,888
Street	138,702	-	-	-	138,702
Library	-	-	-	84,636	84,636
Cemetery	-	-	29,768	-	29,768
Park	5,000	246,893	-	-	251,893
Capital outlay	177,200	-	-	12,583	189,783
Total Expenditures	<u>858,107</u>	<u>246,893</u>	<u>29,768</u>	<u>97,219</u>	<u>1,231,987</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(302,570)</u>	<u>(59,585)</u>	<u>766</u>	<u>(35,604)</u>	<u>(396,993)</u>
OTHER FINANCING SOURCES					
Gain on sale of assets	8,500	-	-	-	8,500
Fee in lieu of taxes	268,465	-	-	-	268,465
Transfers from other funds	293,388	-	-	52,713	346,101
Transfers (to) other funds	(52,713)	-	-	-	(52,713)
Total other financing sources	<u>517,640</u>	<u>-</u>	<u>-</u>	<u>52,713</u>	<u>570,353</u>
NET CHANGE IN FUND BALANCE	215,070	(59,585)	766	17,109	173,360
FUND BALANCES - BEGINNING (DEFICIT)	<u>(219,213)</u>	<u>307,839</u>	<u>296,226</u>	<u>(46,977)</u>	<u>337,875</u>
FUND BALANCES - ENDING (DEFICIT)	<u>\$ (4,143)</u>	<u>\$ 248,254</u>	<u>\$ 296,992</u>	<u>\$ (29,868)</u>	<u>\$ 511,235</u>

CITY OF SEYMOUR, MISSOURI

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Park Fund	Non-major		Total Governmental Funds
			Cemetery Fund	Library Fund	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 270,992	\$ -	\$ 15,584	\$ -	\$ 286,576
Accounts receivable-taxes	53,562	22,501	-	3,683	79,746
Investment	-	21,226	91,058	-	112,284
Due from other funds	36,201	255,884	190,382	-	482,467
Prepaid items	37,800	2,500	-	4,000	44,300
Inventory	596	-	-	-	596
 TOTAL ASSETS	 \$ 399,151	 \$ 302,111	 \$ 297,024	 \$ 7,683	 \$ 1,005,969
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accrued wages	\$ 7,982	\$ 950	\$ 32	\$ 1,330	\$ 10,294
Due to other funds	393,546	52,720	-	36,201	482,467
Other liabilities	1,766	187	-	20	1,973
Total Liabilities	403,294	53,857	32	37,551	494,734
 <u>FUND BALANCES</u>					
Fund Balances -					
Nonspendable	38,396	2,500	-	4,000	44,896
Restricted -					
Park		245,754	-		245,754
Cemetery		-	296,992		296,992
Unassigned-(Deficit)	(42,539)	-	-	(33,868)	(76,407)
Total Fund Balances	(4,143)	248,254	296,992	(29,868)	511,235
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 399,151	 \$ 302,111	 \$ 297,024	 \$ 7,683	 \$ 1,005,969
 Total Fund Balances-Total Government Funds					\$ 511,235
The City's net pension asset (liability), deferred outflows (inflows) are not reported in the governmental funds.					146,227
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.					3,256,554
 Net position of governmental activities					 \$ 3,914,016

CITY OF SEYMOUR, MISSOURI
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for services	\$ 2,246,956	\$ 116,488	\$ 323,583	\$ 2,687,027
Permits and miscellaneous income	10,021	1,975	1,466	13,462
Total Operating Revenues	<u>2,256,977</u>	<u>118,463</u>	<u>325,049</u>	<u>2,700,489</u>
OPERATING EXPENSES:				
Contracted services	6,036	1,590	260	7,886
Depreciation	39,149	19,793	62,914	121,856
Employee benefits	28,746	4,732	17,581	51,059
Fuel	3,333	1,760	2,758	7,851
Insurance	18,050	3,192	10,032	31,274
Miscellaneous	7,986	708	923	9,617
Office supplies and postage	4,355	21		4,376
Payroll taxes	10,998	2,520	5,879	19,397
Pension expense	8,179	2,026	7,445	17,650
Professional fees	8,458	7,569	15,502	31,529
Power purchased	1,394,539	-	-	1,394,539
Refuse service	13,161	-	311	13,472
Repairs & maintenance	28,576	4,600	-	33,176
Salaries	147,353	34,612	82,777	264,742
Supplies	3,452	490	29,074	33,016
Telephone	5,813	584	1,661	8,058
Testing	-	5,215	4,224	9,439
Training	6,751	763	348	7,862
Uniforms	1,844	662	1,336	3,842
Total Operating Expenses	<u>1,736,779</u>	<u>90,837</u>	<u>243,025</u>	<u>2,070,641</u>
OPERATING INCOME	<u>520,198</u>	<u>27,626</u>	<u>82,024</u>	<u>629,848</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest income	3,804	411	379	4,594
Total Non-operating Revenues (Expenses)	<u>3,804</u>	<u>411</u>	<u>379</u>	<u>4,594</u>
NET INCOME BEFORE GRANTS AND TRANSFERS	<u>524,002</u>	<u>28,037</u>	<u>82,403</u>	<u>634,442</u>
GRANTS AND TRANSFERS:				
Grants	-	-	1,650	1,650
Fee in lieu of taxes	(224,332)	(11,715)	(32,418)	(268,465)
Transfers (to) other funds	(226,321)	(3,977)	(63,090)	(293,388)
Net Transfers	<u>(450,653)</u>	<u>(15,692)</u>	<u>(93,858)</u>	<u>(560,203)</u>
CHANGE IN NET POSITION	73,349	12,345	(11,455)	74,239
NET POSITION - BEGINNING	<u>1,791,548</u>	<u>410,527</u>	<u>2,140,215</u>	<u>4,342,290</u>
NET POSITION - ENDING	<u>\$ 1,864,897</u>	<u>\$ 422,872</u>	<u>\$ 2,128,760</u>	<u>\$ 4,416,529</u>

CITY OF SEYMOUR, MISSOURI

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2017

	Electric Fund	Water Fund	Sewer Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 81,129	\$ 43,016	\$ 199,473	\$ 323,618
Accounts receivable				
Utilities	216,740	11,640	26,365	254,745
Other	425	-	-	425
Prepaid items	26,867	4,000	12,000	42,867
Inventory	158,931	35,067	684	194,682
Total current assets	484,092	93,723	238,522	816,337
Noncurrent assets:				
Investments	1,152,002	32,353	43,546	1,227,901
Land	-	-	1,970	1,970
Construction in progress	-	-	42,702	42,702
Property, plant and equipment (Net of accumulated depreciation)	447,782	340,878	1,797,576	2,586,236
Net Pension assets	27,010	6,323	14,603	47,936
Total noncurrent assets	1,626,794	379,554	1,900,397	3,906,745
TOTAL ASSETS	2,110,886	473,277	2,138,919	4,723,082
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflow related to pensions	41,395	9,691	22,380	73,466
LIABILITIES				
Accounts payable	122,789	302	-	123,091
Accrued wages	11,414	4,086	3,977	19,477
Payroll liabilities	329	28	541	898
Sales tax and primacy fee payable	956	2,722	909	4,587
Total current liabilities	135,488	7,138	5,427	148,053
Long-term:				
Customer deposits	101,748	41,218	-	142,966
Total long-term liabilities	101,748	41,218	-	142,966
TOTAL LIABILITIES	237,236	48,356	5,427	291,019
DEFERRED INFLOW OF RESOURCES				
Deferred inflow related to pensions	50,148	11,740	27,112	89,000
NET POSITION				
Investment in capital assets	447,782	340,878	1,842,248	2,630,908
Unrestricted	1,417,115	81,994	286,512	1,785,621
Total Net Position	\$ 1,864,897	\$ 422,872	\$ 2,128,760	\$ 4,416,529



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Harrisonville

City of Harrisonville

Follow-Up Report on Audit Findings

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*Includes selected findings



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Harrisonville, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2017-035, *City of Harrisonville*, (rated as Poor), issued in May 2017, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussions with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during July and August 2018.

Nicole R. Galloway, CPA
State Auditor

City of Harrisonville

Follow-Up Report on Audit Findings

Status of Findings

1.2 Highway 71/291 Partners in Progress Transportation Development District - City loan	The majority of the \$1.5 million (maximum) pledged loan to the Highway 71/291 Partners in Progress Transportation Development District (TDD) was planned to come from restricted utility funds as stated in the amended agreement, in violation of the bond covenants for the Electric and Combined Water and Sewer System (CWSS) Funds. The city pledged \$209,000 from the General Fund, \$833,000 from the CWSS Fund, and \$457,700 from the Electric Fund in the amended agreement, with \$200,000 from the Electric Fund already contributed as of August 2016. The city did not obtain a written legal opinion regarding these loans. Monies in the Electric and CWSS Funds were restricted for their intended purpose and could not be used for the general operation of the city.
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Recommendation	The Board of Aldermen repay the CWSS Fund and Electric Fund any monies loaned related to this TDD project and ensure restricted utility funds are only used for their intended purpose.
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Status	Implemented The city repaid \$200,000, plus interest, to the Electric Fund on October 31, 2017, from TDD funds and has not loaned additional restricted revenues to the TDD. As of September 30, 2018, the city has loaned \$896,913 from the General Fund to the TDD.
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2. Tax Increment Financing	Problems existed with the city's handling of Tax Increment Financing (TIF) project funding and reporting for the Towne Center and Market Place redevelopment areas.
-------------------------------	---

2.1 Debt service requirements	Revenues generated in the Towne Center Redevelopment Area were not sufficient to pay the bond principal and interest payments and the city was required to cover the shortage with general revenues. The remaining principal and interest outstanding on the bonds at December 31, 2015, was \$6.92 million and \$2.64 million, respectively.
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The city issued \$6.86 million in tax increment revenue notes in December 2005 to pay a portion of the infrastructure improvements and site development costs. The city issued \$8.63 million in revenue bonds in June 2007 to refinance the 2005 revenue notes and pay the capitalized interest on those notes. The city established the project with the intent to repay the bonds using a portion of the increased revenue from economic activity generated as provided in the Tax Increment Allocation Redevelopment Act. In accordance with this Act, payments in lieu of taxes (PILOTS) and a portion of the incremental increases to the economic activity taxes (EATS) were placed in a special allocation fund to pay for the bonds. Additionally, the city pledged its own general revenues to secure the debt.



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

In addition, the Towne Center TDD was formed and the TDD established a one percent sales tax in December 2005. TDD collections of this sales tax were deposited into the same special allocation fund as the project PILOTS and EATS and were committed to repay the bonds.

Since the project fund was established in 2007, principal and interest payments on the debt have exceeded TDD sales taxes, EATS, and PILOTS by approximately \$1 million. The city provided \$1,141,583 in subsidies from the General Fund to this project from 2010 to 2016.

Recommendation

The Board of Aldermen refrain from pledging taxpayer funds to assist developers in obtaining financing for projects. Future undertakings of a similar nature should incorporate assurances or other safeguards to avoid exposing the city's financial resources to risk. In addition, review the current status of the Towne Center redevelopment project and determine the appropriate course of action to minimize the amount of city General Fund subsidies required to cover the debt service requirements of this project.

Status

In Progress

The Board of Aldermen continues to provide the required subsidies to the Towne Center redevelopment project, but has not approved any additional incentives or provided assistance to any developers on new projects since at least May 2017. The Board held a public hearing on the status of the Towne Center redevelopment project in November 2017 and the City Administrator indicated recent discussions have been held with a developer regarding additions to the Towne Center redevelopment project. The Board decided to refund the bonds issued in 2007 for this project and passed ordinance 3436 in April 2018 authorizing the issuance of annual appropriation-supported tax increment revenue bonds to refund the 2007 revenue bonds. City officials estimate refunding the bonds will eventually save the city at least \$50,000 per year. In 2017 and 2018, the General Fund provided a subsidy of approximately \$150,000 each year, but city officials project the subsidy will decrease to an estimated \$100,000 in 2019.

2.2 Management and oversight

There were significant weaknesses regarding the city's management and oversight of its TIF districts. In addition to the Towne Center Redevelopment Area discussed in section 2.1, the city also established the Market Place Redevelopment Area and approved the Market Place TIF Plan in March 2007 and amended the plan in February 2009. We identified weaknesses in management and oversight, as well as compliance issues, with both TIF projects.

- The city had not ensured there was an active TIF Commission to control and timely finish the TIF projects. According to city officials, the TIF



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

Commission had not been active for many years, and the Commission had 3 vacancies for city appointed members.

- The developers had not filed annual progress reports or detailed reports on the progress of the projects on each 5-year anniversary with the Board, as required in the redevelopment agreements.
- City officials had not filed annual reports for the year ended December 31, 2010, or December 31, 2014, with the Missouri Department of Revenue (DOR).
- The city had not held public hearings every 5 years for each TIF as required.

Recommendation

The Board of Aldermen ensure there is an active TIF Commission to oversee and manage TIF projects to help ensure the projects are completed timely. Adequate records should be maintained to support project costs. In addition, the Board should ensure annual reports are filed with the state and public hearings are held on TIF projects as required by state law.

Status

Implemented

On September 9, 2017, the Board of Aldermen appointed 6 new members to fill the vacant positions on the TIF Commission, which then held its first meeting in October 2017. The minutes of that meeting indicate discussions were held regarding the status of TIF projects. A public hearing was held by the Board in November 2017 to discuss the status of each TIF project in the city, as required by state law. Annual progress reports were filed in October and November 2017 by the developers of the Towne Center and Market Place TIF districts. In addition, the 2017 TIF annual reports were filed with the DOR for both the Towne Center and Market Place TIFs by November 15, 2017, as required by state law.

2.3 Financial reporting

The city provided accounting services for the Towne Center TDD, Towne Center TIF, Market Place TDD A and B, and the Market Place TIF. The city maintained a fund for each TIF project that accounted for the receipts and disbursements of the TIF, along with the financial activity of the associated TDD. The TDD's cash balance and TDD portion of the TIF debt was not maintained. As a result, the city could not ensure each entity was properly paying its portion of the debt service payments and this weakness could have allowed TDD monies to be improperly used to pay a portion of the TIF debts.

Recommendation

The Board of Aldermen work with the TDD Boards to establish procedures to track the remaining TDD debt obligations and establish a fund to separately account for TDD receipts, disbursements, and cash balances.



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

Status

In Progress

The Finance Director has updated an excel spreadsheet used to track the balance of the TDD Boards' debts. A separate account maintained by the bond trustee has been established for TDD Boards but the city still accounts for TDD and TIF monies in the same fund. The Finance Director is developing ledger accounts in the city accounting system to allow the city to track the receipts, disbursements, and cash balances for each of the TDD Boards' monies separately from the TIF monies.

3.1 Utility Services -
Electric transfers

The city had no documentation of discussions held and had no basis for determining the annual franchise tax transfer from the Electric Fund to the General Fund. During 2015, \$916,688 was transferred to the General Fund, based on 8 percent of electric sales and fees revenues.

Recommendation

The Board of Aldermen determine the value of government services being offset by the electric transfers, evaluate the effects of the transfers and their impact on the General Fund, and retain documentation of how the transfer rate is determined.

Status

In Progress

The city continues to make unsupported transfers from the Electric Fund to the General Fund, with \$925,375 transferred during 2017 and \$1,010,250 budgeted to be transferred during 2018. City personnel solicited requests for proposals from 5 firms in the greater Kansas City area to perform a study of cost allocations, including the electric transfers, but none of the firms submitted a proposal. One firm did provide the name of a company from another state that provides this type of service. The city contacted the company, which indicated verbally this type of study would cost approximately \$20,000. Sufficient appropriations were not included in the 2018 budget to cover this cost, but city personnel indicated the Board plans to appropriate funds in the 2019 budget for this study.

3.3 Utility Services -
Missouri Public Energy
Pool disclosures

The Board of Aldermen needed to evaluate its relationship with the Missouri Joint Municipal Electric Utility Commission (MJMEUC), including the Missouri Public Energy Pool (MoPEP), to determine proper disclosures about the relationship in the city's financial statements.

According to the MJMEUC documents, Harrisonville's pro-rata share was 4.8 percent and the city's obligation for the project bonds issued was approximately \$23.7 million as of December 31, 2015. The city may also have been obligated for any purchase power contracts. However, the city did not include any disclosure about the MJMEUC and the MoPEP in the city's financial statements.



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

Recommendation	The Board of Aldermen consult with its independent auditor to evaluate the relationship with the MJMEUC/MoPEP and determine the proper and necessary disclosures for the financial statements.
Status	Implemented The city's 2016 and 2017 audited financial statements included appropriate disclosures regarding the city's relationship with the MJMEUC/MoPEP.
3.4 Utility Services - Utility adjustments	Controls over adjustments posted to customer utility accounts needed improvement. Billing clerks were not required to obtain independent approval for adjustments posted to the utility system prior to making the change.
Recommendation	The Board of Aldermen ensure all adjustments are properly approved and compared to actual changes posted to the computer system.
Status	Implemented Utility adjustments are required to be approved by the Finance Director. Adjustment reports are now printed by the billing clerks and provided to the Finance Director, who then compares approved adjustments to actual changes posted to the computer system.
4. Procurement Procedures and Contracts	Controls and procedures over city disbursements and construction projects needed improvement.
4.1 Professional services and contracts	The city had not established policies and procedures for the selection of vendors providing professional services. The city did not solicit requests for proposals for various professional services, had not periodically conducted a competitive selection process for various professional services, and did not always enter into contracts with the providers selected.
Recommendation	The Board of Aldermen periodically solicit proposals for professional services and enter into written agreements for those services. In addition, the Board should establish a policy to address the selection of professional services to ensure the city is in compliance with state law.
Status	Partially Implemented The Board of Aldermen solicited proposals for audit services in November 2017 and a written agreement was entered into with the selected firm. The city has not solicited proposals for legal services and continues to contract with the same attorney selected in August 2016. The Board has amended the city's purchasing policy to address the selection of professional services.



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

4.2 Bidding

City personnel did not always follow the city's purchasing policy when obtaining goods and services. Our review of 37 disbursements requiring bids during the year ended December 31, 2015, determined 20 items were either not bid or were not advertised as required by city code. In addition, the policy did not address bid requirements when multiple purchases from the same vendor exceeded the bid threshold during a set period of time.

City personnel indicated several purchases were not bid because they were considered sole source purchases, but the reasons were not documented. The city's purchasing policy did not address procedures for sole source procurements.

According to city personnel, they did not bid several other items because they considered these transactions emergency purchases. The purchasing policy requires a full written explanation for an emergency purchase and the approval of the City Administrator or Finance Director; and if neither is available, the department head may authorize the purchase. None of these purchases were supported by such documentation.

Recommendation

The Board of Aldermen solicit bids in compliance with the City Code of Ordinances and amend the policy to add time frames for bid thresholds and procedures addressing sole source procurement.

Status

Implemented

The Board of Aldermen has amended the city's purchasing policy by adding a section that states contracts or purchases will not be subdivided to avoid the requirements of the policy. In addition, a section was added to the policy addressing situations where annual bids for multiple purchases of the same product from the same vendor could be awarded when it is advantageous to the city. A section was also added to address procedures to be followed when a sole source procurement is necessary. We selected 6 purchases/services obtained during the period April through June 2018 and all 6 were properly bid and/or advertised in accordance with city policy.

4.3 Change orders

Significant improvement was needed in the city's handling of change orders related to construction projects.

- The city did not have a formal written change order policy.
- The city did not competitively bid significant changes to construction projects, when appropriate.

Recommendation

The Board of Aldermen implement a change order policy that includes requirements for monitoring change orders and provides guidance on when bidding for substantial project changes is required.



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

The Board of Aldermen amended the city's purchasing policy to stipulate that no change order exceeding 1 percent of the total approved bid amount would be allowed without following the normal purchasing policy procedures. If quotes or sealed bids are not obtained when required, that decision must be approved by the applicable department director, the City Administrator, and the Mayor. We reviewed 2 contracts that had a total of 3 change orders. The 2 change orders that exceeded the threshold requiring the change to be bid were not bid, but both were properly approved. Change orders of less than 1 percent of the total contract amount do not require supervisory approval.

4.4 Approval process

The city had not adopted a purchase order policy and city procedure did not require purchase orders for all goods and services. In addition, payment was made on some invoices, which did not require a purchase order, without documented approval.

Recommendation

The Board of Aldermen establish formal policies and procedures to ensure the proper use, accountability, and review and approval of purchase orders and invoices prior to payment.

Status

Implemented

A policy requiring purchase orders for all purchases was adopted. It specifies the type of information to be included on the purchase order, such as a description, specifications, unit purchase price, and freight conditions and place of delivery. The policy also requires approvers to ensure invoices are in conformity with the related purchase orders. We selected 6 disbursements made during the period April to June 2018 for testing. Purchase orders were maintained for all items tested, each invoice was approved, and each invoice was in conformity with the purchase order.

6.1 Allocations and
Restricted Funds - Cost
allocations and charges
to restricted funds

The Finance Director used several different calculations to allocate costs to various city funds, and some calculations used were questionable. Approximately \$2 million in costs paid by the General Fund in 2014 were allocated in 2015 to other city funds using various methods.

Administrative costs

The administrative costs allocated included personnel costs, fringe benefits, and travel and training costs for various finance and administrative employees, along with legal costs, insurance, other contractual services, and utility costs for city hall. Administrative costs allocated to various funds totaled approximately \$1.52 million during the year ended December 31, 2015.



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

The Finance Director allocated most administrative costs based upon the average of a fund's percentage of full-time equivalents (employees), operating expenditures, fund balance (governmental funds) or net assets (proprietary funds), and insured asset values. None of the administrative costs were allocated based on specific documentation, such as time sheets, maintained by city personnel to indicate the amount of time or actual costs incurred in direct relation to a specific department/fund. Each of the utility funds was paying a large percentage of the general administrative costs of the city, although we could not determine if the amounts allocated to any department/fund were reasonable compared to the benefits derived by each fund from the shared activities/costs. In addition, some administrative costs were allocated based on estimated percentages.

Overhead costs added

An overhead rate of 20 percent was applied to the administrative costs allocated to each fund and added to the amount to transfer to the General Fund. The overhead charged to the other funds and added to the administrative allocation amounts totaled approximately \$269,000 for the 2015 allocations. These were not costs paid by the General Fund and the former Interim City Administrator could not provide an explanation for why this calculation was performed or what the overhead rate represented.

PILOT payments

In addition to the administrative costs and overhead allocated to the Electric and CWSS Funds, the city also charged a PILOT to each of these funds, which totaled approximately \$72,000 (\$25,644 to the Electric Fund and \$47,146 to the CWSS Fund) in the 2015 allocations. City officials did not provide any statutory authority for charging this PILOT to the Electric and CWSS Funds.

Recommendation

The Board of Aldermen allocate administrative costs to city funds based on specific criteria and retain documentation to support the allocation.

Status

In Progress

The city has made no changes to its allocation methods. However, as discussed in the status comments of finding number 3.1, the city plans to appropriate funds in the 2019 budget for a study of cost allocations.

6.3 Allocations and
Restricted Funds -
Restricted revenues

City personnel did not track the balance of various restricted revenues received during the year ended December 31, 2015. Motor vehicle-related revenues, county road and bridge sales tax revenue, law enforcement and public safety revenues, and federal and state grant monies are all accounted for within the General Fund, but the balances of those restricted monies are not tracked. As a result, city officials could not determine at a point in time what portion of the General Fund balance represented restricted monies.



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

Recommendation	The Board of Aldermen determine the balance of restricted monies in the General Fund and establish separate funds or a separate accounting for these monies, including the current balance.
Status	Implemented The city has developed a spreadsheet to use when preparing the budget showing, among other things, the amount of restricted monies received into the General Fund and the planned expenditure amounts for these specific purposes, such as street-related expenditures. The City Administrator indicated restricted revenues accounted for in the General Fund are normally fully spent in the year received. He indicated if any of those monies were not fully spent, the city has mechanisms in place to determine the unspent amount and those monies would be restricted within the General Fund.
7.2 Cash Handling Controls and Procedures - Segregation of duties and oversight	The city did not have adequate personnel in most departments where monies were collected to segregate duties and adequate oversight of the transmittal process was not performed.
Recommendation	The Board of Aldermen ensure the duties of receipting and transmitting/depositing monies are segregated or implement timely adequate supervisory reviews if duties cannot be appropriately segregated.
Status	Implemented A worksheet has been developed for the various departments to document all funds received and receipt slip numbers issued. The departments then bring the funds along with the worksheet to city hall for entry into the accounting system and deposit. The Finance Director or other independent personnel perform site visits and audits of transmittals periodically to ensure amounts transmitted agree to receipt slips issued.
8.1 Sunshine Law and Statutory Compliance - Closed meetings	The Board discussed some items in closed meetings that were not allowed by state law and sometimes discussed issues unrelated to the specific reason cited in the open minutes for going into a closed meeting.
Recommendation	The Board of Aldermen ensure issues discussed in closed meetings are allowed by state law, and limit issues discussed in closed meetings to only those specific reasons cited for closing the meeting.
Status	Implemented



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

The Board of Aldermen had the City Attorney review closed meeting minutes from 2015 through June 2017 to determine which minutes contained discussion of unallowable topics. The minutes identified were subsequently made public by the Board and posted on the city's website. We reviewed closed meeting minutes for the period August 2017 to June 2018 and identified no instances in which unallowable topics were discussed. Topics discussed agreed to the reasons cited for closure.

8.2 Sunshine Law and
Statutory Compliance -
Meeting minutes

The city did not ensure minutes of meetings were prepared timely and posted to its website. In addition, the Board did not review and approve closed meeting minutes. Closed meeting minutes were only signed by the City Clerk.

Recommendation

The Board of Aldermen ensure meeting minutes are prepared, approved, and posted to the city website timely for all open meetings.

Status

Implemented

We reviewed open meeting minutes for Board meetings and work sessions held in May, June, and July 2018 and located minutes for each meeting/session on the city's website. The City Administrator indicated he checks regularly to ensure the minutes are posted and indicated the new City Clerk is conscientious about posting minutes timely.

Procedures were changed in regard to closed meeting minutes approval. Minutes of closed meetings are now distributed to board members in sealed packets before the next open meeting. Closed minutes are approved at the open meeting, along with the open meeting minutes, and signed by the Mayor. If an amendment is necessary, the Board will discuss the proposed change at the next closed meeting, vote to approve the minutes, and have them signed by the Mayor. The closed meeting minutes for the period August 2017 to June 2018 were reviewed and were approved by the Board and signed by the Mayor.

9.2 Accounting Controls
and Procedures -
Delinquent accounts

The city had not developed written policies and procedures regarding handling and accounting for delinquent utility and Emergency Medical Services (EMS) accounts.

At our request the utility billing and EMS departments generated reports of delinquent accounts. The reports included 2,912 accounts (totaling \$1,765,864) more than 5 years old. City officials did not have a process to periodically review these reports and evaluate the likelihood of collection, and had not removed delinquent accounts from the utility system in many years or the EMS billing system since 2009.



City of Harrisonville
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The Board of Aldermen establish policies and procedures regarding the collection of delinquent accounts.

Status

Not Implemented

City officials indicated they are committed to developing policies and procedures regarding the collection of delinquent accounts, but none have been implemented as of September 30, 2018.



Office of Missouri State Auditor
Nicole Galloway, CPA

Iron County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Iron County

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory reviews of detailed accounting and bank records are performed. The Sheriff's office does not prepare a monthly list of liabilities for the fee bank account, and consequently, liabilities are not reconciled to the available cash balance in the account. The Sheriff's office maintains an inactive commissary bank account and has not followed up on old outstanding checks or properly reconciled the bank account and determined the proper disposition of the account balance. The Sheriff's office does not properly account for bond forms and does not reconcile amounts per the forms to deposits in the bank account and transmittals to cities. The Sheriff's office does not timely disburse fees and other receipts from the fee account to the County Treasurer. The Sheriff does not have proper controls and procedures in place to ensure collection and transmittal of amounts billed and received for boarding of prisoners.
Tax Maintenance Fund	The County Collector made monthly salary payments of \$100 from the Tax Maintenance Fund to the Deputy County Collector to supplement the salary paid the deputy from the General Revenue Fund. Since these payments were not processed through the county payroll system, these payments were not reported on the employee's W-2 form, appropriate payroll taxes were not withheld, and the employer's share of payroll taxes were not paid.
Senate Bill 40 Tax Rate	The County Commission did not hold a public hearing and approve the Senate Bill 40 property tax rate.
Passwords	Employees in the office of the Recorder of Deeds and Sheriff are not required to use passwords for accessing office computers, and employees in the office of Prosecuting Attorney are not required to periodically change passwords.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations of another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Iron County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Iron County

We have audited certain operations of Iron County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, was engaged to audit the financial statements of Iron County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

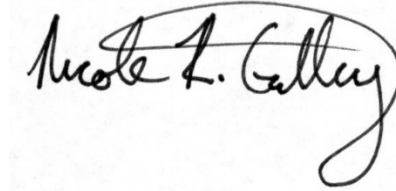
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Iron County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	James M. Applegate, MBA
Audit Staff:	Terese Summers, MSAS, CPA
	Sherrye Lesmes

Iron County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office processed receipts for civil paper service, prisoner transportation reimbursement, commissary commissions, and other miscellaneous receipts totaling approximately \$31,000 through the fee account, and bond receipts totaling approximately \$22,000 through the bond account during the year ended December 31, 2017.

1.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory reviews of detailed accounting and bank records are performed.

The Administrative Assistant is responsible for receipting, recording, and depositing monies; making disbursements; and preparing the monthly bank reconciliations for both bank accounts. The Sheriff does not review accounting records to ensure monies received have been properly recorded, deposited, and disbursed to the appropriate parties.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, disbursing, and reconciling monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

1.2 Liabilities

The Sheriff's office does not prepare a monthly list of liabilities for the fee bank account, and consequently, liabilities are not reconciled to the available cash balance in the account. We determined liabilities to be 3 months of undistributed collections (see section 1.5) totaling \$7,566, as of December 31, 2017. The reconciled bank balance of \$9,090 at December 31, 2017, exceeded the identified liabilities, resulting in an unidentified balance of \$1,524.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and monies are available to satisfy all liabilities. Differences should be adequately investigated and explained. Various statutory provisions provide for the disposition of unidentified monies.

1.3 Commissary account

The Sheriff's office maintains an inactive commissary bank account and has not followed up on old outstanding checks or properly reconciled the bank account and determined the proper disposition of the account balance. The account has been inactive since January 2017 when the county began contracting for the commissary operations. Upon our request, the Sheriff's office prepared a bank reconciliation as of April 30, 2018. The reconciled bank balance of \$4,129 exceeded the book balance of \$3,549 by \$580 and the outstanding checks listing included 8 checks totaling \$1,188 that had been



Iron County Management Advisory Report - State Auditor's Findings

outstanding for more than 1 year. According to the Administrative Assistant, the payee for one outstanding check for \$1,000 has been recently located, a stop payment order was issued for the check, and a new check was issued. Also, according to the Administrative Assistant, the book balance consists of undistributed commissary net proceeds and interest earned on the bank account; however, there is no documentation to support the book balance amount.

Maintaining an inactive account increases the risk of loss, theft, or misuse of funds. Proper follow-up procedures on old outstanding checks are necessary to ensure monies are appropriately disbursed to the payee or as otherwise required by state law. Various statutory provisions provide for the disposition of unclaimed monies. If appropriate distribution of the account balance cannot be determined, the Sheriff should dispose of it in accordance with state law and close the account.

1.4 Bonds

The Sheriff's office does not properly account for bond forms and does not reconcile amounts per the forms to deposits in the bank account and transmittals to cities. The numerical sequence of bond forms is not accounted for and some bond forms were not issued in numerical order. Additionally, while most cash bonds received are deposited into the bond account, some cash bonds received are held until transmitted to the cities for whom the arrest was made, and the Sheriff's office does not obtain a receipt slip from the cities for the bonds transmitted.

To reduce the risk of loss, theft, or misuse of bond monies received, and to provide assurance bond monies are accounted for properly, prenumbered bond forms should be issued in numerical order and the numerical sequence of bond forms should be accounted for properly. In addition, receipt slips should be obtained from cities for bonds transmitted directly to the cities, and bond forms should be reconciled to deposits and also to transmittals to the cities.

1.5 Disbursements

The Sheriff's office does not timely disburse fees and other receipts from the fee account to the County Treasurer. The Sheriff's office made disbursements to the County Treasurer approximately every 2 to 3 months, and those disbursements ranged from \$4,089 to \$8,725.

Timely disbursement of fees and other receipts is necessary to provide adequate controls over account balances and increase the likelihood discrepancies are promptly detected. Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer. In addition, pursuant to Section 50.380, RSMo, the Sheriff may be subject to penalties for failure to timely disburse monies.



Iron County
Management Advisory Report - State Auditor's Findings

1.6 Prisoner boarding

The Sheriff does not have proper controls and procedures in place to ensure collection and transmittal of amounts billed and received for boarding of prisoners. During 2017, the Sheriff's office did not track all board bills sent or payments received. As a result, the Sheriff's office is unable to monitor billed amounts to ensure payments are received and transmitted to the County Treasurer. County records indicate amounts transmitted to the County Treasurer for board bills totaled approximately \$1,300 in 2017, and unpaid billings totaled approximately \$12,800 as of June 2018. In addition, the Sheriff has not entered into written agreements with the surrounding counties and cities for the boarding of prisoners detailing the housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations.

Procedures such as independent reconciliations of billing records to jail records and payments received should be established to ensure prisoner housing is properly billed, collected, recorded, and transmitted to the County Treasurer. Proper records and follow-up procedures are also necessary to safeguard against possible loss, theft, or misuse of funds going undetected.

Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

Similar conditions
previously reported

A condition similar to section 1.1 was noted in our 2 prior audit reports, while conditions similar to sections 1.2, 1.3, and 1.6 were noted in our prior audit report.

Recommendations

The Sheriff:

- 1.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 1.2 Prepare a monthly list of liabilities for the fee account and reconcile it to the available cash balance. Any differences should be promptly investigated and resolved. After sufficient efforts are made to resolve differences, any remaining unidentified monies should be disposed of in accordance with state law.
- 1.3 Dispose of monies held in the inactive commissary bank account in accordance with state law and close the account. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located the amount should be disbursed in accordance with state law.



Iron County
Management Advisory Report - State Auditor's Findings

- 1.4 Account for the numerical sequence of prenumbered bond forms. Additionally, receipt slips should be obtained from cities for bonds transmitted to cities, and bond forms should be reconciled to deposits and transmittals to cities.
- 1.5 Disburse fees and other receipts to the County Treasurer monthly in accordance with state law.
- 1.6 Develop procedures to ensure collections of costs for boarding prisoners and the proper recording and transmittal of payments received. In addition, the Sheriff should work with the County Commission to obtain written agreements with other counties and cities for the boarding of prisoners.

Auditee's Response

- 1.1 *The County Treasurer has begun reviewing the office's financial records quarterly. In addition, I will begin reviewing accounting records with the Administrative Assistant monthly.*
- 1.2 *I will have the Administrative Assistant prepare a monthly list of liabilities, and she and I will reconcile the list to the cash balance. I will consult the Prosecuting Attorney regarding disposition of unidentified monies.*
- 1.3 *This account was closed in October 2018, and the balance was turned over to the County Treasurer for deposit into the Inmate Prisoner Detainee Security Fund. We will contact payees of old outstanding checks, and reissue checks as applicable. We will dispose of remaining unidentified funds in accordance with state law.*
- 1.4 *The Circuit Court recently required the bond forms be revised; however, the printer did not prenumber the new forms. We will attempt to order new prenumbered bond forms. If prenumbered forms cannot be obtained, we will number the existing forms manually and account for the numerical sequence of the forms when issued. Additionally, we now deposit all city bonds and disburse those bonds by check.*
- 1.5 *This recommendation has been implemented.*
- 1.6 *We are developing a contract document that will be approved by the Circuit Judge and then presented to the cities for signature and execution. Additionally, we will reconcile billings to payments received by the County Treasurer monthly and we will follow-up on unpaid billings and notify the Circuit Judge about unpaid billings.*



Iron County
Management Advisory Report - State Auditor's Findings

2. Tax Maintenance Fund

The County Collector made monthly salary payments of \$100 from the Tax Maintenance Fund to the Deputy County Collector to supplement the salary paid to the deputy from the General Revenue Fund. These payments totaled \$1,200 during the year ended February 28, 2018. Since these payments were not processed through the county payroll system, these payments were not reported on the employee's W-2 form, appropriate payroll taxes were not withheld, and the employer's share of payroll taxes were not paid. The Internal Revenue Code indicates individuals treated as employees should have all compensation reported on W-2 forms.

To ensure all employee compensation is properly reported and taxed, all compensation should be paid through the normal county payroll process. The failure to properly report and tax all wages could result in penalty and interest charges assessed against the county.

A similar condition was noted in our prior audit report.

Recommendation

The County Collector ensure all employee compensation is paid through the county's normal payroll process, properly taxed, and reported to the Internal Revenue Service.

Auditee's Response

I have discussed this issue with the County Commission and we will begin processing the compensation through the county's normal payroll process.

3. Senate Bill 40 Tax Rate

The County Commission did not hold a public hearing to approve the Senate Bill 40 property tax rate. The property tax rate was approved by the Senate Bill 40 Board; however, the Senate Bill 40 Board does not have the legal authority to set the property tax rate.

Section 137.055, RSMo, states the county governing body shall hold a public hearing prior to approving the tax rates of the county. In addition, the Missouri Supreme Court issued an opinion in the case of *State ex rel. Indus. Services Contractors, Inc. v. County Comm'n of Johnson County*, 918 S.W.2d 252 (Mo. Banc 1996) that there is no statutory authority allowing Senate Bill 40 Boards to set the property tax levy.

Recommendation

The County Commission should approve the Senate Bill 40 property tax rate in accordance with state law.

Auditee's Response

We have implemented this recommendation with the August 2018 property tax rate setting process.

4. Passwords

The Recorder of Deeds, Sheriff, and Prosecuting Attorney have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the office of the Recorder of Deeds and Sheriff are not required to use passwords for accessing office



Iron County
Management Advisory Report - State Auditor's Findings

computers, and employees in the office of Prosecuting Attorney are not required to periodically change passwords.

Passwords are necessary to authenticate access to computers. However, since passwords are not used or do not have to be periodically changed in certain offices, there is less assurance access to computers and data files is limited to only those individuals who need access to perform their job responsibilities. Passwords should be confidential, contain a minimum number of characters, and be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

Recommendation

The County Commission work with other county officials to require employees establish and maintain confidential passwords that must be periodically changed.

Auditee's Response

We will make revisions to our internal control policy to incorporate this recommendation.

Iron County

Organization and Statistical Information

Iron County is a county-organized, third-class county. The county seat is Ironton.

Iron County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 38 full-time employees and 5 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Jim Scaggs, Presiding Commissioner	\$	29,390
Joshua A. Campbell, Associate Commissioner		27,390
Dwayne Warncke, Associate Commissioner		27,390
Karen K. Reagan, Recorder of Deeds		41,500
Virginia Queen, County Clerk		41,500
Brian Parker, Prosecuting Attorney		51,000
Roger D. Medley, Sheriff		46,000
Carol Hardy, County Treasurer		41,500
Tim Harbison, County Coroner		14,000
Lisa Light, Public Administrator		41,500
Linda Kemp, County Collector, year ended February 28,	41,500	
David L. Huff, County Assessor, year ended August 31,		41,500

New Sales Tax

On April 4, 2017, Iron County voters approved a 1/2 of 1 percent general sales tax.



Office of Missouri State Auditor
Nicole Galloway, CPA

Perry County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Perry County

Sheriff's Controls and Procedures	The Sheriff's office has not remitted net proceeds from the inmate commissary account to the County Treasurer for deposit into the Inmate Prisoner Detainee Security Fund. The Sheriff does not properly reconcile fuel usage to fuel purchases, and does not document his review of fuel usage reports.
County Procedures	The County Clerk does not properly consider prior years' results when performing his annual property tax reduction calculations. The county used the same provider to serve as both financial advisor and underwriter for the issuance of lease participation certificates. The County Commission does not document its approval of court orders for property tax additions and abatements.
Passwords	Employees in the offices of the County Collector, Sheriff, Prosecuting Attorney are not required to change passwords periodically to help ensure passwords remain known only to the assigned user.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations of another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Perry County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Perry County

We have audited certain operations of Perry County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Perry County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

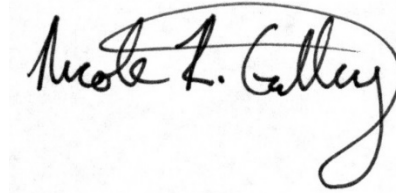
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Perry County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Chris Vetter, CPA
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	Troy Tallman, CFE
	Mackenzie Roth

Perry County Management Advisory Report State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office collected monies for civil paper service, bonds, housing prisoners, inmates, and other miscellaneous receipts totaling approximately \$209,000 during the year ended December 31, 2017.

1.1 Commissary net proceeds

The Sheriff's office has not remitted net proceeds from the inmate commissary account to the County Treasurer for deposit into the Inmate Prisoner Detainee Security Fund. The inmate commissary account balance of \$71,000 at December 31, 2017, consisted of approximately \$500 in inmate monies and approximately \$70,500 in net proceeds from commissary sales.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

1.2 Fuel reconciliation

The Sheriff does not properly reconcile fuel usage to fuel purchases, and does not document his review of fuel usage reports. Deputies fuel patrol cars using a bulk fuel tank. The fuel tank is monitored by video camera; however, the tank is easily accessible and unlocked, and the pump is always turned on. The Sheriff indicated he reviews the monthly fuel usage reports, but he does not document this review. During the year ended December 31, 2017, the Sheriff's office spent approximately \$45,000 on fuel for 24 vehicles.

Procedures for reconciling fuel use to fuel purchases and documenting reviews of fuel usage reports are necessary to ensure vehicles are properly utilized and decrease the risk of loss, theft, or misuse of fuel going undetected.

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The Sheriff:

- 1.1 Disburse net proceeds not necessary to meet cash flow needs or current operating expenses to the County Treasurer for deposit into the Inmate Prisoner Detainee Security Fund.
- 1.2 Establish procedures to reconcile fuel used to fuel purchased and document the review of fuel usage reports. Any significant discrepancies should be promptly investigated.

Auditee's Response

- 1.1 *The Sheriff will continue with the current process which involves oversight by the County Commission.*



Perry County
Management Advisory Report - State Auditor's Findings

1.2 *The Sheriff feels the current procedures are adequate. The Sheriff will sign the fuel usage reports to document his review.*

Auditor's Comment

1.1 Section 221.102, RSMo, requires net proceeds from the commissary, other than a minimum amount for cash flow purposes and current expenses, to be deposited into the Inmate Prisoner Detainee Security Fund held by the County Treasurer.

2. County Procedures

Procedures over county property tax reductions, lease participation certificates, and additions and abatements need improvement.

2.1 Property tax levy reduction

The County Clerk does not properly consider prior years' results when performing his annual property tax reduction calculations. As a result, the general revenue property tax levy has been reduced by approximately \$16,000 more than required by law since our last audit in 2014. Including previous years, the general revenue property tax levy has been reduced by approximately \$150,000 more than required by law.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Perry County voters enacted a one-half of 1 percent general sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet the 50 percent reduction requirement based on estimated sales tax collections of the current year, and adjust for actual sales tax collections of the preceding year that were more or less than the estimate for that year. To ensure property tax levies are properly set, the County Commission and the County Clerk should ensure property tax reductions are accurately calculated.

A similar condition was noted in our prior report.

2.2 Lease participation certificates

The county used the same provider to serve as both financial advisor and underwriter for the issuance of lease participation certificates. In March 2017, the county issued lease participation certificates totaling \$3,345,000 to pay for the renovation of the courthouse. Lease participation certificates are a method of financing a capital project whereby a financial institution sells interests in the capital project, leases the project to a public entity, and repays the certificates with the lease payments. After the certificates have been repaid, the local government typically has the option to purchase, at a nominal amount, the capital project it has been leasing. Lease participation certificates are not required to be approved by county voters and carry higher borrowing costs than traditional bond financing.

Using the same provider to act in the dual capacity of underwriter and financial advisor for a debt issuance creates an inherent conflict of interest. The lack of independent financial advice could result in the county not being



Perry County Management Advisory Report - State Auditor's Findings

adequately informed of debt issuance options or being unable to adequately evaluate debt proposals. The underwriter does not have a fiduciary responsibility to the county.

2.3 Additions and abatements

The County Commission does not document its approval of court orders for property tax additions and abatements. During the year ended February 28, 2018, additions totaled approximately \$207,000 and abatements totaled approximately \$71,000.

The County Assessor and County Collector process additions and abatements and print a court order for review and approval by the County Commission. The County Commission indicated it reviews the court orders but does not document its approval.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. Documented reviews and approvals of additions and abatements, would help ensure changes made to the property tax system are proper.

Recommendations

The County Commission:

- 2.1 And the County Clerk properly calculate property tax rate reductions and adequately reduce property tax levies for 50 percent of sales tax revenue.
- 2.2 Discontinue using an underwriter who also acts in a dual capacity as financial advisor for debt issuances.
- 2.3 Document approval of all property tax additions and abatements.

Auditee's Response

The County Commission and the County Clerk provided the following response:

- 2.1 *The County Commission and County Clerk will discuss with legal counsel to determine how to proceed.*

The County Commission provided the following responses:

- 2.2 *In the future, the County Commission will ensure any financial proposals are reviewed by an independent source.*
- 2.3 *The County Commission will begin receiving a detailed report monthly which will be signed by the County Commissioners to document the review of the additions and abatements.*



Perry County
Management Advisory Report - State Auditor's Findings

3. Passwords

The County Collector, Sheriff, Prosecuting Attorney, and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically to help ensure passwords remain known only to the assigned user.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since employees in several offices are not required to change passwords periodically, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior report.

Recommendation

The County Commission work with other county officials to require employees to maintain confidential passwords that must be periodically changed.

Auditee's Response

The County Commission will develop a county-wide password policy for all the offices to adhere to.

Perry County

Organization and Statistical Information

Perry County is a county-organized, third-class county. The county seat is Perryville.

Perry County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 66 full-time employees and 15 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board, Mental Health Board, Youth Board, Senior Citizen Board, Solid Waste Board, and 911 services. Also, in conjunction with the City of Perryville, the county operations include maintenance of a community multi-purpose facility.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Carl Leuckel Jr., Presiding Commissioner	\$	36,650
Jay P. Wengert, Associate Commissioner		34,545
Jim Sutterer, Associate Commissioner		34,545
Dana Pritchard, Recorder of Deeds		52,260
Jared W. Kutz, County Clerk (1)		54,343
Thomas L. Hoeh, Prosecuting Attorney		64,324
Gary J. Schaaf, Sheriff		52,139
Kathy A. Schumer, County Treasurer		52,343
Bill Bohnert, County Coroner		16,336
Tamara M. Tarrillion, Public Administrator		47,424
Rodney J. Richardet, County Collector (2), year ended February 28,	64,546	
Charles Triller, County Assessor (3), year ended August 31,		54,343
Tim Baer, County Surveyor (4)		

- (1) Includes \$2,000 of commissions earned for preparing city property tax books.
- (2) Includes \$12,213 of commissions earned for collecting property taxes for cities, levee districts, and drainage districts.
- (3) Includes \$2,000 of commissions earned for assessing city property taxes.
- (4) Compensation on a fee basis.



Perry County
Organization and Statistical Information

Financing
Arrangement

The county entered into a lease agreement with UMB Bank (the trustee) in March 2017 to provide funding for the costs of renovating the courthouse. Certificates of Participation bonds totaling \$3,345,000 were issued by the trustee on behalf of the county. The county's lease payments to the trustee are equal to the amount due to retire the trustee's indebtedness. Construction was completed in 2018 and the lease is scheduled to be paid off in 2034. The remaining principal outstanding at December 31, 2017, was \$3,345,000. The remaining interest at December 31, 2017, was \$1,013,021. The lease payments are anticipated to be paid with revenue generated from the county's sales tax passed in April 2016.



Office of Missouri State Auditor
Nicole Galloway, CPA

City of Greenville



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of City of Greenville

Background	<p>The former City Clerk, Pam Birmingham, began employment with the city in June 2008. Ms. Birmingham also served as the Court Clerk of the Municipal Division. The Board identified concerns regarding Ms. Birmingham's performance in April 2016, and as a result of those concerns, the Board terminated Ms. Birmingham's employment on April 14, 2016. The Missouri State Highway Patrol initially investigated and obtained documents regarding unsupported checks issued to the former City Clerk, and turned these records over to the Missouri Attorney General's Office (AGO) for prosecution. The AGO contacted the State Auditor's Office (SAO) on January 30, 2018, and requested assistance in reviewing city records and preparing documents and testimony regarding unsupported checks issued to the former City Clerk. On March 9, 2018, the Board passed an ordinance formally requesting and authorizing an audit and the audit began on that date.</p>
Improper Payments and Missing Monies	<p>The lack of segregation of duties and adequate controls, and the absence of proper oversight, resulted in the overpayments, improper payments, improperly negotiated city checks, falsified records, and missing receipts going undetected for a significant period of time. The audit identified a total of approximately \$161,000 in improper payments and undeposited monies from January 1, 2014 through April 14, 2016. Improper payments totaling \$52,594 were made to the former City Clerk. The former City Clerk also improperly cashed or negotiated 123 city checks issued to the City of Greenville totaling \$39,536. Most of the checks issued for these improper payments were only signed by the former City Clerk. The former City Clerk deposited many of the checks written to herself from the city, cash, and other unrelated checks into a personal bank account and spent \$62,416 from this account on various personal items. Documentation of amounts spent from this account was prepared at the request of the AGO and was provided for their use in prosecution.</p> <p>The former City Clerk also falsified disbursement listings provided to the Board for its review and approval at monthly meetings to conceal improper disbursements totaling \$25,980. Utility and municipal division receipts totaling \$69,229 were not deposited by the former City Clerk, and only \$2 of cash was deposited into utility accounts over this more than 2 year period.</p>
Oversight, Annual Audits, and Bond Coverage	<p>The Board did not establish adequate oversight of the former City Clerk, obtain annual audits as required by state law, or obtain bond coverage for city officials and personnel with access to city monies.</p>
Accounting Controls and Procedures and Disbursements	<p>Manual receipt slips were not issued for all monies received; manual receipt books were missing; utility payments were not timely recorded in the computerized utility system; the method of payment was not consistently recorded on receipt records; and receipts were not deposited timely or intact. The city maintains an excessive number of bank accounts; monthly bank reconciliations were not performed; and the city failed to monitor the city's cash balances and incurred overdraft and minimum balance fees. The former City Clerk made excessive and unauthorized transfers between various bank accounts, and did not always deposit utility receipts into the proper bank</p>

account, which led to commingling of restricted funds. Refundable utility deposit monies held in the water bank account are not accounted for properly. Pre-numbered forms are not used for merchant and liquor licenses and gathering hall and festival booth rental fees, and records were not retained to account for the collection and deposit of these fees. Various financial and personnel records were not maintained. Some records were recovered from a city dumpster shortly after the termination of the former City Clerk.

Payroll Policies, Records, and Taxes	Significant improvement regarding personnel policies, records, and remitting payroll taxes is needed. The city had not established personnel policies addressing overtime, holidays, vacation and sick leave, employee benefits, uniform allowances, and hours of work, and a personnel file was not retained for the former City Clerk. The former City Clerk did not timely file and remit approximately \$65,000 in various payroll taxes, and concealed some of these untimely filings and payments by falsifying disbursement listings provided to the Board.
Municipal Division	Several case files and other court records could not be located by the municipal division. Neither the municipal division nor city personnel performed adequate supervisory or independent reviews of accounting functions and records. The municipal division's procedures for receipting, recording, and depositing were poor. The former Court Clerk did not disburse fines and court costs timely, submit a monthly caseload summary report to the city, or submit monthly reports of court activity to the Office of the State Courts Administrator. The former Municipal Judge had not issued a court order for the schedule of fines and court costs to be collected through the violation bureau, and a schedule could not be located by the municipal division.
Electronic Data Security	The city had not developed a formal, written contingency plan for recovering computer systems and data, and the city did not regularly back up data or periodically test backup data, and did not always store backup data at a secure off-site location.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Greenville

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Greenville, Missouri

We have audited certain operations of the City of Greenville as they relate to the city's finances in fulfillment of our duties under Section 29.200.3, RSMo. Due to concerns regarding missing monies and improper payments, the State Auditor initiated the audit with the approval of the City of Greenville Board of Aldermen. The scope of our audit included, but was not necessarily limited to the period from January 1, 2014, through April 15, 2016. The objectives of our audit were to:

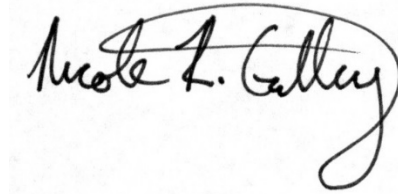
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the amount of missing monies and improper disbursements to the extent possible.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) missing monies and improper disbursements totaling approximately \$161,000. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Greenville.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written in a smaller, more compact style between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Audit Manager:	Pamela Allison, CPA
In-Charge Auditor:	Katelyn Crosson, CFE
Senior Auditors:	Troy Royer
	Matthew Schulenberg, CFE
Audit Staff:	James C. Kayser, CFE
	Joy Stevens, CFE

City of Greenville

Introduction

Background

The former City Clerk, Pam Birmingham, began employment with the city in June 2008. As City Clerk, Ms. Birmingham was solely responsible for financial accounting functions and records of the city as follows:

- Receipts - collecting and receipting all payments to the city, posting to the accounting records and customer utility accounts, and preparing and making bank deposits.
- Disbursements - making purchases; receiving goods and services; preparing a listing of bills to be paid each month and providing the listing to the Board of Aldermen for approval; maintaining supporting documentation (all disbursements are to be supported by invoices or other documentation); preparing, signing, and distributing checks; posting payments to the accounting records; and transferring monies between bank accounts.
- Payroll - preparing computerized timesheets; calculating, preparing, signing, and distributing payroll checks (including checks related to the payment of payroll taxes); posting payments to the accounting records; and preparing 941 and W-2 forms.
- Utility and license billings - entering meter readings in the utility software program; preparing and mailing invoices for merchant and liquor licenses; and issuing licenses.
- Bank accounts - receiving and reconciling monthly bank statements to accounting records.
- Reporting - preparing Board meeting minutes and financial reports.

Ms. Birmingham also served as the Court Clerk of the Municipal Division, and a description of those duties are included in MAR finding number 5.2.

According to the current Mayor and City Clerk, the Board identified concerns regarding the former City Clerk's job performance in April 2016, and as a result of those concerns, terminated her on April 14, 2016.

The Missouri State Highway Patrol (MSHP) initially investigated and obtained documents regarding unsupported checks issued to the former City Clerk, and turned these records over to the Missouri Attorney General's Office (AGO) for prosecution. The AGO contacted the State Auditor's Office (SAO) on January 30, 2018, and requested assistance in reviewing city records, preparing documents, and providing testimony regarding unsupported checks issued to the former City Clerk. The SAO conducted an initial review of the information provided by the MSHP and AGO as provided by Section 29.221, RSMo, and determined that an audit was warranted. On March 9, 2018, the Board passed an ordinance formally requesting and



City of Greenville Introduction

authorizing an audit and the audit began that day. On July 18, 2018, the AGO filed felony criminal charges of receiving stolen property and forgery in Wayne County Circuit Court against former Greenville City Clerk Pamela S. Birmingham.

The city's fiscal year end is July 1 through June 30. The scope of our audit included, but was not necessarily limited to the period January 1, 2014, through April 14, 2016, and was determined through communications with the AGO. We applied procedures to city receipts and disbursements (including payroll), utility billings, and municipal division transactions to identify the amount of improper payments and missing monies, and the methods used to perpetrate and conceal the theft. At the AGO's request, we also compiled how the former City Clerk spent monies from her personal bank account using information obtained by the AGO. Based on the timing and amounts of improper payments and monies missing during the audit period, it is likely there are additional improper payments and monies missing during periods prior to January 2014.

City of Greenville

Management Advisory Report

State Auditor's Findings

1. Improper Payments and Missing Monies

The audit identified approximately \$161,000¹ in improper payments and undeposited monies. The former City Clerk also falsified disbursement listings presented to the Board of Aldermen to conceal 76 improper disbursements totaling \$25,980, which included some of the overpayments and inappropriately negotiated city checks.

Along with other amounts discussed in this finding the report appendixes present details regarding improper payments and undeposited monies. Appendixes A through D show improper payments, Appendix E shows improperly negotiated city checks, Appendix F shows falsified records, and Appendixes G and H show undeposited utility and municipal division receipts. Appendixes A, B, D, and E also show the disposition of each check listed.² Appendix I shows how the former City Clerk spent \$62,416 from her personal bank account and was prepared at the request of the AGO.

The following table provides a summary of the improper payments and missing monies.

Method	Year Ended December 31,		January 1 to April 14,	
	2014	2015	2016	Total
Overpayments	\$ 26,302	12,428	5,549	44,279
Improper uniform allowances	1,121	1,377	710	3,208
Other improper payments	4,147	960	0	5,107
Improperly negotiated city checks	25,811	9,139	4,586	39,536
Undeposited receipts	25,454	30,231	13,544	69,229
Total	\$ 82,835	54,135	24,389	161,359

Overpayments

Overpayments totaling \$38,730 were made to the former City Clerk from January 1, 2014, to December 31, 2015. A comparison of checks written to the former City Clerk and cash withdrawal tickets indicating the withdrawals were for her wages to net pay amounts reported on timesheets showed overpayments totaling \$38,242 (see Appendix A). All checks written to the former City Clerk that denoted wages as the purpose were for amounts that differ from the net pay amounts documented on the timesheets, with the majority being written for more than the net pay amount documented on the timesheets. Also, numerous checks written to the former City Clerk did not document the purpose of the payments.

¹ Amounts presented in the report findings are rounded to the nearest dollar, whereas amounts presented in the report appendixes are not rounded.

² Bank officials provided our office with details regarding how these checks were negotiated. These checks were either deposited into the former City Clerk's personal bank account or her son's personal bank account, cashed, applied to a personal loan of the former City Clerk, applied to a personal loan of the former City Clerk's son, or used to purchase money orders to pay personal expenses of the former City Clerk.



City of Greenville
Management Advisory Report - State Auditor's Findings

The former City Clerk prepared a computerized timesheet each year that listed each work week and included the number of hours worked, hourly pay rate, gross wages, deductions, and net pay. Her 2014 timesheet indicates 40 hours were worked 50 weeks of the year excluding the first and last weeks of the year, which included time worked in other years. Her 2015 timesheet indicates 40 hours were worked 45 weeks of the year and 32 hours were worked the remaining 7 weeks of the year, with 2 of the 7 weeks containing a holiday.

In addition to the \$38,242 of overpayments noted on Appendix A, the former City Clerk improperly increased her hourly pay rate for various periods, resulting in additional overpayments totaling \$488. The former City Clerk improperly increased her hourly pay rate to \$11 per hour when calculating her gross pay for the 8 week period from April 21, 2014, through June 13, 2014, and 3 week period from December 1, 2014, through December 26, 2014. However, according to the former City Clerk's timesheet, her hourly pay rate was \$9.50 per hour from January 1, 2014 until May 6, 2014, when meeting minutes indicated the Board approved a 50 cent per hour pay increase to \$10 per hour. The former City Clerk's 2015 timesheet indicates her hourly pay rate was \$11 per hour and this rate was used consistently throughout the year; however, city officials could not provide documentation to support this rate had been approved. This use of an unauthorized pay rate could represent additional overpayments to the former City Clerk during 2015.

Employees were paid weekly and checks were typically issued each Friday. Therefore, during the 2 years 2014 and 2015 a maximum of 104 paychecks should have been issued to each employee. However, the former City Clerk issued 190 checks to herself and withdrew cash for wages on 2 occasions during this time period. Many of these checks were issued throughout the week (not on Friday) and more than one check was issued to the former City Clerk on the same Friday in 16 instances. Forty-seven checks were written for whole dollar amounts and 79 checks did not have a purpose documented on the memo line. It would be unusual for payroll checks with tax withholdings to be written for whole dollar amounts. The former City Clerk was the only signer on these 190 checks.

Compensatory time, vacation, and sick pay Several checks included memo line notations indicating the payments related to compensatory time, vacation, or sick pay; however, none of the former City Clerk's timesheets showed compensatory time worked and/or vacation or sick leave taken, and no other records were maintained to document compensatory time, vacation, or sick leave. City policy limits accrued compensatory time to 40 hours, requires employees to maintain a compensatory time ledger to document hours worked and the balance of hours available, and provides for all compensatory time to be approved by the employee's supervisor. Personnel policies regarding vacation and sick leave had not been established by the Board as noted in MAR finding number 4.1.



City of Greenville
Management Advisory Report - State Auditor's Findings

Fifteen of the 190 checks included memo line notations indicating the payment related to or included compensatory time; 7 checks included memo line notations indicating the payment related to vacation time; and 1 check indicated it was issued, in part, for sick pay. Timesheets further indicated the former City Clerk was paid for working 5 days each week during 2014 and each week during 2015, except for the 7 work weeks of 32 hours noted earlier, with 2 of the 7 weeks containing a holiday leaving 5 work days not reported on the timesheets.

In addition, our review of the former City Clerk's personal bank account disbursement activity (as later discussed and summarized in Appendix I), shows the former City Clerk made purchases on Monday, July 28, 2014, in Alabama and on Wednesday, July 30, 2014, in Georgia. Based on this information, the former City Clerk was likely out of state and, therefore, not at work; however, her timesheets indicate she worked 40 hours that week and did not report any leave taken. In addition, the former City Clerk issued herself 2 checks just prior to and just after this time period. Personal bank account disbursement activity also shows the former City Clerk made purchases at a resort in Biloxi, Mississippi, on February 2, 3, and 4, 2016, (Tuesday through Thursday). Based on this information, the former City Clerk was likely out of state and, therefore, not at work. However, the former City Clerk issued herself 2 checks just prior to and just after this time period. The issuance of multiple checks at times the former City Clerk was apparently not working is unusual. These checks are included in the calculation of estimated overpayments on Appendixes A and B.

Estimated overpayments
for 2016

The city could not provide the 2016 timesheet for the former City Clerk. Therefore, we estimated the former City Clerk was overpaid an additional \$5,549 during the period January 1, 2016 through April 14, 2016.

We calculated an estimate of the amount of the net pay (\$366 per week) based on city records during the latter part of 2015 including: weekly payroll periods (Monday through Friday), gross pay of \$440 (40 hours a week at \$11.00 per hour), and tax withholdings (\$74 per week) for the 14 weeks ending April 8, 2016, totaling \$5,124. An estimate of the former City Clerk's net pay of \$278 for her last week of work (week ending April 14, 2016) was calculated based on 32 hours of work and the same weekly withholdings.

Appendix B shows a comparison of the actual checks written to the former City Clerk totaling \$10,951 to the total estimated net pay of \$5,402, resulting in estimated overpayments totaling \$5,549.

Final paychecks

Final paychecks issued to the former City Clerk appear questionable and are included in the estimated amounts overpaid. According to Board members, on Thursday, April 14, 2016, the former City Clerk was terminated, but was allowed to continue working the remainder of the day. The former City Clerk issued herself 2 final paychecks totaling \$1,399 that were signed by herself



City of Greenville
Management Advisory Report - State Auditor's Findings

and former Mayor Bennett. All other checks issued to the former City Clerk during 2016 were only signed by the former City Clerk. Check number 3668 was issued for 32 hours of work (8 hours a day April 11 through April 14, 2016), and one sick day. However, the former City Clerk was terminated on April 14, 2016, and would not have been entitled to take a sick day on April 15, 2016, which resulted in an overpayment of \$80. Check number 3671 was also issued to the former City Clerk for "3 weeks/1 sick day" in the amount of \$1,042. No supporting documentation was retained to explain the purpose and amount of this check, resulting in an overpayment of \$1,042.

Improper uniform allowances

The former City Clerk improperly paid herself for uniform allowances totaling \$3,208 from January 24, 2014, to April 12, 2016 (see Appendix C). These uniform allowances were not approved by the Board. All of these checks, except for a final uniform allowance check, were signed only by the former City Clerk. The final uniform allowance check was signed by the former Mayor and the former City Clerk.

The Board approved uniform allowances to various city employees at its November 9, 2010, meeting. Allowance amounts varied based on job positions, with the former City Clerk receiving \$200. The meeting minutes do not specify if the allowance amounts were intended to be one-time payments in 2010 or continuing payments to employees; however, Board members indicated the uniform allowances were to represent annual end of the year bonuses to city employees. City accounting records also show payments were continued for all employees, including the former City Clerk, at the end of each year from 2010 to 2015 at the same amounts as approved in 2010 (these amounts are not included in the improper amounts paid to the former City Clerk above). The only other Board action we identified regarding uniform allowances occurred at its January 8, 2013, meeting where the Board approved uniform allowances to certain city maintenance employees at the Mayor's discretion. Accounting records show that in 2014 the former City Clerk began issuing checks to herself for uniform allowances throughout the year at the same time checks were issued to the city maintenance supervisor. Since the Board did not authorize additional uniform allowances for the former City Clerk, these additional checks are considered improper.

Other improper payments

The former City Clerk improperly issued 16 of 19 checks to herself and withdrew cash on 2 occasions totaling \$5,107, for the reimbursement of supplies, petty cash, change fund, and for the park during the period January 1, 2014 through April 14, 2016 (see Appendix D). Supporting documentation was not available for these 16 checks and the withdrawal slips, all of the checks were signed only by the former City Clerk, and the 2 withdrawal slips were written in Pam Birmingham's scripted handwriting. Fourteen of the 16 improper checks and both withdrawals were for whole dollar amounts. It would be unusual for checks issued for the reimbursement of specific



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**Improperly negotiated
city checks**

expenses to be written for whole dollar amounts. Unlike these improper checks and withdrawals, the 3 remaining checks, issued to the former City Clerk for the reimbursement of supplies totaling \$194, were supported by invoices and issued for the actual amounts of the supporting invoices. Also, city officials indicated a petty cash fund was not used.

The former City Clerk improperly negotiated 123 city checks issued to the City of Greenville totaling \$39,536 (see Appendix E). Bank officials provided our office with details regarding how these checks were negotiated. Bank records show that 120 checks were cashed (\$38,723) at banks, 2 checks were used to purchase a money order payable to a dental provider (\$713) for personal dental services, and 1 check was negotiated at a local gas station (\$100). The former City Clerk was the only signer on these checks. The endorsement for 119 of these checks consisted of "City of Greenville Pam Birmingham" written in Pam Birmingham's scripted handwriting; 3 checks had no endorsement; and the remaining check initially had "City of Greenville Pam Birmingham," but that endorsement was marked through and the restrictive endorsement of a local gas station applied.

Of these 123 checks, 54 checks had no purpose documented and some of the checks had multiple purposes documented. In addition, 23 checks were issued from the municipal court bank account with the purpose documented as municipal division cases, and 4 checks were issued with the purpose documented as taxes. While these check purposes seem to be legitimate reasons to transfer monies from one account to another, it is questionable why the former City Clerk would cash these checks, and we found no evidence this cash was deposited into any of the city bank accounts. Legitimate checks for the transfer of funds between bank accounts were paid to the order of the City of Greenville, restrictively endorsed with a "for deposit only" stamp, and were appropriately deposited into various city bank accounts (these are not included on Appendix E). Also, 23 checks were issued with the purpose of petty cash documented, and 2 checks were issued with the purpose of change documented; however, city officials indicated a petty cash fund was not used, and no documentation was retained to support these checks. Only one of the 17 checks issued for supplies was partially supported by an invoice. Check number 3367 was issued for \$300 on June 30, 2015; however, documentation was retained to support only \$193, and the remaining \$107 was not supported. Additionally, 120 of these checks were issued for whole dollar amounts.

Personal bank account

The former City Clerk deposited many of the checks written to herself from the city, cash, and other unrelated checks into a personal bank account as noted in the disposition section of Appendixes A, B, and D. Appendix I shows how the former City Clerk spent monies totaling \$62,416 from this account on various personal items and was prepared at the request of the AGO.



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Falsified records

The former City Clerk falsified check details on at least 14 disbursement listings provided to the Board for its review and approval at monthly meetings. This occurred to conceal 76 improper disbursements totaling \$25,980 (see Appendix F). These listings pertained to the months January through August of 2014; October and November of 2014; and February, August, September, and November of 2015. Most of these disbursements showed a routine city vendor as the payee; however, 50 of the 76 improper checks were actually issued to the former City Clerk (totaling \$18,217), 25 of the 76 checks were actually issued to the City of Greenville and improperly negotiated by the former City Clerk (totaling \$7,318), and the amount of another check was altered from \$1,755 to \$1,500. Three of the 76 improper checks (check numbers 3011, 3110, and 3409) were included as voided checks on the disbursement listings, while the actual checks were written and cleared the bank for \$250, \$550, and \$300. Two of the 76 improper checks (3014 and 3448) were listed as being issued for wages to other city employees for \$378 and \$197, while the actual checks were issued to the former City Clerk for \$250 and \$280. These check amounts are included in the overpayments and improperly negotiated checks discussed earlier, and are reflected in other appendixes as noted on Appendix F.

Additional falsified disbursement listings may have been prepared during other months of 2014, 2015, and 2016; however, the city could not provide these records.

Undeposited utility receipts

The former City Clerk did not deposit \$43,596 of recorded utility receipts and only deposited \$1 in cash during the year ended December 31, 2014; periods of 2015 including January 1 through February 2, March 17 through April 30, and December 5 through December 31; and the period January 1 through April 18, 2016 (see Appendix G) or approximately 19 months. Ninety-five percent (\$41,522) of the undeposited receipts were likely cash payments. The remaining \$2,074 of the undeposited receipts related to recorded payments from utility customers that typically paid by check, but related check payments were not located in deposits and are considered missing.

Our review of utility bank deposits made during January through April 2017 (after the termination of the former City Clerk), determined an average of \$11,715 of total utility receipts were deposited each month, with an average of \$2,341 or 20 percent of this total deposited being cash. There was no significant change in the number of utility customers between 2014 and 2017; however, in July 2016, residential base utility rates increased from \$15 to \$17.50 a month and commercial base utility rates increased from \$20 to \$25 per month, which represents an increase in monthly utility revenues of approximately \$730.

In comparison, during the approximate 19 months reviewed (when the former City Clerk was employed), only \$1 of utility receipts deposited was cash and



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the average total amount deposited each month was approximately \$7,000,³ almost \$4,000 less than the total monthly average deposited in the first 4 months of 2017 (after adjusting for the rate increases). Based on this comparison it is likely unrecorded utility receipts are also missing.

The former City Clerk recorded utility payments on manual payment logs, computerized utility reports, and on manual receipt slips. However, some of these records were not retained for various periods reviewed. We compared payments recorded in the records retained to deposits to determine the amount of undeposited utility receipts. The method of payment was not typically noted on the various receipt records; however, some utility customers typically paid with cash. The method of payment noted on Appendix G was determined by comparing available payment records to the contents of deposits.

Estimated undeposited
utility receipts

The former City Clerk did not deposit an estimated \$15,966 of utility receipts during the months of February,⁴ May through November of 2015 and the period March 1 through March 16, 2015. The city could not provide payment logs, utility reports, and manual receipt slips for these periods.

Based on amounts documented in Appendix G, we calculated a monthly average of undeposited cash receipts totaling \$1,803³ or 20 percent of total amounts deposited that was used in the calculation of the estimated undeposited utility receipts for these 8 full months (\$14,424). For the period March 1 through March 16, 2015, we reduced the monthly average for recorded cash receipts shown on Appendix G for March 17 and March 30, 2015, from \$1,803 to \$1,542.

Our review of utility bank deposits during this approximate 8 1/2 month time period showed less than \$1 of cash being deposited, and the average total amount deposited each month totaled \$6,825,⁵ almost \$4,200 less than the total monthly average deposited in the first 4 months of 2017 (after adjusting for the rate increases), showing it is likely there are also unrecorded utility receipts missing.

Undeposited municipal
division receipts

The former City Clerk did not deposit \$9,667 of recorded municipal division receipts from January 1, 2014, through April 14, 2016 (see Appendix H). Each case file included an amount assessed and a copy of the related ticket.

³ February and March 2015 deposit activity reported on Appendix G was excluded from our average calculations due to incomplete activity for each month. December 2015 deposit activity was also excluded due to the unusual nature of some recorded payments.

⁴ The deposit made on February 2, 2015, on Appendix G was for January 2015 receipts; therefore, we estimated the amount not deposited for the entire month of February 2015.

⁵ March 2015 activity was excluded from our average calculations because complete activity for this month was not available.



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The former City Clerk recorded payments to multiple different records (manual receipt slips, agreement to pay forms, copies of tickets, and the outside of the case file folders) and did not ensure payments were consistently and properly recorded to all appropriate records. We compared payments recorded on any of these records to deposits and determined the undeposited receipts.

Overall conclusion

The lack of segregation of duties and adequate controls, and the absence of proper oversight, as discussed in the remainder of this report, resulted in the overpayments, improper payments, improperly negotiated city checks, falsified records, and missing receipts going undetected for a significant period of time. The unusual nature and lack of supporting documentation for various cash withdrawals and checks written, should have caused suspicion and alerted the Board to the misappropriation. It is apparent city financial activity was not adequately monitored by the Board.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of the improper payments, inappropriately negotiated city checks, the falsified records, and the undeposited receipts, and take the necessary actions to seek restitution.

Auditee's Response

We will continue to work with law enforcement officials regarding criminal prosecution and seek restitution as best we can.

2. Oversight, Annual Audits, and Bond Coverage

The Board did not establish adequate oversight of the former City Clerk, obtain annual audits as required by state law, or obtain bond coverage for applicable officials and employees.

2.1 Oversight and segregation of duties

The Board did not establish adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the former City Clerk as identified in the background section. Weaknesses identified throughout this report are significant and demonstrate a lack of segregation and proper oversight by the Board. There is little assurance city monies were handled and accounted for properly.

In addition, 239 checks issued to the former City Clerk (many of which were improper) and the majority of city checks issued during the period of our review were for less than \$1,000, and as a result, were only signed by the City Clerk. According to Board members and the Mayor, checks over \$1,000 were to be co-signed by the Mayor. Dual authorized signatures help provide assurance that checks represent payment for legitimate city disbursements. Failure to require dual signatures on all checks is a significant control weakness and along with the lack of review of bank statements or canceled



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checks by anyone other than the former City Clerk allowed the improper checks and overpayments to occur.

Proper segregation of duties helps ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent reviews of work performed and investigation into unusual items and variances is necessary. Good management practices require extensive and detailed oversight by the Board.

2.2 Annual audits

The city does not obtain annual audits as required and city officials do not know when the last audit of city finances occurred. Section 250.150, RSMo, requires the city to obtain annual audits of the combined waterworks and sewerage system, and the cost of the audit is to be paid from the revenues received from the system.

2.3 Bonding

The city did not have bond coverage for city employees or officials. The former City Clerk, the Mayor, and Board members, who signed checks and had access to monies held in bank accounts, were not covered by a bond. Failure to properly bond individuals with access to funds exposes the city to risk of loss. Had the city obtained bond coverage, some of the improper payments and missing monies may have been covered by a bonding company.

Recommendations

The Board of Aldermen:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, the Board should require dual signatures on all checks.
- 2.2 Obtain annual audits of the waterworks and sewerage system as required by state law.
- 2.3 Maintain bond coverage for all personnel with access to city monies.

Auditee's Response

- 2.1 *A member of the Board currently documents the review of timesheets, reviews bank statements and all canceled checks and will document this review on the bank statements in the future. Dual signatures are now required on all checks, signature authority is limited to 3 Board members, and the City Clerk does not sign any checks.*
- 2.2 *We will start obtaining an annual audit in accordance with state law.*
- 2.3 *We have obtained bond coverage for all personnel with access to city monies.*



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3. Accounting Controls and Procedures and Disbursements

3.1 Receipting, recording, and depositing

Significant weaknesses exist in the city's accounting controls and procedures. The city's primary revenue source includes various taxes electronically deposited into the city's bank accounts. The city's other primary revenue source is water and sewer customer payments. Utility payments, license, and miscellaneous fees received by the city are collected through the mail, in person, or in the collection box at city hall.

The city's procedures for receipting, recording, and depositing monies were poor. As a result, there is no assurance all monies collected were properly receipted and deposited.

- The former City Clerk did not always issue manual receipt slips for monies received. Per city officials, the former City Clerk's procedure was to issue manual receipt slips, and/or record utility payments and utility deposits on manual payment logs, and then record these payments into the computerized utility system. Invoices were prepared for merchant and liquor licenses due and would sometimes be marked paid and retained in a file folder. Manual receipt slips were sometimes issued for utility receipts, merchant and liquor licenses, gathering hall and booth rental fees, accident reports, and municipal division receipts; however, a complete record of all monies received was not maintained.
- Some manual receipt books were missing. Only 2 manual receipt books were retained containing copies of receipts issued from September 2, 2015, through March 29, 2016, (1 book) and February 29, 2016, through April 15, 2016 (other book). As noted in MAR finding number 5.1, some copies of receipt slips from the missing manual receipt books were included in case files.
- The former City Clerk did not always timely record utility payments in the computerized utility system. Our review of utility system reports retained indicated that during some time periods the former City Clerk would only record utility receipts in the system once or twice a month and did not record the payments on the date received.
- The former City Clerk did not consistently indicate the method of payment, or reconcile the method of payment to the composition of receipts recorded in the computerized utility system or to the deposit. The method of payment was not indicated on 29 of 156 (19 percent) of manual receipt slips reviewed.
- The former City Clerk did not deposit receipts timely or intact. The former City Clerk generally deposited monies once or twice a week. Total deposit amounts ranged from \$50 to \$3,930, and averaged \$1,005 for each deposit.



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Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of funds will go undetected.

3.2 Bank accounts, reconciliations, and fees

Number of bank accounts

Controls and procedures over bank accounts and reconciliations need improvement.

The city maintains an excessive number of bank accounts, resulting in cumbersome record keeping. The city maintained 15 checking accounts (an account for each of the city's 15 funds) and 3 certificates of deposit (CDs). Two of these checking accounts and the 3 CDs have subsequently been closed. The large number of bank accounts may have helped conceal the improper checks.

Bank reconciliations

Monthly bank reconciliations were not performed by the former City Clerk from January 1, 2014, through March 31, 2016. Neither the Board members nor the Mayor reviewed these monthly bank statements and the accompanying images of deposit slips and canceled checks. Bank reconciliations have been performed since the current City Clerk was appointed in June 2016, and the Board currently reviews bank statements and the accompanying images of deposit slips and canceled checks.

Overdraft and minimum balance fees

The Board and the former City Clerk failed to monitor the city's cash balances. As a result, the city incurred \$332 in bank fees in the General, Water, Cemetery, Capital Improvement and Special Fund bank accounts during the period January 1, 2014, through April 30, 2016.

The city may benefit from combining some city bank accounts. A large number of bank accounts requires additional record keeping and increases the likelihood that errors may occur. The preparation and retention of formal monthly bank reconciliations is necessary to ensure accounting records are accurate and in balance and to identify errors timely. To prevent bank account overdraft and minimum balance charges, the city should more closely monitor bank account balances.

3.3 Excessive and unauthorized transfers and commingling of restricted funds

The former City Clerk made excessive and unauthorized transfers between various bank accounts, and did not always deposit utility receipts into the proper bank account, which led to commingling of restricted funds. The excessive and unauthorized transfers and incorrect deposits helped conceal shortages in city bank accounts.

- The city's accounting records indicated 64 transfers totaling \$127,318 were made between bank accounts during the period January 1, 2014, through April 14, 2016. Forty-six of these transfers were for small dollar amounts (less than \$900). The majority of these transfers were not approved by the Board and inappropriately made from various restricted funds.



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- The former City Clerk routinely incorrectly deposited utility receipts into non-utility bank accounts. During the period August 19, 2014, through April 14, 2016, 40 utility payments, totaling \$9,469, were deposited into the Police Department or the General Fund bank accounts.

To ensure restricted monies are used for the intended purpose, monies received should be deposited into the appropriate bank account. In addition, Section 250.150, RSMo, restricts the use of water and sewer monies for operating the systems, payment of bonds, establishment of a reserve, fulfillment of any agreements contained in ordinances, and payment of costs of improvements of such systems.

3.4 Utility deposits

Refundable utility deposits held in the water bank account are not accounted for properly. The former City Clerk did not keep a listing of deposits held and was not properly tracking them. Effective August 2014, city Ordinance 53.100 requires a \$50 deposit for homeowners and a \$100 deposit for renters when an account is activated. The city currently has approximately 245 water/sewer accounts, but customer account records are not adequate to determine the amount of deposits held. The water bank account balance was \$2,229 as of April 30, 2016, resulting in a shortage of refundable utility deposits.

Refundable utility deposits are restricted funds held for customers. The Board should review utility customer deposit records to ensure all customer deposits are accounted for properly. In addition, the City Clerk should maintain an accurate list of all utility deposits held and reconcile the list monthly to monies held in the water bank account.

3.5 Licenses and rental fees

Prenumbered forms are not used for merchant and liquor licenses and gathering hall and festival booth rental fees, and records were not retained to account for the collection and deposit of these fees. Utilizing prenumbered forms and periodically accounting for their numerical sequence and reconciling those forms to related deposits would help ensure all monies are properly recorded and deposited.

3.6 Record retention

As mentioned in MAR finding numbers 1, 3.1, 3.5, 4.1, and 5.1, various financial and personnel records were not maintained. Some records were recovered by city officials from a city dumpster shortly after the termination of the former City Clerk.

Retention of records is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for



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the destruction of records. Record retention schedules can be found on the Secretary of State's website.⁶

Recommendations

The Board of Aldermen:

- 3.1 Require issuance of receipt slips for all monies received with the method of payment indicated and reconciliation of the composition of receipts to the composition of amounts recorded and deposited. The Board should also ensure receipt slips are retained and monies received are deposited timely and intact.
- 3.2 Evaluate the number of bank accounts. The Board should also properly monitor bank account balances to avoid bank fees.
- 3.3 Monitor and reduce the number of transfers made between bank accounts and ensure monies received are deposited in the appropriate bank accounts.
- 3.4 Account for customer utility deposits previously paid, prepare an accurate list of utility deposits and reconcile to monies in the water bank account monthly, and resolve any discrepancies.
- 3.5 Require prenumbered forms for licenses and rentals, properly account for the numerical sequence of the forms, and reconcile the related monies collected to deposits.
- 3.6 Retain records in accordance with state law.

Auditee's Response

- 3.1 *We will start issuing receipt slips indicating the method of payment for all monies received, and we will retain all manual receipt slips. We will reconcile the composition of the receipts to the composition of deposits. We will ensure deposits are made intact and timely, with deposits being made at least weekly.*
- 3.2 *We reduced the number of bank accounts, and a Board member is reviewing bank statements to monitor account balances and for bank fees.*
- 3.3 *We currently approve the transfer of all funds made by the City Clerk, and a Board member reviews the bank statements for any transfers made. The City Clerk currently deposits monies into the appropriate bank accounts, and a Board member reviews bank statements and deposit slips to ensure monies are deposited appropriately.*

⁶ <https://www.sos.mo.gov/archives/localrecs/schedules>



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- 3.4 *We are now maintaining a list of deposits and will restrict those monies within the water bank account. We will reconcile the list to the restricted balance within the water bank account.*
- 3.5 *In the future, merchant and liquor licenses will be prenumbered and prenumbered receipt slips will be issued for all monies received. We will account for the numerical sequence of licenses and receipt slips.*
- 3.6 *We will ensure records are retained in accordance with state law.*

4. Payroll Policies, Records, and Taxes

Significant improvement regarding personnel policies, employee records, and remitting payroll taxes is needed.

4.1 Personnel policies and files

The city had not established personnel policies addressing overtime, holidays, vacation and sick leave, employee benefits, uniform allowances, and hours of work, and a personnel file was not retained for the former City Clerk. Had personnel policies been established and a personnel file retained, additional evidence would have been available to support the former City Clerk's pay rate, payroll withholdings, and vacation and sick leave.

A current city employee, who has been employed since January 2011, indicated 1 week of vacation is given for the first year of service and 2 weeks of vacation for subsequent years. This employee also indicated vacation leave is earned at the start of each calendar year and is to be used by the end of the year. In addition, the May 6, 2014, Board meeting minutes indicated 3 sick days a year were provided to each employee, including the former City Clerk.

Written personnel policies are necessary to ensure equitable treatment of employees and prevent misunderstandings. Personnel files should at a minimum contain documentation of the Board's authorization for hiring the employee, the employee's authorized pay rate, and any subsequent changes in pay rate. In addition, the Internal Revenue Service (IRS) requires employers to ensure a W-4 form is completed by each employee to support payroll withholding and taxes. Also, according to the Immigration Reform and Control Act of 1986, an individual may not begin employment unless an I-9 form is completed. Employers are subject to civil or criminal penalties if they do not comply.

4.2 Payroll taxes and unreported compensation

The former City Clerk did not timely file and remit various payroll taxes, and concealed some of these untimely filings and payments by falsifying disbursement listings provided to the Board as discussed in MAR finding number 1 and presented in Appendix F.

- The former City Clerk did not timely file 941 forms and remit applicable payroll taxes, totaling \$59,629, to the IRS for the period March 2014



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through December 2015, resulting in an assessment of interest totaling \$6,335.

- The former City Clerk did not timely file and remit applicable payroll taxes, totaling \$5,114, to Missouri Department of Revenue (DOR) for the period February 2015 through December 2015, resulting in an assessment of interest totaling \$531.
- The former City Clerk did not timely file quarterly contribution and wage reports and remit unemployment taxes totaling \$155 to the Missouri Department of Labor and Industrial Relations, Division of Employment Security, for the second, third, and fourth quarter of 2015, resulting in an assessment of penalties totaling \$400.

Also, overpayments and improper payments identified in MAR finding number 1 were not included on the former City Clerk's W-2 forms and not subject to payroll tax withholdings.

The Internal Revenue Code requires employers to file a 941 form by the last day of the month following the end of the quarter, along with payment of Social Security and Medicare taxes withheld from employees and the employer's share, as well as federal income taxes withheld. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. Missouri Employment Security Law, Section 288.160.2, RSMo, states that if any employer neglects or refuses to file any report by the last day of the month following the due date there shall be imposed a monthly penalty not to exceed the greater of \$200 dollars or 20 percent of the contributions. The IRS requires employers to report all compensation on W-2 forms and withhold and remit income and payroll taxes.

Recommendations

The Board of Aldermen:

- 4.1 Adopt detailed personnel policies addressing requirements of employees and benefits provided, and maintain personnel files for all city employees.
- 4.2 Establish procedures to ensure all compensation is properly reported and payroll taxes are properly withheld and remitted to the appropriate taxing entities timely. In addition, the former City Clerk's W-2 forms should be amended as appropriate.

Auditee's Response

- 4.1 *We will adopt personnel policies addressing overtime, holidays, vacation and sick leave, benefits, clothing allowances, and hours of work. We will ensure personnel files are maintained for all employees.*



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4.2 *We currently review payroll tax reports quarterly and payroll tax payments monthly. We will also contact the IRS and Missouri Department of Labor and Industrial Relations to determine the appropriate reporting methods for the overpayments and improper payments.*

5. Municipal Division

We identified significant weaknesses with accounting controls and procedures of the municipal division. As a result, there is no assurance all municipal division receipts are accounted for properly. The former City Clerk also served as the Court Clerk until her termination.

5.1 Missing records

Several case files could not be located by the municipal division. In addition, as noted in MAR finding number 3.1, some manual receipt books were not retained; however, some case files contained copies of manual receipt slips issued from the missing receipt books.

Supreme Court Operating Rule 4.08 requires municipal divisions to maintain a docket or backer sheet for each case. All information regarding the case should be documented including, but not limited to, a copy of the ticket, case number, defendant name, sentence, bond information, warrant information, and disposition of the case. In addition, Supreme Court Operating Rule No. 8.04.7 requires all financial records be maintained for 5 years or until completion of an audit. Retention of applicable records is necessary to properly account for the municipal division's financial activity.

5.2 Oversight

Neither the municipal division nor city personnel performed adequate supervisory or independent reviews of accounting functions and records. The former Court Clerk was responsible for all duties related to collecting and recording monies, posting fines and court costs into the manual case records, preparing and making deposits, and making disbursements. Neither the Municipal Judge nor other personnel independent of the cash custody and record-keeping functions provided adequate supervision or review of the work performed by the former Court Clerk. In addition, the former Municipal Judge did not approve the final disposition of cases brought before the court or the fines handled through the Violations Bureau (VB), and the Municipal Judge's approval of amended and dismissed tickets was not documented.

To reduce the risk of loss, theft, or misuse of funds going undetected, the municipal division should ensure documented supervisory or independent reviews of accounting records are conducted. In addition, to ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the final docket sheet to indicate approval of the recorded disposition.



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5.3 Receipting, recording, and depositing

The municipal division's procedures for receipting, recording, and depositing were poor. As a result, there was no assurance all monies collected were properly receipted, recorded or deposited.

- The former Court Clerk did not always issue manual receipt slips for monies received and did not always record the method of payment on receipt slips issued. Bank records showed numerous payments deposited, but not receipted.
- The former Court Clerk recorded payments to multiple different records and did not ensure payments were consistently and properly recorded to all appropriate records. The former Court Clerk recorded municipal division payments to multiple different records including; manual receipt slips, agreement to pay forms, ticket copies, and case file folders. The manner in which payments were recorded also varied and was inconsistent. In some instances all details of the payment (date, amount, and method of payment) were recorded, and in other instances, the case file folder or copy of ticket was marked paid.
- The former Court Clerk did not deposit receipts timely or intact. For example, a \$176 money order dated November 12, 2015, was not deposited until January 14, 2016, while a \$433 check dated November 19, 2015, was deposited on December 1, 2015.

To reduce the risk of loss, theft, or misuse of monies received going undetected, procedures should be established to ensure all monies received are properly receipted, recorded, and deposited.

5.4 Disbursement and reporting

The former Court Clerk did not disburse fines and court costs timely. In addition, the former Court Clerk did not submit monthly caseload summary reports to the city or monthly reports of court activity to the Office of the State Courts Administrator (OSCA) during the period July 1, 2014, through April 14, 2016.

For example, the former Court Clerk issued 8 checks on December 4, 2015, to the Crime Victims Fund totaling \$285. The memo lines of the 8 checks indicated: July 2014 - 4 cases, September 2014 - 1 case, November 2014 - 3 cases, January 2015 - 11 cases, March 2015 - 5 cases, July 2015 - 7 cases, September 2015 - 1 case, and November 2015 - 8 cases. In addition, the former Court Clerk did not disburse any of the Peace Officer Standards and Training Commission fees collected to the state or any court costs and fines collected to the city during the period July 1, 2014, through April 14, 2016.

Section 479.080.1, RSMo, requires all fines and court costs to be paid to or deposited into the city treasury at least monthly. Supreme Court Operating Rule 4.29 and Section 479.080.3, RSMo, require the Court Clerk



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to prepare a monthly report of all cases heard in the municipal division court. The report is to be verified by the Court Clerk or Municipal Judge and filed with the city. In addition, Missouri Supreme Court Operating Rule 4.28.3 indicates municipal divisions should report all court activity to OSCA monthly.

5.5 Violation Bureau schedule

The former Municipal Judge had not issued a court order for the schedule of fines and court costs to be collected on tickets paid through the VB, and if a schedule of fines and court costs was used by the former Court Clerk to assess court costs and fines during the period July 1, 2014 through April 14, 2016, it could not be located at the VB. The lack of an approved schedule of fines and court costs and independent review of fines and costs assessed (as discussed in MAR section number 5.2) increases the risk that fines and costs could have inappropriately been assessed and collected by the former Court Clerk.

Supreme Court Rule No. 37.49(d), requires the Municipal Judge to establish a schedule of fines and court costs for each offense by court order and prominently post the established schedule at the VB.

Recommendations

The City of Greenville Municipal Division:

- 5.1 Ensure necessary records are retained.
- 5.2 Ensure documented periodic independent or supervisory reviews of municipal division records is performed, and ensure the Municipal Judge approves the final disposition of all cases and reviews and approves all amended and dismissed tickets.
- 5.3 Properly receipt, record, and deposit all monies received.
- 5.4 Ensure court fees are disbursed within 30 days of receipt and monthly reports are submitted timely to the city and OSCA.
- 5.5 Establish the VB schedule by court order and prominently post the schedule.

Auditee's Response

The City of Greenville Municipal Division Judge, Board of Alderman, City Attorney, and Court Clerk provided the following responses:

- 5.1 *We will retain court records in accordance with state law. We also plan to start using the state's automated court system.*
- 5.2 *The Board will work together with the City Attorney and Municipal Judge to provide adequate oversight of the Court Clerk. The Municipal Judge indicated she will ensure all court dockets are*



City of Greenville
Management Advisory Report - State Auditor's Findings

reviewed and signed and all amended and dismissed tickets are properly reviewed by the City Attorney.

- 5.3 *In the future, we will ensure all monies are receipted, recorded, and deposited timely, with deposits made at least weekly.*
- 5.4 *We will ensure all court fees are disbursed monthly and reports are submitted monthly to the city and the OSCA.*
- 5.5 *The Municipal Judge indicated she will approve a VB schedule by court order and ensure it is posted at city hall.*

6. Electronic Data Security

The city has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations. In addition, city personnel did not regularly back up data or periodically test backup data to ensure essential data could be restored, and did not always store backup data at a secure off-site location.

City officials indicated the utility system software provider used during the period January 1, 2014, through April 14, 2016, was purchased by another software vendor and the city discontinued using this software in October 2016. City officials were unable to access the old utility software system or retrieve information from back up data, and as a result, data could not be provided by the city, as noted in MAR finding number 1.

A formal, written contingency plan should be prepared, and periodically tested and updated as needed to address actions for restoring computer systems should a disaster or other extraordinary situation occur. In addition, completing regular data backups and periodically testing the backup data helps ensure current data is available to be restored and is complete and reliable. Storing backup data in a secure off-site location provides increased assurance city electronic records could be restored if necessary.

Recommendation

The Board of Aldermen develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. The Board should also require data to be backed up regularly, tested on a periodic basis, and stored in a secure off-site location.

Auditee's Response

We will develop a contingency plan and test data back ups, and we are now backing up data monthly, and the new utility software company also backs up data and stores it off-site.

City of Greenville

Organization and Statistical Information

The City of Greenville is located in Wayne County. The city was incorporated in 1819 and is currently a fourth-class city. The city employed 5 full-time employees and 3 part-time employees on June 30, 2015.

City operations include utility services (water and sewer), police, maintenance of streets, and parks and recreation.

Mayor and Board of Aldermen

The city government consists of a mayor and a 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at April 30, 2016, are identified below. The Mayor is paid \$50 per month and Board of Aldermen members are paid \$10 per month.

Carroll Rainwater, Mayor
Larry Burchard, Alderman
Rendell Wills, Alderman
Jarred Costephens, Alderman
Mack Lawrence, Alderman (1)

(1) Resigned from the Board in December 2016, and the Board subsequently appointed Carl Rickman as an Alderman in January 2017.

Financial Activity

A summary of the city's financial activity, prepared using the city's bank statements, for the year ended June 30, 2015 is as follows:



City of Greenville
Organization and Statistical Information

City of Greenville
Year Ended June 30, 2015

FUND	General	Water	Police Department	Municipal Court	Recreational Trail	D.A.R.E. Program	Special	Capital Improvement
(1) RECEIPTS	\$ 173,385	85,130	64,461	1,841	0	100	5,000	0
(1) DISBURSEMENTS	174,288	84,377	69,652	3,097	0	2,176	5,356	10
RECEIPTS OVER (UNDER) DISBURSEMENTS	(903)	753	(5,191)	(1,256)	0	(2,076)	(356)	(10)
CASH AND INVESTMENTS JULY 1, 2014	6,003	1,541	5,485	1,454	152	2,435	396	189
CASH AND INVESTMENTS JUNE 30, 2015	\$ 5,100	2,294	294	198	152	359	40	179

FUND	Cemetery	Park Board- Baseball	Park Board- Basketball	Park Board- Soccer	Park Board- Sports Complex	Park Board- Park Improvement	Community Development Block Grant	Total (all funds)
(1) RECEIPTS	\$ 3,000	15,888	3,470	7,168	2,702	4,578	3,491	370,214
(1) DISBURSEMENTS	0	17,539	3,492	7,447	2,966	4,578	511	375,489
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,000	(1,651)	(22)	(279)	(264)	0	2,980	(5,275)
CASH AND INVESTMENTS JULY 1, 2014	171	7,552	785	2,377	3,475	0	0	32,015
CASH AND INVESTMENTS JUNE 30, 2015	\$ 3,171	5,901	763	2,098	3,211	0	2,980	26,740

(1) Receipts and disbursements presented include transfers in and out.

City of Greenville

Supporting Documentation of Improper Payments and Missing Monies

The following appendixes provide supporting documentation for improper payments and missing monies discussed in MAR finding number 1 and are summarized in the following table:

Appendix	Type of Supporting Documentation
A	Overpayments to Former City Clerk in 2014 and 2015
B	Estimated Overpayments to Former City Clerk in 2016
C	Improper Uniform Allowance Payments to Former City Clerk
D	Other Improper Payments to Former City Clerk
E	Improperly Negotiated City Checks
F	Falsified Records
G	Undeposited Utility Receipts
H	Undeposited Municipal Division Receipts
I	Former City Clerk Personal Bank Account Disbursement Activity

Appendix A

City of Greenville

Supporting Documentation - Overpayments to Former City Clerk in 2014 and 2015

Check Details						Disposition of Checks						
Check Date	Day of the Week Check Issued	Check Number	Amount	Purpose per Check Memo Line or Cash Withdrawal Ticket, if Provided	Account	Date Negotiated	Deposited Into Personal Bank Accounts	Cashed	Applied to Personal Loan	Applied to Son's Loan	Purchased Money Order	Total
1/3/2014	Friday	4798	\$ 395.50	Wages	Water	1/6/2014	\$ 395.50	0.00	0.00	0.00	0.00	395.50
1/10/2014 (1)	Friday	2743	389.50	City/Wages	General	1/14/2014	389.50	0.00	0.00	0.00	0.00	389.50
1/10/2014	Friday	4803	389.50	Comp time	Water	1/13/2014	0.00	389.50	0.00	0.00	0.00	389.50
1/17/2014	Friday	4816	359.12		Water	1/22/2014	359.12	0.00	0.00	0.00	0.00	359.12
1/24/2014	Friday	4820	389.50	Wages	Water	1/27/2014	0.00	389.50	0.00	0.00	0.00	389.50
1/24/2014	Friday	2753	399.50		General	1/28/2014	399.50	0.00	0.00	0.00	0.00	399.50
1/29/2014	Wednesday	2757	389.50		General	1/29/2014	0.00	389.50	0.00	0.00	0.00	389.50
1/31/2014	Friday	4824	380.50	Wages/Water	Water	2/4/2014	380.50	0.00	0.00	0.00	0.00	380.50
2/7/2014	Friday	4828	349.10	Wages	Water	2/11/2014	349.10	0.00	0.00	0.00	0.00	349.10
2/7/2014	Friday	2762	389.50		General	2/10/2014	0.00	389.50	0.00	0.00	0.00	389.50
2/14/2014	Friday	4833	389.50		Water	2/18/2014	0.00	389.50	0.00	0.00	0.00	389.50
2/14/2014	Friday	2763	380.50		General	2/19/2014	0.00	380.50	0.00	0.00	0.00	380.50
2/18/2014	Tuesday	4837	380.50		Water	2/20/2014	380.50	0.00	0.00	0.00	0.00	380.50
2/21/2014	Friday	2766	389.50		General	2/24/2014	0.00	389.50	0.00	0.00	0.00	389.50
2/27/2014	Thursday	4845	389.50	Wages	Water	2/28/2014	389.50	0.00	0.00	0.00	0.00	389.50
2/28/2014	Friday	2779	389.50		General	3/3/2014	0.00	389.50	0.00	0.00	0.00	389.50
3/7/2014	Friday	4849	389.50	Wages/Water	Water	3/11/2014	389.50	0.00	0.00	0.00	0.00	389.50
3/7/2014	Friday	2781	380.50		General	3/10/2014	0.00	380.50	0.00	0.00	0.00	380.50
3/10/2014	Monday	2784	350.00		General	3/13/2014	350.00	0.00	0.00	0.00	0.00	350.00
3/14/2014	Friday	2787	389.50	Wages-city	General	3/18/2014	389.50	0.00	0.00	0.00	0.00	389.50
3/14/2014	Friday	4854	389.50		Water	3/17/2014	0.00	389.50	0.00	0.00	0.00	389.50
3/18/2014	Tuesday	4860	389.50	Wages/Water	Water	3/18/2014	0.00	389.50	0.00	0.00	0.00	389.50
3/21/2014	Friday	2792	389.50		General	3/24/2014	389.50	0.00	0.00	0.00	0.00	389.50
3/21/2014	Friday	4863	350.00		Water	3/24/2014	0.00	350.00	0.00	0.00	0.00	350.00
3/24/2014	Monday	4869	389.50	Wages/Water	Water	3/26/2014	389.50	0.00	0.00	0.00	0.00	389.50
3/24/2014	Monday	2795	350.00		General	3/24/2014	0.00	350.00	0.00	0.00	0.00	350.00
3/28/2014	Friday	(2)	389.50	Pam Birmingham Wages city/Out of checks	General	3/28/2014	0.00	389.50	0.00	0.00	0.00	389.50
4/1/2014	Tuesday	2800	389.50		General	4/2/2014	389.50	0.00	0.00	0.00	0.00	389.50
4/4/2014	Friday	2818	389.50	Wages	General	4/7/2014	0.00	389.50		0.00	0.00	389.50
4/8/2014	Tuesday	2821	389.50		General	4/9/2014	389.50	0.00	0.00	0.00	0.00	389.50
4/11/2014	Friday	2822	450.00	Wages	General	4/11/2014	0.00	250.00	200.00	0.00	0.00	450.00
4/16/2014	Wednesday	2827	389.50		General	4/17/2014	389.50	0.00	0.00	0.00	0.00	389.50
4/17/2014	Thursday	4879	389.50	Wages/Water	Water	4/21/2014	0.00	389.50	0.00	0.00	0.00	389.50
4/23/2014	Wednesday	4881	359.00	Water	Water	4/24/2014	0.00	359.00	0.00	0.00	0.00	359.00
4/25/2014	Friday	2841	400.50		General	4/29/2014	400.50	0.00	0.00	0.00	0.00	400.50
4/29/2014	Tuesday	2844	399.10		General	4/30/2014	399.10	0.00	0.00	0.00	0.00	399.10
4/30/2014	Wednesday	2851	420.00		General	4/30/2014	0.00	420.00	0.00	0.00	0.00	420.00
5/1/2014	Thursday	2858	389.50	Comp time	General	5/2/2014	389.50	0.00	0.00	0.00	0.00	389.50
5/2/2014	Friday	4887	400.97	Wages	Water	5/5/2014	0.00	400.97	0.00	0.00	0.00	400.97
5/7/2014	Wednesday	4891	420.10		Water	5/8/2014	0.00	420.10	0.00	0.00	0.00	420.10
5/8/2014	Thursday	2861	389.50	Wages-comp time	General	5/8/2014	0.00	389.50	0.00	0.00	0.00	389.50
5/9/2014	Friday	4895	400.09	Wages	Water	5/13/2014	400.09	0.00	0.00	0.00	0.00	400.09
5/15/2014	Thursday	2869	420.10		General	5/19/2014	420.10	0.00	0.00	0.00	0.00	420.10

Appendix A

City of Greenville

Supporting Documentation - Overpayments to Former City Clerk in 2014 and 2015

Check Details						Disposition of Checks						
Check Date	Day of the Week Check Issued	Check Number	Amount	Purpose per Check Memo Line or Cash Withdrawal Ticket, if Provided	Account	Date Negotiated	Deposited Into Personal Bank Accounts	Cashed	Applied to Personal Loan	Applied to Son's Loan	Purchased Money Order	Total
5/19/2014	Monday	2874	420.10	Wages 19-23	General	5/20/2014	420.10	0.00	0.00	0.00	0.00	420.10
5/23/2014	Friday	(2)	420.10	Pam Birmingham Wages	Water	5/23/2014	0.00	420.10	0.00	0.00	0.00	420.10
5/30/2014	Friday	2890	450.00		General	5/30/2014	0.00	450.00	0.00	0.00	0.00	450.00
5/30/2014	Friday	4905	420.10		Water	6/2/2014	420.10	0.00	0.00	0.00	0.00	420.10
6/6/2014	Friday	2899	401.29		General	6/10/2014	401.29	0.00	0.00	0.00	0.00	401.29
6/9/2014	Monday	2904	401.25		General	6/10/2014	401.25	0.00	0.00	0.00	0.00	401.25
6/13/2014	Friday	4915	401.10	Comp time	Water	6/16/2014	401.10	0.00	0.00	0.00	0.00	401.10
6/19/2014	Thursday	2919	429.01	Wages	General	6/20/2014	0.00	429.01	0.00	0.00	0.00	429.01
6/19/2014	Thursday	4924	396.00		Water	6/23/2014	396.00	0.00	0.00	0.00	0.00	396.00
6/27/2014	Friday	2927	401.10	Wages	General	6/30/2014	401.10	0.00	0.00	0.00	0.00	401.10
6/30/2014	Monday	2935	425.00		General	6/30/2014	0.00	425.00	0.00	0.00	0.00	425.00
7/3/2014	Thursday	4926	415.10	Wages	Water	7/7/2014	400.00	15.10	0.00	0.00	0.00	415.10
7/8/2014	Tuesday	2952	420.10		General	7/10/2014	420.10	0.00	0.00	0.00	0.00	420.10
7/11/2014	Friday	4928	410.25	Wages	Water	7/14/2014	410.25	0.00	0.00	0.00	0.00	410.25
7/15/2014	Tuesday	4930	300.00		Water	7/16/2014	0.00	300.00	0.00	0.00	0.00	300.00
7/18/2014	Friday	4931	401.25	Wages	Water	7/21/2014	401.25	0.00	0.00	0.00	0.00	401.25
7/24/2014	Thursday	4940	401.10	Vacation	Water	7/24/2014	0.00	401.10	0.00	0.00	0.00	401.10
7/24/2014	Thursday	2972	410.25	Wages	General	7/25/2014	410.25	0.00	0.00	0.00	0.00	410.25
7/31/2014	Thursday	2978	450.00		General	8/1/2014	450.00	0.00	0.00	0.00	0.00	450.00
8/1/2014	Friday	4943	410.00		Water	8/1/2014	0.00	410.00	0.00	0.00	0.00	410.00
8/8/2014	Friday	4950	410.25	Wages	Water	8/12/2014	410.25	0.00	0.00	0.00	0.00	410.25
8/11/2014	Monday	4955	410.25	Wages	Water	8/12/2014	410.25	0.00	0.00	0.00	0.00	410.25
8/13/2014	Wednesday	4961	450.00	20 Comp 20 Vac	Water	8/14/2014	300.00	150.00	0.00	0.00	0.00	450.00
8/18/2014	Monday	4964	410.25	Wages	Water	8/19/2014	410.25	0.00	0.00	0.00	0.00	410.25
8/20/2014	Wednesday	4970	450.00		Water	8/20/2014	0.00	450.00	0.00	0.00	0.00	450.00
8/25/2014	Monday	4977	410.25		Water	8/26/2014	410.25	0.00	0.00	0.00	0.00	410.25
8/28/2014	Thursday	3016	410.25	Wages	General	8/29/2014	0.00	410.25	0.00	0.00	0.00	410.25
8/29/2014	Friday	3019	400.00	Wages	General	9/2/2014	0.00	400.00	0.00	0.00	0.00	400.00
9/2/2014	Tuesday	4983	410.00	Wages-Water 9-1-9-5-14	Water	9/4/2014	410.00	0.00	0.00	0.00	0.00	410.00
9/5/2014	Friday	3029	359.18	Wages	General	9/9/2014	359.18	0.00	0.00	0.00	0.00	359.18
9/9/2014	Tuesday	3033	410.25		General	9/10/2014	410.25	0.00	0.00	0.00	0.00	410.25
9/12/2014	Friday	4986	401.10		Water	9/15/2014	0.00	401.10	0.00	0.00	0.00	401.10
9/19/2014	Friday	3049	410.25		General	9/22/2014	410.25	0.00	0.00	0.00	0.00	410.25
9/19/2014	Friday	4991	450.00		Water	9/19/2014	0.00	450.00	0.00	0.00	0.00	450.00
9/26/2014	Friday	3058	410.25		General	9/29/2014	410.25	0.00	0.00	0.00	0.00	410.25
10/3/2014	Friday	5005	401.25		Water	10/7/2014	351.25	50.00	0.00	0.00	0.00	401.25
10/10/2014	Friday	5007	401.10	Wages	Water	10/14/2014	0.00	220.10	181.00	0.00	0.00	401.10
10/17/2014	Friday	5017	410.25	Wages	Water	10/20/2014	310.25	100.00	0.00	0.00	0.00	410.25
10/20/2014	Monday	3084	401.10		General	10/22/2014	301.10	100.00	0.00	0.00	0.00	401.10
10/22/2014	Wednesday	3089	250.00		General	10/23/2014	0.00	250.00	0.00	0.00	0.00	250.00
10/23/2014	Thursday	3094	410.25		General	10/24/2014	410.25	0.00	0.00	0.00	0.00	410.25
10/24/2014	Friday	5024	396.58		Water	10/24/2014	0.00	68.71	0.00	195.87	132.00 (3)	396.58
10/31/2014	Friday	3097	401.25		General	11/3/2014	401.25	0.00	0.00	0.00	0.00	401.25
10/31/2014	Friday	5026	450.00		Water	10/31/2014	0.00	450.00	0.00	0.00	0.00	450.00

Appendix A

City of Greenville

Supporting Documentation - Overpayments to Former City Clerk in 2014 and 2015

Check Details						Disposition of Checks						
Check Date	Day of the Week Check Issued	Check Number	Amount	Purpose per Check Memo Line or Cash Withdrawal Ticket, if Provided	Account	Date Negotiated	Deposited Into Personal Bank Accounts	Cashed	Applied to Personal Loan	Applied to Son's Loan	Purchased Money Order	Total
11/4/2014	Tuesday	5030	410.25		Water	11/6/2014	410.25	0.00	0.00	0.00	0.00	410.25
11/7/2014	Friday	3102	450.00	Wages	General	11/7/2014	0.00	450.00	0.00	0.00	0.00	450.00
11/14/2014	Friday	5029	401.25	Wages	Water	11/17/2014	401.25	0.00	0.00	0.00	0.00	401.25
11/17/2014	Monday	5035	420.01	Wages	Water	11/18/2014	420.01	0.00	0.00	0.00	0.00	420.01
11/19/2014	Wednesday	5046	450.00		Water	11/19/2014	0.00	450.00	0.00	0.00	0.00	450.00
11/20/2014	Thursday	5053	385.28		Water	11/21/2014	385.28	0.00	0.00	0.00	0.00	385.28
11/21/2014	Friday	3114	337.28	10 vac. 25.5 comp	General	11/24/2014	337.28	0.00	0.00	0.00	0.00	337.28
11/22/2014	Saturday	3119	350.00		General	11/24/2014	0.00	350.00	0.00	0.00	0.00	350.00
11/26/2014	Wednesday	5048	385.10	Wages	Water	12/1/2014	385.10	0.00	0.00	0.00	0.00	385.10
12/1/2014	Monday	5052	395.01		Water	12/3/2014	395.01	0.00	0.00	0.00	0.00	395.01
12/5/2014	Friday	3124	395.10	Wages	General	12/9/2014	395.10	0.00	0.00	0.00	0.00	395.10
12/5/2014	Friday	3128	401.10		General	12/8/2014	0.00	401.10	0.00	0.00	0.00	401.10
12/9/2014	Tuesday	5056	410.25	Wages	Water	12/11/2014	410.25	0.00	0.00	0.00	0.00	410.25
12/12/2014	Friday	5067	450.00		Water	12/12/2014	0.00	54.13	200.00	195.87	0.00	450.00
12/16/2014	Tuesday	3139	385.10	Wages-Ins	General	12/17/2014	0.00	385.10	0.00	0.00	0.00	385.10
12/17/2014	Wednesday	3143	250.00	Wages-comp time	General	12/23/2014	250.00	0.00	0.00	0.00	0.00	250.00
12/18/2014	Thursday	5072	425.10	Wages	Water	12/19/2014	0.00	425.10	0.00	0.00	0.00	425.10
12/22/2014	Monday	5071	480.00	Wages/Vac/Comp	Water	12/23/2014	480.00	0.00	0.00	0.00	0.00	480.00
12/23/2014	Tuesday	3154	345.25		General	12/24/2014	0.00	345.25	0.00	0.00	0.00	345.25
12/30/2014	Tuesday	5075	385.01		Water	12/30/2014	0.00	253.01	0.00	0.00	132.00 (3)	385.01
12/30/2014	Tuesday	3159	400.25		General	1/2/2015	400.25	0.00	0.00	0.00	0.00	400.25
Total 2014			\$ 42,922.08				\$ 23,846.61	17,838.73	581.00	391.74	264.00	42,922.08
1/9/2015	Friday	3181	395.25		General	1/13/2015	395.25	0.00	0.00	0.00	0.00	395.25
1/15/2015	Thursday	3195	400.25	Wages	General	1/16/2015	0.00	400.25	0.00	0.00	0.00	400.25
1/15/2015	Thursday	3191	280.00	Comp hrs. 2014	General	1/20/2015	280.00	0.00	0.00	0.00	0.00	280.00
1/15/2015	Thursday	3164	250.00		General	1/21/2015	250.00	0.00	0.00	0.00	0.00	250.00
1/16/2015	Friday	5079	425.85	Wages	Water	1/20/2015	0.00	320.44	0.00	105.41	0.00	425.85
1/16/2015	Friday	3204	495.00	Vac pay	General	2/3/2015	495.00	0.00	0.00	0.00	0.00	495.00
1/17/2015	Saturday	5083	425.00		Water	1/21/2015	0.00	425.00	0.00	0.00	0.00	425.00
1/21/2015	Wednesday	5089	385.10		Water	1/23/2015	385.10	0.00	0.00	0.00	0.00	385.10
1/23/2015	Friday	5091	495.01	Reg pay, comp and sick pay	Water	1/23/2015	0.00	183.29	179.72	0.00	132.00 (3)	495.01
2/6/2015	Friday	3229	395.10	Wages	General	2/10/2015	395.10	0.00	0.00	0.00	0.00	395.10
2/11/2015	Wednesday	5105	395.10	Wages	Water	2/13/2015	395.10	0.00	0.00	0.00	0.00	395.10
2/19/2015	Thursday	5111	395.25	Wages	Water	2/23/2015	245.25	150.00	0.00	0.00	0.00	395.25
2/27/2015	Friday	5117	325.10	Wages	Water	3/3/2015	325.10	0.00	0.00	0.00	0.00	325.10
3/12/2015	Thursday	5124	231.00	Wages week 3-2-15 minus 109.00 hotel	Water	3/13/2015						
							231.00	0.00	0.00	0.00	0.00	231.00
3/13/2015	Friday	5130	325.10	Wages	Water	3/17/2015	325.10	0.00	0.00	0.00	0.00	325.10
3/20/2015	Friday	5137	395.10	Wages	Water	3/24/2015	395.10	0.00	0.00	0.00	0.00	395.10
3/27/2015	Friday	5149	395.10	Wages	Water	4/14/2015	0.00	0.00	215.00	180.10 (4)	0.00	395.10
3/27/2015	Friday	3252	395.10	Wages	General	3/31/2015	395.10	0.00	0.00	0.00	0.00	395.10
4/2/2015	Thursday	3256	395.10	Wages	General	4/6/2015	395.10	0.00	0.00	0.00	0.00	395.10
4/10/2015	Friday	3274	395.10	Wages	General	4/14/2015	395.10	0.00	0.00	0.00	0.00	395.10
4/17/2015	Friday	5158	395.10	Wages	Water	4/21/2015	395.10	0.00	0.00	0.00	0.00	395.10

Appendix A

City of Greenville

Supporting Documentation - Overpayments to Former City Clerk in 2014 and 2015

Check Details						Disposition of Checks						
Check Date	Day of the Week Check Issued	Check Number	Amount	Purpose per Check Memo Line or Cash Withdrawal Ticket, if Provided	Account	Date Negotiated	Deposited Into Personal Bank Accounts	Cashed	Applied to Personal Loan	Applied to Son's Loan	Purchased Money Order	Total
4/20/2015	Monday	3287	425.10	Wages-comp 4-20-15	General	4/23/2015	425.10	0.00	0.00	0.00	0.00	425.10
4/22/2015	Wednesday	5163	401.25		Water	4/23/2015	0.00	401.25	0.00	0.00	0.00	401.25
4/24/2015	Friday	3296	395.10	Wages	General	5/1/2015	0.00	395.10	0.00	0.00	0.00	395.10
5/1/2015	Friday	5167	365.35	Wages	Water	5/5/2015	365.35	0.00	0.00	0.00	0.00	365.35
5/5/2015	Tuesday	3301	395.25	Wages	General	5/6/2015	0.00	395.25	0.00	0.00	0.00	395.25
5/7/2015	Thursday	5170	395.10	Wages Ins	Water	5/12/2015	0.00	0.00	0	0.00	395.10 (5)	395.10
5/15/2015	Friday	3310	395.10	Wages	General	5/18/2015	395.10	0.00	0.00	0.00	0.00	395.10
5/15/2015	Friday	5172	250.00		Water	5/15/2015	0.00	250.00	0.00	0.00	0.00	250.00
5/15/2015	Friday	5176	305.00		Water	5/20/2015	305.00	0.00	0.00	0.00	0.00	305.00
5/22/2015	Friday	5179	395.10	Wages	Water	5/22/2015	0.00	214.74	180.36	0.00	0.00	395.10
5/29/2015	Friday	3330	325.08	Wages	General	6/1/2015	325.08	0.00	0.00	0.00	0.00	325.08
6/5/2015	Friday	3340	325.49	Wages Ins	General	6/9/2015	325.49	0.00	0.00	0.00	0.00	325.49
6/12/2015	Friday	3346	395.25	Wages	General	6/15/2015	395.25	0.00	0.00	0.00	0.00	395.25
6/19/2015	Friday	5199	375.25	Wages	Water	6/23/2015	275.25	100.00	0.00	0.00	0.00	375.25
6/26/2015	Friday	3365	395.10	Wages	General	6/30/2015	395.10	0.00	0.00	0.00	0.00	395.10
7/3/2015	Friday	3377	355.25	Wages	General	7/9/2015	355.25	0.00	0.00	0.00	0.00	355.25
7/3/2015	Friday	5207	395.10	Wages	Water	7/6/2015	0.00	395.10	0.00	0.00	0.00	395.10
7/10/2015	Friday	3381	395.10		General	7/14/2015	395.10	0.00	0.00	0.00	0.00	395.10
7/14/2015	Tuesday	5215	395.10	Wages	Water	7/14/2015	0.00	0.00	215.00	180.10 (4)	0.00	395.10
7/21/2015	Tuesday	3389	365.25	Wages vac	General	7/28/2015	300.00	65.25	0.00	0.00	0.00	365.25
7/23/2015	Thursday	5224	365.25	Wages	Water	7/27/2015	365.25	0.00	0.00	0.00	0.00	365.25
7/24/2015	Friday	5228	395.10	Vacation	Water	7/24/2015	0.00	395.10	0.00	0.00	0.00	395.10
8/3/2015	Monday	3393	395.10	Wages	General	8/5/2015	395.10	0.00	0.00	0.00	0.00	395.10
8/4/2015	Tuesday	5230	350.00	Comp time	Water	8/4/2015	0.00	350.00	0.00	0.00	0.00	350.00
8/6/2015	Thursday	3399	320.00		General	8/10/2015	320.00	0.00	0.00	0.00	0.00	320.00
8/11/2015	Tuesday	5234	320.00		Water	8/13/2015	320.00	0.00	0.00	0.00	0.00	320.00
8/13/2015	Thursday	5240	320.00	Wages	Water	8/14/2015	0.00	320.00	0.00	0.00	0.00	320.00
8/17/2015	Monday	5244	350.00	Wages	Water	8/17/2015	0.00	350.00	0.00	0.00	0.00	350.00
8/18/2015	Tuesday	3401	285.00		General	8/20/2015	285.00	0.00	0.00	0.00	0.00	285.00
8/21/2015	Friday	3405	255.01		General	8/25/2015	255.01	0.00	0.00	0.00	0.00	255.01
8/27/2015	Thursday	5251	320.01	Wages	Water	8/31/2015	300.00	20.01	0.00	0.00	0.00	320.01
8/31/2015	Monday	5256	350.00	Wages-week of 9-3-15	Water	9/1/2015	300.00	50.00	0.00	0.00	0.00	350.00
9/4/2015	Friday	3412	285.38	Wages Ins	General	9/8/2015	285.38	0.00	0.00	0.00	0.00	285.38
9/11/2015	Friday	3427	290.10	Wages Ins	General	9/15/2015	290.10	0.00	0.00	0.00	0.00	290.10
9/17/2015	Thursday	3441	320.01	Wages	General	9/23/2015	320.01	0.00	0.00	0.00	0.00	320.01
9/23/2015	Wednesday	5267	395.10	Wages	Water	9/25/2015	395.10	0.00	0.00	0.00	0.00	395.10
9/24/2015	Thursday	3448	280.25		General	9/24/2015	0.00	280.25	0.00	0.00	0.00	280.25
9/28/2015	Monday	5275	385.01	Wages Ins	Water	9/29/2015	385.01	0.00	0.00	0.00	0.00	385.01
10/1/2015	Thursday	5277	395.10		Water	10/1/2015	0.00	395.10	0.00	0.00	0.00	395.10
10/6/2015	Tuesday	3455	325.01	Wages	General	10/8/2015	325.01	0.00	0.00	0.00	0.00	325.01
10/14/2015	Wednesday	3457	395.10	Wages	General	10/15/2015	395.10	0.00	0.00	0.00	0.00	395.10
10/15/2015	Thursday	5288	495.25		Water	10/15/2015	0.00	495.25	0.00	0.00	0.00	495.25
10/19/2015	Monday	5293	500.00	Wages-comp time 40 hours	Water	10/19/2015	0.00	500.00	0.00	0.00	0.00	500.00
10/23/2015	Friday	3469	425.10		General	10/26/2015	425.10	0.00	0.00	0.00	0.00	425.10

Appendix A

City of Greenville

Supporting Documentation - Overpayments to Former City Clerk in 2014 and 2015

Check Details						Disposition of Checks						
Check Date	Day of the Week Check Issued	Check Number	Amount	Purpose per Check Memo Line or Cash Withdrawal Ticket, if Provided	Account	Date Negotiated	Deposited Into Personal Bank Accounts	Cashed	Applied to Personal Loan	Applied to Son's Loan	Purchased Money Order	Total
10/26/2015	Monday	5296	395.00		Water	10/28/2015	250.00	145.00	0.00	0.00	0.00	395.00
10/29/2015	Thursday	3475	537.50	Comp time + wages 60	General	10/29/2015	0.00	537.50	0.00	0.00	0.00	537.50
10/30/2015	Friday	5295	325.01	Wages	Water	11/3/2015	325.01	0.00	0.00	0.00	0.00	325.01
11/2/2015	Monday	5298	425.01	Wages	Water	11/2/2015	0.00	425.01	0.00	0.00	0.00	425.01
11/6/2015	Friday	3480	400.00	Wages	General	11/10/2015	400.00	0.00	0.00	0.00	0.00	400.00
11/12/2015	Thursday	5302	426.29	Wages	Water	11/16/2015	426.29	0.00	0.00	0.00	0.00	426.29
11/17/2015	Tuesday	5312	345.05	Wages	Water	11/19/2015	345.05	0.00	0.00	0.00	0.00	345.05
11/20/2015	Friday	5317	365.00		Water	11/24/2015	365.00	0.00	0.00	0.00	0.00	365.00
11/25/2015	Wednesday	3490	225.00	Comp time	General	11/25/2015	0.00	225.00	0.00	0.00	0.00	225.00
11/25/2015	Wednesday	5318	385.10	Wages 40	Water	11/30/2015	300.00	85.10	0.00	0.00	0.00	385.10
11/30/2015	Monday	3492	425.01		General	12/2/2015	425.01 (6)	0.00	0.00	0.00	0.00	425.01
12/4/2015	Friday	3498	395.00	Wages	General	12/8/2015	395.00	0.00	0.00	0.00	0.00	395.00
12/4/2015	Friday	1058	375.00		Cemetery	12/4/2015	0.00	375.00	0.00	0.00	0.00	375.00
12/10/2015	Thursday	3510	395.01	Wages	General	12/11/2015	395.01	0.00	0.00	0.00	0.00	395.01
12/11/2015	Friday	5323	310.25		Water	12/11/2015	0.00	310.25	0.00	0.00	0.00	310.25
12/18/2015	Friday	5332	385.01	Wages	Water	12/22/2015	385.01	0.00	0.00	0.00	0.00	385.01
12/18/2015	Friday	3539	344.00		General	12/18/2015	0.00	344.00	0.00	0.00	0.00	344.00
12/23/2015	Wednesday	5337	385.01	Wages	Water	12/24/2015	300.01	85.00	0.00	0.00	0.00	385.01
12/31/2015	Thursday	5340	385.01	Wages	Water	1/5/2016	385.01	0.00	0.00	0.00	0.00	385.01
Total 2015			\$ 31,178.17				\$ 20,012.14	9,383.24	790.08	465.61	527.10	31,178.17
Total net pay per checks			\$ 74,100.25				\$ 43,858.75	27,221.97	1,371.08	857.35	791.10	74,100.25
Net payroll per 2014 and 2015 timesheets			\$ 34,830.43									
Adjustment for insurance deductions in 2015 (7)			1,027.52									
Adjusted net payroll for 2014 and 2015			35,857.95									
Total overpayments in 2014 and 2015			\$ 38,242.30									

(1) The date noted on the check is January 10, 2013; however, based on check number sequence and date cleared, it was likely written on January 10, 2014.

(2) The former City Clerk withdrew cash using a cash withdrawal ticket at the bank.

(3) The former City Clerk purchased a money order payable to Banner Finance.

(4) Bank officials provided documentation showing the former City Clerk paid \$26.64 in cash along with \$180.10 of the listed check for a total payment of \$206.74 towards her son's (Austin Birmingham) loan.

(5) Bank officials provided documentation showing the former City Clerk paid \$67.01 in cash along with the listed check of \$395.10 and purchased a money order totaling \$462.11 payable to the United States Treasury.

(6) Bank officials provided documentation showing \$125.01 was deposited into the former City Clerk's bank account and \$300 was deposited into her son's (Austin Birmingham) 2 personal bank accounts (\$150 was deposited into each account).

(7) During 2015, the former City Clerk's timesheet included a deduction for insurance of \$19.76 each week totaling \$1,027.52 for the year, but the city did not provide the former City Clerk with health insurance. Since we could not determine the disposition of these amounts, we adjusted net payroll amounts for these insurance deductions.

Appendix B

City of Greenville
Supporting Documentation - Estimated Overpayments to Former City Clerk in 2016

Check Details						Disposition of Checks					
Check Date	Day of the Week Check Issued	Check Number	Amount	Purpose per Check Memo Line, if Provided	Account	Date Negotiated	Deposited Into Personal Bank Account	Cashed	Applied to Personal Loan	Applied to Son's Loan	Total
1/8/2016	Friday	3543	\$ 385.10	Wages	General	1/12/2016	\$ 385.10	0.00	0.00	0.00	385.10
1/8/2016	Friday	3547	495.00	Comp vac hours	General	1/8/2016	0.00	295.00	200.00	0.00	495.00
1/14/2016	Thursday	3550	380.00	Comp hours	General	1/14/2016	0.00	380.00	0.00	0.00	380.00
1/15/2016	Friday	5350	365.10	Wages	Water	1/20/2016	365.10	0.00	0.00	0.00	365.10
1/19/2016	Tuesday	3555	384.09	Wages	General	1/20/2016	384.09	0.00	0.00	0.00	384.09
1/22/2016	Friday	5366	365.10		Water	1/26/2016	365.10	0.00	0.00	0.00	365.10
1/22/2016	Friday	3584	315.49		General	2/9/2016	315.49	0.00	0.00	0.00	315.49
1/25/2016	Monday	5372	385.10		Water	1/26/2016	385.10	0.00	0.00	0.00	385.10
1/29/2016	Friday	5371	385.00		Water	2/2/2016	385.00	0.00	0.00	0.00	385.00
2/1/2016	Monday	3575	368.27	Vacation	General	2/1/2016	0.00	368.27	0.00	0.00	368.27
2/1/2016	Monday	3580	289.25	Comp hours	General	2/3/2016	289.25	0.00	0.00	0.00	289.25
2/5/2016	Friday	5374	401.25		Water	2/5/2016	0.00	401.25	0.00	0.00	401.25
2/10/2016	Wednesday	5378	398.25	Wages	Water	2/11/2016	398.25	0.00	0.00	0.00	398.25
2/16/2016	Tuesday	5386	390.00		Water	2/26/2016	0.00	61.47	0.00	328.53	390.00
2/17/2016	Wednesday	5383	395.01	Wages	Water	2/19/2016	395.01	0.00	0.00	0.00	395.01
2/19/2016	Friday	3600	495.00		General	2/19/2016	0.00	495.00	0.00	0.00	495.00
2/26/2016	Friday	5389	365.05		Water	3/1/2016	365.05	0.00	0.00	0.00	365.05
2/29/2016	Monday	3608	375.05	Wages 3-4-16	General	3/1/2016	375.05	0.00	0.00	0.00	375.05
3/4/2016	Friday	5397	375.01		Water	3/8/2016	375.01	0.00	0.00	0.00	375.01
3/8/2016	Tuesday	3613	375.05		General	3/9/2016	375.05	0.00	0.00	0.00	375.05
3/11/2016	Friday	5408	365.05		Water	3/11/2016	0.00	365.05	0.00	0.00	365.05
3/18/2016	Friday	5421	375.01	Wages	Water	3/22/2016	375.01	0.00	0.00	0.00	375.01
3/24/2016	Thursday	3631	385.01		General	3/25/2016	320.01	65.00	0.00	0.00	385.01
4/1/2016	Friday	3637	385.01	Wages	General	4/5/2016	385.01	0.00	0.00	0.00	385.01
4/8/2016	Friday	3651	354.11	Wages	General	4/12/2016	354.11	0.00	0.00	0.00	354.11
4/14/2016	Thursday	3668 (1)	357.87	Wages-32/1 day sick pay	General	4/19/2016	357.87	0.00	0.00	0.00	357.87
4/14/2016	Thursday	3671 (1)	1,041.61	3 weeks/1 sick day	General	4/19/2016	1,041.61	0.00	0.00	0.00	1,041.61
Total net pay per checks			\$ 10,950.84				\$ 7,991.27	2,431.04	200.00	328.53	10,950.84
Estimated net pay for 2016 (2)			5,402.00								
Total overpayments in 2016			\$ 5,548.84								

(1) Final paychecks account for \$1,121.14 of the total overpayments - \$79.53 of check number 3668 and all of check number 3671. These 2 final paychecks were the only checks signed by both the former City Clerk and former Mayor Bennett.

All other checks were only signed by the former City Clerk.

(2) The former City Clerk's total net pay for the period of January 1, 2016, through April 14, 2016, was estimated using weekly pay periods (Monday through Friday), and hourly rates and withholding information used during the latter part of 2015.

Appendix C

City of Greenville

Supporting Documentation - Improper Uniform Allowance Payments to Former City Clerk

Check Date	Check Number	Amount	Purpose per Check Memo Line	Account
1/24/2014	4819	\$ 264.48	Uniform Allowance	Water
8/22/2014	4976	356.00	Uniform Allowance-Jan Feb March	Water
8/28/2014	4982	500.00	Uniform Allowance-April May June	Water
2/19/2015	5113	292.50	Uniform Allowance - Oct Nov Dec	Water
4/17/2015	5159	419.37	Uniform Allowance-Jan Feb March 2015	Water
7/14/2015	5210	340.24	Uniform Allowance	Water
10/1/2015	3453	325.00	Uniform Allowance	General
1/8/2016	5347	369.00	Uniform Allowance-Oct 2015 to Dec 2015	Water
4/12/2016	3659 (1)	341.15	Uniform Allowance-Jan Feb March 2016	General
	Total	\$ 3,207.74		

(1) This check was signed by the former City Clerk and former Mayor. All other checks listed were only signed by the former City Clerk.

Appendix D

City of Greenville

Supporting Documentation - Other Improper Payments to Former City Clerk

Check Details					Disposition of Checks					
Check Date	Check Number	Amount	Purpose per Check Memo Line or Cash Withdrawal Ticket	Account	Date Negotiated	Deposited Into Personal Bank Account	Cashed	Applied to Personal Loan	Applied to Son's Loan	Total
1/10/2014 (1)	2744	\$ 250.00	Supplies	General	1/13/2014	\$ 0.00	250.00	0.00	0.00	250.00
4/2/2014	2807	350.00	Supplies	General	4/3/2014	0.00	350.00	0.00	0.00	350.00
4/21/2014	2834	400.00	Reimb.	General	4/23/2014	0.00	400.00	0.00	0.00	400.00
5/9/2014	4893	350.00	Reimb. supplies city	Water	5/9/2014	0.00	150.00	200.00	0.00	350.00
5/15/2014	4900	400.10	Reimbursement supplies	Water	5/16/2014	0.00	400.10	0.00	0.00	400.10
5/19/2014	(2)	200.00	Pam Birmingham-Change	Water	5/19/2014	0.00	200.00	0.00	0.00	200.00
5/19/2014	2873	230.00	Reimb. supplies	General	5/20/2014	230.00	0.00	0.00	0.00	230.00
7/4/2014	2948	250.00	Park	General	7/7/2014	0.00	250.00	0.00	0.00	250.00
8/1/2014	2983	310.00	Supplies	General	8/5/2014	310.00	0.00	0.00	0.00	310.00
8/13/2014	3001	300.00	Reimb. supplies	General	8/13/2014	0.00	300.00	0.00	0.00	300.00
8/21/2014	3011	250.00	Supplies	General	8/21/2014	0.00	250.00	0.00	0.00	250.00
8/28/2014	3020	350.00	Supplies-city	General	9/2/2014	350.00	0.00	0.00	0.00	350.00
11/7/2014	5027	256.78	Supplies	Water	11/10/2014	256.78	0.00	0.00	0.00	256.78
11/18/2014	5042	250.00	Supplies	Water	11/21/2014	0.00	250.00	0.00	0.00	250.00
1/30/2015	5099	225.00	Comp and reimb. supplies	Water	2/2/2015	0.00	29.13	0.00	195.87	225.00
3/20/2015	5141	250.00	Supplies	Water	3/20/2015	0.00	250.00	0.00	0.00	250.00
8/17/2015	(2)	200.00	Pam Birmingham-Petty Cash	General	8/17/2015	0.00	200.00	0.00	0.00	200.00
10/2/2015	3458	285.00	Supplies	General	10/2/2015	0.00	285.00	0.00	0.00	285.00
Total		\$ 5,106.88				\$ 1,146.78	3,564.23	200.00	195.87	5,106.88

(1) The date noted on the check is January 10, 2013; however, based on check number sequence and date cleared, it was likely written on January 10, 2014. The corrected date of January 10, 2014, is reflected on Appendix F.

(2) The former City Clerk withdrew cash using a cash withdrawal ticket at the bank.

Appendix E

City of Greenville
Supporting Documentation - Improperly Negotiated City Checks

Check Details					Date	Disposition
Check Date	Check Number	Amount	Purpose per Check Memo Line, if Provided	Account	Negotiated (1)	of Check (2)
1/3/2014	1348	\$ 712.00	3 cases	Municipal Court	1/3/2014	Cashed
1/6/2014	4800	150.00		Water	1/6/2014	Cashed
1/9/2014	1107	350.00		Special Fund	1/9/2014	Cashed
1/10/2014	4802	428.00		Water	1/13/2014	Cashed (3)
1/10/2014	1349	735.00	4 cases	Municipal Court	1/13/2014	Cashed
1/13/2014	4804	200.00		Water	1/14/2014	Cashed
1/24/2014	1350	320.00	1 case	Municipal Court	1/27/2014	Cashed
2/11/2014	1351	400.00	2 cases	Municipal Court	2/12/2014	Cashed
2/11/2014	4829	200.00		Water	2/12/2014	Cashed
2/13/2014	1352	450.00	5 cases	Municipal Court	2/13/2014	Cashed
2/26/2014	1353	600.00	3 cases	Municipal Court	2/27/2014	Cashed
3/7/2014	2782	250.00		General	3/10/2014	Cashed
3/10/2014	1354	200.00	Reimb. Supplies	Municipal Court	4/22/2014	Cashed
3/10/2014	4851	450.00		Water	3/11/2014	Cashed
3/13/2014	1355	350.00	1 case	Municipal Court	3/14/2014	Cashed
3/24/2014	1356	600.00	3 cases	Municipal Court	3/24/2014	Cashed
3/24/2014	4870	200.00	Petty cash	Water	3/24/2014	Cashed
3/28/2014	1357	350.00	2 cases	Municipal Court	3/28/2014	Cashed
3/31/2014	4886	250.00		Water	4/1/2014	Cashed
4/3/2014	1986	551.34		Police Department	4/4/2014	Cashed
4/17/2014	1358	650.00	4 cases	Municipal Court	4/18/2014	Cashed
4/21/2014	1359	450.00	2 cases	Municipal Court	4/21/2014	Cashed
4/21/2014	4880	100.00	Petty cash	Water	4/21/2014	Cashed
4/28/2014	1360	284.24		Municipal Court	4/28/2014	(4)
4/28/2014	4882	429.00	Taxes	Water	4/28/2014	(4)
4/29/2014	1361	680.00	4 cases	Municipal Court	4/29/2014	Cashed
4/30/2014	4883	300.00		Water	4/30/2014	Cashed
5/1/2014	1108	300.00	Supplies	Special Fund	5/2/2014	Cashed (5)
5/6/2014	4890	200.00	Petty cash	Water	5/6/2014	Cashed
5/9/2014	1362	550.00	3 cases	Municipal Court	5/9/2014	Cashed
5/16/2014	1363	350.00	2 cases	Municipal Court	5/16/2014	Cashed
5/19/2014	2008	797.00	Taxes	Police Department	5/19/2014	Cashed
5/23/2014	2884	350.00		General	5/23/2014	Cashed
5/28/2014	1364	250.00	1 case	Municipal Court	5/28/2014	Cashed
5/30/2014	1365	200.00	1 case	Municipal Court	5/30/2014	Cashed
6/6/2014	1367	475.00	2 cases	Municipal Court	6/6/2014	Cashed
6/6/2014	4911	350.00	Supplies	Water	6/6/2014	Cashed
6/13/2014	4916	350.00		Water	6/13/2014	Cashed
6/17/2014	2909	525.00		General	6/17/2014	Cashed
6/19/2014	1368	320.00	1 case	Municipal Court	6/19/2014	Cashed
6/27/2014	1369	588.00	2 cases	Municipal Court	6/27/2014	Cashed
7/1/2014	1111	350.00		Special Fund	7/1/2014	Cashed
7/2/2014	1370	425.00	1 case	Municipal Court	7/2/2014	Cashed
7/3/2014	2945	100.00	Change	General	7/7/2014	Cashed
7/5/2014	2947	100.00	Change	General	7/8/2014	Cashed (6)
7/8/2014	1371	526.00	3 cases	Municipal Court	7/8/2014	Cashed
7/11/2014	2956	90.00		General	7/11/2014	Cashed
7/11/2014	4929	250.00		Water	7/11/2014	Cashed
7/15/2014	1372	350.00	2 cases	Municipal Court	7/16/2014	Cashed
7/18/2014	4933	300.00		Water	7/21/2014	Cashed
7/21/2014	4934	250.00		Water	7/21/2014	Cashed
7/31/2014	4942	200.00		Water	7/31/2014	Cashed (3)
8/7/2014	4947	350.00	Petty cash	Water	8/8/2014	Cashed (3)
8/12/2014	4959	300.00		Water	8/12/2014	Cashed
8/18/2014	4967	200.00		Water	8/19/2014	Cashed

Appendix E

City of Greenville
Supporting Documentation - Improperly Negotiated City Checks

Check Details					Date	Disposition
Check Date	Check Number	Amount	Purpose per Check Memo Line, if Provided	Account	Negotiated (1)	of Check (2)
8/22/2014	4975	150.00		Water	8/22/2014	Cashed
8/26/2014	3014	250.00		General	8/26/2014	Cashed
9/2/2014	3021	200.00		General	9/2/2014	Cashed
9/8/2014	3032	300.00	Taxes	General	9/9/2014	Cashed
9/8/2014	4984	200.00	Petty cash	Water	9/9/2014	Cashed
9/19/2014	4992	300.00		Water	9/19/2014	Cashed
9/23/2014	5000	200.00		Water	9/23/2014	Cashed
10/3/2014	3066	100.00	Bounce house	General	10/6/2014	Cashed
10/20/2014	5019	400.00		Water	10/20/2014	Cashed
10/21/2014	3087	400.00		General	10/22/2014	Cashed (5)
10/24/2014	1380	400.00	2 cases	Municipal Court	10/24/2014	Cashed
11/14/2014	3104	225.00		General	11/14/2014	Cashed
11/17/2014	5033	125.00		Water	11/17/2014	Cashed
11/19/2014	3110	550.00	Supplies	General	11/19/2014	Cashed
11/20/2014	3111	200.00		General	11/21/2014	Cashed (5)
11/21/2014	5044	100.00		Water	11/21/2014	Cashed
12/1/2014	5051	250.00	Petty cash	Water	12/2/2014	Cashed
12/8/2014	3125	400.00	Supplies	General	12/8/2014	Cashed
12/8/2014	5055	150.00		Water	12/8/2014	Cashed
12/17/2014	5069	525.00		Water	12/17/2014	Cashed
12/18/2014	3140	350.00	X-mas	General	12/19/2014	Cashed
1/6/2015	5076	250.00	Petty cash	Water	1/6/2015	Cashed
1/16/2015	5080	525.00	Supplies	Water	1/20/2015	Cashed
1/20/2015	5081	250.00	Petty cash	Water	1/20/2015	Cashed
1/23/2015	3205	300.00		General	1/23/2015	Cashed
1/27/2015	5095	495.00		Water	1/27/2015	Cashed
2/3/2015	3223	200.00		General	2/3/2015	Cashed
3/17/2015	5133	250.00		Water	3/18/2015	Cashed
4/2/2015	5152	400.00	Petty cash	Water	4/3/2015	Cashed
4/2/2015	3259	200.00	Supplies	General	4/6/2015	Cashed (5)
4/16/2015	3279	250.00		General	4/16/2015	Cashed
4/17/2015	3284	350.00	Supplies	General	4/20/2015	Cashed
5/6/2015	5168	250.00	Petty cash	Water	5/6/2015	Cashed
5/28/2015	5183	425.00		Water	5/28/2015	Cashed
6/30/2015	3367	107.03	(7) Supplies	General	6/30/2015	Cashed
7/2/2015	5205	150.00		Water	7/2/2015	Cashed
8/3/2015	5229	250.00		Water	8/3/2015	Cashed
8/6/2015	5231	200.00	Supplies	Water	8/6/2015	Cashed
8/25/2015	5248	300.00	Petty cash	Water	8/25/2015	Cashed
9/1/2015	3409	300.00	Petty cash	General	9/1/2015	Cashed
9/24/2015	5269	300.00		Water	9/24/2015	Cashed
10/6/2015	5287	500.00	Supplies/Petty cash	Water	10/6/2015	Cashed
10/16/2015	5286	200.00	Supplies	Water	10/16/2015	Cashed
10/19/2015	3462	275.00	Petty cash	General	10/19/2015	Cashed
10/23/2015	5297	600.00	Candy, supplies, x-mas decorations	Water	10/23/2015	Cashed
10/23/2015	2208	150.00	Supplies	Police Department	10/23/2015	Cashed
10/26/2015	3470	150.00	Petty cash	General	10/28/2015	Cashed (5)
11/3/2015	3477	250.00		General	11/4/2015	Cashed (5)
11/6/2015	5300	350.00		Water	11/6/2015	Cashed
11/12/2015	5303	225.00	Petty cash	Water	11/12/2015	Cashed
12/4/2015	3499	150.00	Petty cash	General	12/8/2015	Cashed (5)
12/18/2015	5330	287.00		Water	12/23/2015	Cashed
12/23/2015	3541	250.00		General	1/5/2016	Cashed
1/15/2016	5354	585.00	Taxes/Supplies	Water	1/15/2016	Cashed
1/19/2016	5362	300.00	Petty cash	Water	1/20/2016	Cashed (5)

Appendix E

City of Greenville Supporting Documentation - Improperly Negotiated City Checks

Check Details					Date	Disposition
Check Date	Check Number	Amount	Purpose per Check Memo Line, if Provided	Account	Negotiated (1)	of Check (2)
1/27/2016	3557	300.00	Supplies	General	2/2/2016	Cashed (5)
1/28/2016	3574	483.00		General	1/28/2016	Cashed
1/29/2016	5369	443.00	Petty cash	Water	1/29/2016	Cashed
2/5/2016	3581	250.00	Petty cash	General	2/9/2016	Cashed (5)
2/11/2016	3592	325.00		General	2/11/2016	Cashed
2/19/2016	5384	150.00	Petty cash	Water	2/19/2016	Cashed
2/26/2016	3604	150.00	Petty cash	General	2/26/2016	Cashed
2/29/2016	3606	200.00		General	3/1/2016	Cashed (5)
3/7/2016	5400	450.00		Water	3/8/2016	Cashed
3/16/2016	3626	250.00		General	3/16/2016	Cashed
3/18/2016	3629	350.00	Supplies	General	3/22/2016	Cashed (5)
3/21/2016	5422	150.00		Water	3/21/2016	Cashed
4/4/2016	3639	200.00	Petty cash	General	4/4/2016	Cashed
	Total	\$ 39,535.61				

(1) Check was endorsed "City of Greenville Pam Birmingham" written in the former City Clerk's scripted handwriting unless otherwise indicated by (3) or (6).

(2) Check was negotiated at the city's bank, People's Community Bank, unless otherwise indicated by (5) or (6).

(3) Check was not endorsed.

(4) Checks were used to purchase a money order in the amount of \$713.24 made payable to a dental provider for personal dental services of the former City Clerk.

(5) Check was negotiated at First Midwest Bank, where the former City Clerk maintains a personal bank account.

(6) Check was initially endorsed "City of Greenville Pam Birmingham," but that endorsement was marked through and the restrictive endorsement of a local gas station applied.

(7) The check was issued for \$300 and \$192.97 of this amount was supported by invoices for an Independence Day park event; leaving \$107.03 considered as improper.

Appendix F

City of Greenville
Supporting Documentation - Falsified Records

Per Listing Provided to Board					Differences Identified on the Actual Cleared Check				
Check Date	Check Number	Amount	Account	Payee (1)	Check Date	Check Number	Amount	Payee	
1/10/2014	2744	\$ 250.00	General	Division of Employment				Pam Birmingham	(See Appendix D)
1/10/2014	4802	428.00	Water	Mo dept of Rev/4 th qtr Taxes				City of Greenville	(See Appendix E)
1/10/2014	4803	389.50	Water	Hoffcomb Chemicals				Pam Birmingham	(See Appendix A)
1/24/2014	2753	399.50	General	Midwest Meter				Pam Birmingham	(See Appendix A)
1/29/2014	2757	389.50	General	USA Blue Book				Pam Birmingham	(See Appendix A)
2/7/2014	4828	349.10	Water	Midwest Meter				Pam Birmingham	(See Appendix A)
2/14/2014	2763	380.50	General	Mo Department of Revenue				Pam Birmingham	(See Appendix A)
2/21/2014	4837	380.50	Water	Hoffcomb	2/18/2014			Pam Birmingham	(See Appendix A)
2/28/2014	4845	389.50	Water	City of Greenville/Taxes	2/27/2014			Pam Birmingham	(See Appendix A)
3/7/2014	2781	380.00	General	Midwest Meter			380.50	Pam Birmingham	(See Appendix A)
3/10/2014	2784	350.00	General	Mo Dept of Revenue				Pam Birmingham	(See Appendix A)
3/14/2014	2787	389.50	General	Division of Employment				Pam Birmingham	(See Appendix A)
3/21/2014	2792	389.50	General	Department of Tresury				Pam Birmingham	(See Appendix A)
3/21/2014	4863	350.00	Water	Hoffcomp				Pam Birmingham	(See Appendix A)
4/2/2014	2807	350.00	General	Midwest Meter				Pam Birmingham	(See Appendix D)
4/11/2014	2822	450.00	General	Hoffcomp				Pam Birmingham	(See Appendix A)
4/23/2014	4881	359.00	Water	USA Blue Book				Pam Birmingham	(See Appendix A)
4/25/2014	2841	400.50	General	Colemans				Pam Birmingham	(See Appendix A)
5/1/2014	2851	420.00	General	USA Blue Book	4/30/2014			Pam Birmingham	(See Appendix A)
5/2/2014	4887	400.97	Water	Midwest Meter				Pam Birmingham	(See Appendix A)
5/9/2014	4893	350.00	Water	Hoffcomb				Pam Birmingham	(See Appendix D)
5/16/2014	4895	400.09	Water	Mo Department of Rev/941 Taxes/1st Qtr	5/9/2014			Pam Birmingham	(See Appendix A)
5/19/2014	2874	420.10	General	Mo Department of Rev				Pam Birmingham	(See Appendix A)
5/28/2014	4900	400.10	Water	USA Blue Book	5/15/2014			Pam Birmingham	(See Appendix D)
5/30/2014	4905	420.10	Water	Division of Employment Tax 1st Qtr				Pam Birmingham	(See Appendix A)
6/6/2014	4911	350.00	Water	Hoffcomb				City of Greenville	(See Appendix E)
6/9/2014	2904	401.25	General	Division of Employment/Taxes				Pam Birmingham	(See Appendix A)
6/13/2014	4916	350.00	Water	Mo Department of Rev/Taxes/Employees				City of Greenville	(See Appendix E)
6/17/2014	2909	525.00	General	<u>Mo Department of Rev</u>				City of Greenville	(See Appendix E)
6/19/2014	4924	396.00	Water	USA Blue Book				Pam Birmingham	(See Appendix A)
7/11/2014	4928	410.25	Water	Midwest Meter				Pam Birmingham	(See Appendix A)
7/11/2014	2956	90.00	General	Saw Shop				City of Greenville	(See Appendix E)
7/15/2014	4930	300.00	Water	Hoffcomb				Pam Birmingham	(See Appendix A)
7/18/2014	4933/4934	550.00 (2)	Water	Mo Department of Revenue		4933	300.00	City of Greenville	(See Appendix E)
					7/21/2014	4934	250.00	City of Greenville	(See Appendix E)
7/31/2014	4942	200.00	Water	Mo Department of Rev/Mo-941				City of Greenville	(See Appendix E)
8/1/2014	2978	450.00	General	Div of Employment Taxes	7/31/2014			Pam Birmingham	(See Appendix A)
8/7/2014	4947	350.00	Water	Mo Department of Revenue/Taxes				City of Greenville	(See Appendix E)
8/12/2014	4959	300.00	Water	USA Blue Book				City of Greenville	(See Appendix E)
8/13/2014	3001	300.00	General	USA Blue Book				Pam Birmingham	(See Appendix D)
8/18/2014	4967	200.00	Water	Division of Employment/Taxes				City of Greenville	(See Appendix E)
8/20/2014	4970	450.00	Water	Midwest Meter				Pam Birmingham	(See Appendix A)
8/22/2014	3011	0.00	General	Voided Check	8/21/2014		250.00	Pam Birmingham	(See Appendix D)

Appendix F

City of Greenville
Supporting Documentation - Falsified Records

Per Listing Provided to Board					Differences Identified on the Actual Cleared Check				
Check Date	Check Number	Amount	Account	Payee (1)	Check Date	Check Number	Amount	Payee	
8/22/2014	4975	150.00	Water	Dept of Revenue/Mo 941 Taxes				City of Greenville	(See Appendix E)
8/28/2014	3014	378.32	General	Duane Eads/Wages	8/26/2014		250.00	City of Greenville	(See Appendix E)
10/17/2014	5017	410.25	Water	USA Blue Book				Pam Birmingham	(See Appendix A)
10/20/2014	5019	400.00	Water	Mo Dept of Rev/Mo 941				City of Greenville	(See Appendix E)
10/21/2014	3087	400.00	General	Mo Dept of Rev Mo- 941				City of Greenville	(See Appendix E)
10/22/2014	3089	250.00	General	Midwest Meter				Pam Birmingham	(See Appendix A)
10/24/2014	5024	396.58	Water	Division of Unemployment				Pam Birmingham	(See Appendix A)
11/7/2014	3102	450.00	General	Mo Department of Rev-941 Tax				Pam Birmingham	(See Appendix A)
11/7/2014	5027	256.78	Water	Office Depot				Pam Birmingham	(See Appendix D)
11/14/2014	3104	225.00	General	Midwest Meter				City of Greenville	(See Appendix E)
11/18/2014	5042	250.00	Water	Hoffcomb				Pam Birmingham	(See Appendix D)
11/20/2014	3110	0.00	General	Voided Check	11/19/2014		550.00	City of Greenville	(See Appendix E)
11/20/2014	3111	200.00	General	Usa Blue Book				City of Greenville	(See Appendix E)
11/21/2014	5044	100.00	Water	Refunded Deposit/A. Allen				City of Greenville	(See Appendix E)
11/26/2014	5046	450.00	Water	Mo Department of Revenue	11/19/2014			Pam Birmingham	(See Appendix A)
2/3/2015	3223	200.00	General	Division of Employment				City of Greenville	(See Appendix E)
8/3/2015	5229	250.00	Water	Midwest Meter/Supplies				City of Greenville	(See Appendix E)
8/4/2015	5230	350.00	Water	Hoffcomp Chemicals				Pam Birmingham	(See Appendix A)
8/6/2015	3393	395.10	General	Midwest Meter	8/3/2015			Pam Birmingham	(See Appendix A)
8/10/2015	3405/3406	1,755.01 (3)	General	Black River Electric	8/21/2015	3405	255.01	Pam Birmingham	(See Appendix A)
					8/24/2015	3406	1,500.00		
8/11/2015	5234	320.00	Water	USA Blue Book				Pam Birmingham	(See Appendix A)
8/17/2015	5244	350.00	Water	USA Blue Book				Pam Birmingham	(See Appendix A)
8/25/2015	5248	300.00	Water	Midwest Meter/Supplies				City of Greenville	(See Appendix E)
9/4/2015	3412	285.38	General	Liberty National				Pam Birmingham	(See Appendix A)
9/4/2015	3409	0.00	General	Voided Check	9/1/2015		300.00	City of Greenville	(See Appendix E)
9/30/2015	3448	197.34	General	Mike Allen/Wages/Ins	9/24/2015		280.25	Pam Birmingham	(See Appendix A)
9/24/2015	5269	300.00	Water	Division of Unemployment/Employees				City of Greenville	(See Appendix E)
11/2/2015	5298	425.01	Water	Mo Depoartment of Rev/941 Taxes employees				Pam Birmingham	(See Appendix A)
11/6/2015	5295	325.01	Water	Midwest Meter	10/30/2015			Pam Birmingham	(See Appendix A)
11/6/2015	5300	350.00	Water	Hoffcomp/Chemicals				City of Greenville	(See Appendix E)
11/16/2015	5302	426.29	Water	Black River Electric	11/12/2015			Pam Birmingham	(See Appendix A)
11/25/2015	3490	225.00	General	Hoffcomp				Pam Birmingham	(See Appendix A)
		\$ 25,979.53							

(1) The payee indicated is exactly as it is shown on the disbursement listing provided to the Board, with no corrections for spelling errors or unusual formatting.

(2) The listing presented to the Board indicated checks 4933/4934 were issued to Mo. Department of Revenue for a total of \$550, but did not indicate the amount for each check.

(3) The listing presented to the Board indicated checks 3405/3406 were issued to Black River Electric for a total of \$1,755.01, but did not indicate the amount for each check.

Appendix G

City of Greenville

Supporting Documentation - Undeposited Utility Receipts

Deposit Date	Recorded Cash Receipts (1)	Recorded Check and Money Order Receipts (1)	Unrecorded Checks (1)	Total Receipts	Cash Deposited	Checks and Money Orders Deposited	Total Deposited	Cash Long/(Short)	Checks Long/(Short)	Total Undeposited*
1/3/2014	\$ 0.00	0.00	200.51	200.51	0.00	200.51	200.51	0.00	0.00	0.00
1/6/2014	0.00	183.47	60.88	244.35	0.00	244.35	244.35	0.00	0.00	0.00
1/13/2014	256.00	169.23	26.61	451.84	0.00	195.84	195.84	(256.00)	0.00	(256.00)
1/14/2014	115.81	380.99	0.00	496.80	0.00	380.99	380.99	(115.81)	0.00	(115.81)
1/17/2014	781.58	1,857.86	0.00	2,639.44	0.00	1,857.86	1,857.86	(781.58)	0.00	(781.58)
1/27/2014	173.14	2,427.58	0.00	2,600.72	0.00	2,427.58	2,427.58	(173.14)	0.00	(173.14)
1/29/2014	31.01	539.42	0.00	570.43	0.00	539.42	539.42	(31.01)	0.00	(31.01)
2/10/2014	367.17	432.21	42.50	841.88	0.00	474.71	474.71	(367.17)	0.00	(367.17)
2/10/2014	154.82	235.42	0.00	390.24	0.00	235.42	235.42	(154.82)	0.00	(154.82)
2/12/2014	359.72	1,545.63	0.00	1,905.35	0.05	1,545.63	1,545.68	(359.67)	0.00	(359.67)
2/13/2014	138.26	1,703.47	15.72	1,857.45	0.00	1,719.19	1,719.19	(138.26)	0.00	(138.26)
2/26/2014	1,003.39	3,413.27	30.00	4,446.66	0.12	3,443.27	3,443.39	(1,003.27)	0.00	(1,003.27)
3/7/2014	716.81	933.81	0.00	1,650.62	0.00	933.81	933.81	(716.81)	0.00	(716.81)
3/11/2014	305.92	1,097.98	0.00	1,403.90	0.00	1,097.98	1,097.98	(305.92)	0.00	(305.92)
3/17/2014	491.43	3,345.15	0.00	3,836.58	0.00	3,345.15	3,345.15	(491.43)	0.00	(491.43)
3/24/2014	458.20	1,083.54	0.00	1,541.74	0.00	1,083.54	1,083.54	(458.20)	0.00	(458.20)
3/28/2014	0.00	475.29	0.00	475.29	0.00	475.29	475.29	0.00	0.00	0.00
4/7/2014	167.40	204.43	0.00	371.83	0.00	204.43	204.43	(167.40)	0.00	(167.40)
4/11/2014	676.87	3,239.01	0.00	3,915.88	0.00	3,239.01	3,239.01	(676.87)	0.00	(676.87)
4/18/2014	429.74	1,707.57	5.00	2,142.31	0.00	1,712.27	1,712.27	(429.74)	(0.30)	(430.04)
4/28/2014	106.58	184.87	66.58	358.03	0.00	251.45	251.45	(106.58)	0.00	(106.58)
5/1/2014	0.00	364.26	0.00	364.26	0.00	364.26	364.26	0.00	0.00	0.00
5/2/2014	292.49	570.28	0.00	862.77	0.00	570.28	570.28	(292.49)	0.00	(292.49)
5/6/2014	95.02	364.04	0.00	459.06	0.00	364.04	364.04	(95.02)	0.00	(95.02)
5/9/2014	214.73	791.16	0.00	1,005.89	0.00	791.16	791.16	(214.73)	0.00	(214.73)
5/15/2014	189.77	1,152.08	0.00	1,341.85	0.00	1,152.08	1,152.08	(189.77)	0.00	(189.77)
5/15/2014	178.88	2,568.29	0.00	2,747.17	0.00	2,568.33	2,568.33	(178.88)	0.04	(178.84)
5/16/2014	26.45	391.50	0.00	417.95	0.00	391.50	391.50	(26.45)	0.00	(26.45)
5/19/2014	26.00	1,557.47	0.00	1,583.47	0.00	1,557.47	1,557.47	(26.00)	0.00	(26.00)
5/23/2014	217.97	584.88	0.00	802.85	0.00	584.88	584.88	(217.97)	0.00	(217.97)
5/28/2014	36.33	501.72	0.00	538.05	0.00	501.34	501.34	(36.33)	(0.38)	(36.71)
6/4/2014	356.32	191.91	0.00	548.23	0.00	191.91	191.91	(356.32)	0.00	(356.32)
6/5/2014	466.35	101.86	250.00	818.21	0.00	351.86	351.86	(466.35)	0.00	(466.35)
6/10/2014	333.57	1,139.27	0.00	1,472.84	0.00	1,139.36	1,139.36	(333.57)	0.09	(333.48)
6/12/2014	26.61	1,717.78	0.00	1,744.39	0.00	1,717.78	1,717.78	(26.61)	0.00	(26.61)
6/13/2014	389.35	1,112.12	0.00	1,501.47	0.00	1,112.12	1,112.12	(389.35)	0.00	(389.35)
6/18/2014	112.64	790.42	0.00	903.06	0.00	790.42	790.42	(112.64)	0.00	(112.64)
6/19/2014	60.00	135.49	0.00	195.49	0.00	135.49	135.49	(60.00)	0.00	(60.00)
6/24/2014	108.12	339.09	0.00	447.21	0.00	339.09	339.09	(108.12)	0.00	(108.12)
6/27/2014	26.35	67.96	0.00	94.31	0.00	67.96	67.96	(26.35)	0.00	(26.35)
6/27/2014	0.00	550.35	0.00	550.35	0.00	550.35	550.35	0.00	0.00	0.00
7/2/2014	103.61	89.50	0.00	193.11	0.00	89.50	89.50	(103.61)	0.00	(103.61)
7/11/2014	560.99	2,988.72	81.60	3,631.31	0.00	3,069.78	3,069.78	(560.99)	(0.54)	(561.53)
7/16/2014	214.31	2,095.40	0.00	2,309.71	0.00	2,096.08	2,096.08	(214.31)	0.68	(213.63)

Appendix G

City of Greenville

Supporting Documentation - Undeposited Utility Receipts

Deposit Date	Recorded Cash Receipts (1)	Recorded Check and Money Order Receipts (1)	Unrecorded Checks (1)	Total Receipts	Cash Deposited	Checks and Money Orders Deposited	Total Deposited	Cash Long/(Short)	Checks Long/(Short)	Total Undeposited*
7/17/2014	142.42	588.51	0.00	730.93	0.00	588.51	588.51	(142.42)	0.00	(142.42)
7/21/2014	77.90	159.26	0.00	237.16	0.00	159.26	159.26	(77.90)	0.00	(77.90)
7/25/2014	228.87	427.35	0.00	656.22	0.00	427.35	427.35	(228.87)	0.00	(228.87)
7/31/2014	0.00	354.67	0.00	354.67	0.00	354.67	354.67	0.00	0.00	0.00
8/1/2014	0.00	0.00	50.00	50.00	0.00	50.00	50.00	0.00	0.00	0.00
8/8/2014	45.00	162.30	0.00	207.30	0.00	162.01	162.01	(45.00)	(0.29)	(45.29)
8/8/2014	26.05	556.14	0.00	582.19	0.00	556.14	556.14	(26.05)	0.00	(26.05)
8/8/2014	90.88	322.04	0.00	412.92	0.00	322.04	322.04	(90.88)	0.00	(90.88)
8/8/2014	356.09	201.86	0.00	557.95	0.00	201.86	201.86	(356.09)	0.00	(356.09)
8/8/2014	42.52	437.29	36.06	515.87	0.00	473.33	473.33	(42.52)	(0.02)	(42.54)
8/12/2014	437.20	2,172.11	0.00	2,609.31	0.00	2,171.81	2,171.81	(437.20)	(0.30)	(437.50)
8/13/2014	180.95	1,551.71	0.00	1,732.66	0.00	1,551.71	1,551.71	(180.95)	0.00	(180.95)
8/19/2014	250.15	1,052.95	10.00	1,313.10	0.00	1,062.95	1,062.95	(250.15)	0.00	(250.15)
8/19/2014	0.00	0.00	471.47	471.47	0.00	471.47	471.47	0.00	0.00	0.00
8/21/2014	0.00	458.19	0.00	458.19	0.00	458.19	458.19	0.00	0.00	0.00
8/26/2014	145.25	213.53	0.00	358.78	0.00	213.53	213.53	(145.25)	0.00	(145.25)
9/5/2014	520.25	1,591.04	0.00	2,111.29	0.00	1,591.12	1,591.12	(520.25)	0.08	(520.17)
9/9/2014	185.06	1,156.73	10.00	1,351.79	0.00	1,166.73	1,166.73	(185.06)	0.00	(185.06)
9/15/2014	31.77	919.57	0.00	951.34	0.00	919.57	919.57	(31.77)	0.00	(31.77)
9/15/2014	391.50	2,569.73	81.06	3,042.29	0.00	2,650.76	2,650.76	(391.50)	(0.03)	(391.53)
9/19/2014	271.96	574.64	5.00	851.60	0.00	579.64	579.64	(271.96)	0.00	(271.96)
9/23/2014	0.00	117.41	0.00	117.41	0.00	117.41	117.41	0.00	0.00	0.00
9/23/2014	0.00	439.04	0.00	439.04	0.00	439.04	439.04	0.00	0.00	0.00
10/7/2014	846.46	1,683.83	0.00	2,530.29	0.00	1,683.83	1,683.83	(846.46)	0.00	(846.46)
10/14/2014	138.94	1,285.50	0.00	1,424.44	0.00	1,285.50	1,285.50	(138.94)	0.00	(138.94)
10/14/2014	921.45	512.35	0.00	1,433.80	0.00	512.35	512.35	(921.45)	0.00	(921.45)
10/16/2014	142.57	2,002.05	341.30	2,485.92	0.00	2,343.35	2,343.35	(142.57)	0.00	(142.57)
10/20/2014	0.00	0.00	264.25	264.25	0.00	264.25	264.25	0.00	0.00	0.00
10/23/2014	0.00	229.84	0.00	229.84	0.00	229.84	229.84	0.00	0.00	0.00
10/24/2014	0.00	0.00	605.93	605.93	0.00	605.93	605.93	0.00	0.00	0.00
10/31/2014	0.00	0.00	814.57	814.57	0.00	814.57	814.57	0.00	0.00	0.00
11/7/2014	599.69	258.39	0.00	858.08	0.00	258.39	258.39	(599.69)	0.00	(599.69)
11/13/2014	1,063.10	3,898.90	30.53	4,992.53	0.02	3,929.60	3,929.62	(1,063.08)	0.17	(1,062.91)
11/17/2014	239.24	2,384.92	0.00	2,624.16	0.00	2,386.58	2,386.58	(239.24)	1.66	(237.58)
11/19/2014	156.02	310.00	0.00	466.02	0.00	310.00	310.00	(156.02)	0.00	(156.02)
11/26/2014	296.44	375.66	50.00	722.10	0.00	425.66	425.66	(296.44)	0.00	(296.44)
12/2/2014	65.53	395.59	0.00	461.12	0.00	395.59	395.59	(65.53)	0.00	(65.53)
12/5/2014	269.31	444.41	0.00	713.72	0.00	444.51	444.51	(269.31)	0.10	(269.21)
12/8/2014	40.00	687.93	0.00	727.93	0.00	687.91	687.91	(40.00)	(0.02)	(40.02)
12/12/2014	501.39	2,136.45	0.00	2,637.84	0.00	2,136.44	2,136.44	(501.39)	(0.01)	(501.40)
12/17/2014	293.70	1,947.11	0.00	2,240.81	0.00	1,947.11	1,947.11	(293.70)	0.00	(293.70)
12/30/2014	797.40	829.72	0.00	1,627.12	0.00	829.72	829.72	(797.40)	0.00	(797.40)
Total 2014	\$ 20,564.77	80,734.47	3,549.57	104,848.81	0.19	84,284.97	84,285.16	(20,564.58)	0.93	(20,563.65)

Appendix G

City of Greenville

Supporting Documentation - Undeposited Utility Receipts

Deposit Date	Recorded Cash Receipts (1)	Recorded Check and Money Order Receipts (1)	Unrecorded Checks (1)	Total Receipts	Cash Deposited	Checks and Money Orders Deposited	Total Deposited	Cash Long/(Short)	Checks Long/(Short)	Total Undeposited*
1/6/2015	155.31	742.50	5.00	902.81	0.00	747.50	747.50	(155.31)	0.00	(155.31)
1/20/2015	565.29	2,882.11	124.50	3,571.90	1.07	3,005.65	3,006.72	(564.22)	(0.96)	(565.18)
1/20/2015	0.00	500.22	0.00	500.22	0.00	500.22	500.22	0.00	0.00	0.00
1/20/2015	367.02	990.34	0.00	1,357.36	0.00	990.34	990.34	(367.02)	0.00	(367.02)
1/23/2015	82.31	377.58	0.00	459.89	0.00	377.58	377.58	(82.31)	0.00	(82.31)
1/23/2015	0.00	858.44	45.00	903.44	0.00	903.57	903.57	0.00	0.13	0.13
2/2/2015	536.66	615.62	152.42	1,304.70	0.00	768.04	768.04	(536.66)	0.00	(536.66)
3/17/2015	67.18	1,628.72	522.47	2,218.37	0.00	2,151.19	2,151.19	(67.18)	0.00	(67.18)
3/30/2015	193.40	640.92	482.37	1,316.69	0.00	1,123.29	1,123.29	(193.40)	0.00	(193.40)
4/3/2015	202.77	477.55	0.00	680.32	0.00	477.55	477.55	(202.77)	0.00	(202.77)
4/7/2015	576.92	727.16	0.00	1,304.08	0.00	727.16	727.16	(576.92)	0.00	(576.92)
4/14/2015	634.70	2,379.81	46.19	3,060.70	0.00	2,425.82	2,425.82	(634.70)	(0.18)	(634.88)
4/16/2015	97.98	1,035.66	5.00	1,138.64	0.00	1,040.58	1,040.58	(97.98)	(0.08)	(98.06)
4/17/2015	36.79	908.58	680.00	1,625.37	0.00	1,588.58	1,588.58	(36.79)	0.00	(36.79)
4/22/2015	0.00	809.88	0.00	809.88	0.00	809.88	809.88	0.00	0.00	0.00
4/22/2015	41.00	844.67	0.00	885.67	0.00	844.67	844.67	(41.00)	0.00	(41.00)
4/30/2015	412.84	766.15	40.00	1,218.99	0.00	806.15	806.15	(412.84)	0.00	(412.84)
December 2015 (3)	6,537.91 (2)	6,428.06	242.10	13,208.07	0.00	6,670.16	6,670.16	(6,537.91)	(0.00)	(6,537.91)
Total 2015 \$	10,508.08	23,613.97	2,345.05	36,467.10	1.07	25,957.93	25,959.00	(10,507.01)	(1.09)	(10,508.10)
January 2016 (3)	2,839.02	6,969.95	85.53	9,894.50	0.00	6,594.64	6,594.64	(2,839.02)	(460.84) (4)	(3,299.86)
February 2016 (3)	3,303.66	7,259.08	226.74	10,789.48	0.00	7,319.94	7,319.94	(3,303.66)	(165.88) (4)	(3,469.54)
March 2016 (3)	1,979.21	8,210.29	105.00	10,294.50	0.00	6,867.61	6,867.61	(1,979.21)	(1,447.68) (4)	(3,426.89)
April 2016 (3)	2,328.17	5,571.21	80.53	7,979.91	0.00	5,651.74	5,651.74	(2,328.17)	(0.00)	(2,328.17)
Total 2016	10,450.06	28,010.53	497.80	38,958.39	0.00	26,433.93	26,433.93	(10,450.06)	(2,074.40)	(12,524.46)
Total \$	41,522.91	132,358.97	6,392.42	180,274.30	1.26	136,676.83	136,678.09	(41,521.65)	(2,074.56)	(43,596.21)

* The table provides supporting documentation for the undeposited utility receipts totaling \$43,596.21 for the year ended December 31, 2014; periods of 2015 including January 1 through February 2, March 17 through April 30, and December 5 through December 31, 2015; and the period January 1, 2016, through April 18, 2016; the time periods during which utility reports, payment logs, and/or manual receipts slips were available.

- (1) Method of payment was not recorded on payment logs, utility reports, and some of the manual receipt slips. Therefore, the method of payment was determined to be cash based on a comparison of payment records to the contents of deposits.
- (2) The former City Clerk recorded payments totaling \$5,387.18 to seven old, inactive accounts on December 21, 2015, that were unusually large amounts, not typical of a monthly utility payment.
- (3) Receipt activity was summarized for December 2015 and January, February, March, and April of 2016 because initial receipt records were not available and utility payments were not posted in the computerized utility system at time of receipt.
- (4) Computerized utility records indicate payments were received on these accounts. For previous months reviewed these utility customers paid their utility bills by check. However, check payments for January through March 2016 were not located in deposits and are missing.

Appendix H

City of Greenville

Supporting Documentation - Undeposited Municipal Division Receipts

Receipt Date or Court Date	Manual Receipt Slip Number or Other Source	Method of Payment	Ticket Number	Amount
1/7/14	732686	Not indicated	30075751	\$ 183.00
1/10/14	732690	Not indicated	30075776	183.00
1/14/14	732694	Not indicated	30075650	283.00
1/16/14	732695	Not indicated	30075810	267.50
2/28/14	42909	Not indicated	30075738	96.50
2/28/14	42910	Not indicated	30075737	146.50
3/19/14	Agreement To Pay Form	Not indicated	30075649	40.00
3/20/14	Agreement To Pay Form	Not indicated	30075709	70.00
3/20/14	Case File	Not indicated	30075781	183.00
3/26/14	42933	Not indicated	30075787	230.00
3/31/14	42936	Cash	30075793	10.00
4/30/14	42943	Cash	30075732	204.50
5/6/14	42950	Not indicated	30075789 & 30075790	74.00
5/14/14	Agreement To Pay Form	Not indicated	30075709	162.50
5/15/14	Agreement To Pay Form	Not indicated	30075803	100.00
5/15/14	42956	Cash	30075791	200.00
5/15/14	Ticket and Case File	Not indicated	30075715	232.50
5/15/14	Ticket and Case File	Not indicated	30075721	88.00
5/22/14	42959	Cash	30075800	183.00
6/24/14	Agreement To Pay Form	Not indicated	30075803	432.50
7/16/14	42998	Not indicated	30075826	133.00
9/17/14	953840	Cash	30075782	432.50
9/18/14	Case File	Not indicated	30075818	182.50
11/5/14	953873	Not indicated	30075893	232.50
11/6/14	953875	Not indicated	30075795	50.00
11/13/14	(1)	Not indicated	30075795	82.50
11/12/14	Agreement To Pay Form	Not indicated	30075894	20.00
11/13/14	Case File	Not indicated	30075906	120.50
12/30/14	323419	Cash	30075794	267.00
1/13/15	323428	Cash	30075919	183.00
1/13/15	Agreement To Pay Form	Not indicated	30075895	5.00
1/15/15	525438	Not indicated	30075910	233.00
3/17/15	323469	Cash	30075851	226.00
3/18/15	323468	Cash	30075894	100.50
4/20/15	Case File	Not indicated	30075915	10.00
5/13/15	323513	Cash	30075932	176.00
5/13/15	Agreement To Pay Form	Not indicated	30075915	10.00
6/23/15	323551	Cash	30075814	257.50
July 2015	Case File	Not indicated	30075853	165.50
7/9/15	Agreement To Pay Form	Not indicated	30075915	60.00
7/15/15	Agreement To Pay Form	Not indicated	30075933	100.00

Appendix H

City of Greenville

Supporting Documentation - Undeposited Municipal Division Receipts

Receipt Date or Court Date	Manual Receipt Slip Number or Other Source	Method of Payment	Ticket Number	Amount
7/20/15	323570	Cash	30076014	326.00
8/11/15	Agreement To Pay Form	Not indicated	30075915	50.00
9/17/15	142410	Cash	30075964	89.50
9/17/15	142411	Not indicated	30076021	226.00
9/21/15	Agreement To Pay Form	Not indicated	30076018	76.00
9/21/15	Agreement To Pay Form	Not indicated	30075957	125.00
10/5/15	Agreement To Pay Form	Not indicated	30075915	50.00
10/30/15	142434	Cash	(2)	20.00
10/30/15	142436	Not indicated	30075817	30.00
11/1/15	142435	Cash	(2)	20.00
November 2015	Case File	Not indicated	30075802	183.00
11/04/15	142445	Not indicated	30076017	226.00
11/06/15	Agreement To Pay Form	Not indicated	30075965	125.50
11/09/15	Agreement To Pay Form	Not indicated	30076018	50.00
11/09/15	142448	Cash	30075969	276.00
11/16/15	Agreement To Pay Form	Not indicated	30075971	113.50
11/17/15	Agreement To Pay Form	Not indicated	30075957	101.00
11/18/15	Agreement To Pay Form	Not indicated	30075871	92.87
12/31/15	142477	Cash	30075817	50.00
01/04/16	142481	Cash	30076102	260.50
02/29/16	Agreement To Pay Form	Not indicated	30075895	195.00
03/04/16	553802	Cash	30075817	50.00
03/10/16	Agreement to Pay Form	Not indicated	30076018	50.00
03/29/16	142515	Cash	(2)	125.50
03/31/16	553818	Cash	30075817	200.00
03/31/16	553820	Cash	(2)	139.50
			Total	<u>\$ 9,667.37</u>

(1) The case file indicated \$132.50 was assessed. Receipt slip number 953875 was issued for \$50 and showed a balance due of \$32.50. The case file was marked paid with a date of November 13, 2014; therefore, the remaining \$82.50 (\$50+\$32.50) was shown receipted on this date.

(2) A case file or ticket was not retained; however, a manual receipt slip was issued indicating it was for a ticket or noted the ticket offense.

Appendix I

City of Greenville

Supporting Documentation - Former City Clerk Personal Bank Account Disbursement Activity

Vendor	Amount Spent				Total Number of Transactions
	Year Ended December 31,		January 1 to	Total	
	2014	2015	April 30 2016		
QVC	\$ 8,096.48	4,144.11	925.78	13,166.37	573
JTV (Jewelry Television)	5,503.29	5,409.69	1,468.98	12,381.96	449
Overdraft charges (1)	2,425.00	2,850.00	800.00	6,075.00	153
Casinos	5,964.35	2,333.95	2,074.98	10,373.28	124
ATM fees (1)	72.00	46.50	36.00	154.50	103
Clothing stores	2,896.93	2,773.94	808.49	6,479.36	87
Department stores	1,744.04	1,452.48	1,313.12	4,509.64	71
Retail stores	2,085.49	1,478.95	478.96	4,043.40	59
Fuel and convenience stores	337.05	202.10	214.16	753.31	27
Specialty stores	746.53	295.96	233.83	1,276.32	21
Outdoor and sporting goods stores	253.22	283.69	79.16	616.07	10
Shoe stores	62.13	57.32	318.38	437.83	7
Children's clothing and toy stores	29.61	51.04	16.19	96.84	7
Withdrawal (1)	100.00	100.00	130.00	330.00	5
HSN	0.00	104.21	0.00	104.21	4
Restaurants and bars	49.79	157.95	0.00	207.74	4
Telephone and trash service	699.60	110.00	0.00	809.60	4
Grocery stores	103.61	0.00	34.70	138.31	3
Medical provider	0.00	0.00	50.50	50.50	2
Debt collection company	0.00	0.00	361.72	361.72	2
Credit card company	0.00	50.00	0.00	50.00	1
Total	\$ 31,169.12	21,901.89	9,344.95	62,415.96	1,716

(1) This is not a vendor name, but represents the purpose of the transactions.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Department of Public Safety

Report No. 2018-119
November 2018

auditor.mo.gov

City of St. Louis - Department of Public Safety

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Director of Public Safety
and
Chief of Police - St. Louis Metropolitan Police Department
and
Building Commissioner
City of St. Louis, Missouri

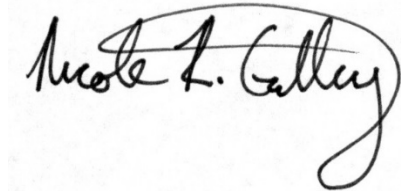
We have compiled the statuses of the audit report findings contained in the following reports as part of our current audit of the City of St. Louis: 1) Report No. 2009-122, *City of St. Louis, Department of Public Safety*, issued in November 2009; 2) Report No. 2009-123, *St. Louis Board of Police Commissioners*, issued in November 2009; and 3) the applicable audit report findings contained in Report No. 2009-60, *City of St. Louis, Lead Safe St. Louis Program*, issued in June 2009. The functions of the Lead Safe St. Louis Program are performed by the Community Development Administration, Department of Public Safety - Building Division, and Department of Health; therefore, applicable follow-up statuses for the Lead Safe St. Louis Program have been included in these agency follow-up reports. In addition, upon vote of the citizens of the City of St. Louis, the oversight of the St. Louis Metropolitan Police Department transferred from the former St. Louis Board of Police Commissioners to the city's Department of Public Safety in September 2013. Therefore, follow up statuses of the St. Louis Board of Police Commissioners are included in the Department of Public Safety follow-up report.

These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Department of Public Safety. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Department of Public Safety that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May and September 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Department of Public Safety

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Commissary

Finding Number: 1.A.

Finding: The Corrections Division did not prepare monthly bank reconciliations for the commissary account.

Recommendation: The Department of Public Safety (DPS) require monthly bank reconciliations be prepared for the commissary account.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Following the audit, the DPS - Corrections Division hired a temporary accountant and a clerk to complete outstanding bank reconciliations for the Inmate Trust Fund (Trust Fund) and the 1730 Inmate Fund (Inmate Fund). The Inmate Fund holds the commissions received on inmates' purchases of phone cards, commissary, etc.

Accounting staff use financial data from bank statements, various source documents, and the Keefe Commissary system (Keefe) reports to identify financial transactions that were not recorded in the banking system, identify and investigate discrepancies, and reconcile bank transactions with the appropriate commissary account. Staff also contact bank personnel concerning reimbursement of potential fraud.

When appropriate, checks are cut for inmate accounts with balances due, such as restitution or medical fees; checks and supporting documents are then forwarded to the Treasurer's office for deposit into the appropriate fund. In other circumstances, vouchers are prepared for outstanding liabilities and processed for payment. Inactive inmate accounts with balances are identified and forwarded to the State Treasurer where they are posted to the unclaimed property website.

Keefe has recently converted to an online system, which has improved the accuracy of account reconciliation. Old discrepancies and transactions that could not be cleared or verified (prior to 2005) have been written off.

Currently, the Corrections Division prepares a monthly reconciliation of the Trust Fund and the Inmate Fund. Specifically, monthly reports are run for inmate payroll, etc. Reported amounts are compared to amounts in Keefe, and check vouchers are prepared. Checks are cut from the Inmate Fund, deposited in the Trust Fund, and entered into Keefe.

Contact Person: Kim Maloney
Contact Phone Number: (314) 621-5848, Ext 1059



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Commissary

Finding Number: 1.B.1.

Finding: The Corrections Division did not prepare liabilities lists.

Recommendation: The DPS require liabilities lists be prepared on a monthly basis and reconciled to the cash balance.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Corrections Division currently uses a classified balance sheet to create a list of liabilities and assets which are balanced to the Trust Fund's reconciled cash balance. Liabilities are listed by individual accounts.

Contact Person: Kim Maloney

Contact Phone Number: (314) 621-5848, Ext. 1059



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Commissary

Finding Number: 1.B.2.

Finding: The Corrections Division did not make adequate efforts to review the status of old inmate accounts. At March 31, 2009, inmate accounts for 11,493 inmates on the liabilities list totaled \$143,174. However, the city jails could only house 2,153 inmates. Some liabilities were for inmates who were released from the city jails as far back as 1999.

Recommendation: The DPS ensure the division attempts to resolve unclaimed balances of old inmate accounts and establishes routine procedures to distribute inmate balances of released prisoners in a timely manner.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The procedure to distribute released prisoners' funds depends on their destination. For example, a weekly report identifies inmates that have been transferred to the Missouri Department of Corrections (MDOC) and the Corrections Division forwards their funds on a weekly basis. However, if the inmate is transferred to a facility other than an MDOC facility, the inmate must submit a transfer request on official facility stationary before funds can be forwarded. Finally, if the inmate is released, he/she is able to pick up the funds on site in the form of a debit card.

The Corrections Division currently runs an abandoned funds report to identify inactive inmates with funds held more than 3 years. The Corrections Division attempts to contact any person who has more than \$50 in unclaimed property before funds are transmitted to the Missouri State Treasurer by October 31 of each year, in accordance with state law.

Contact Person: Kim Maloney
Contact Phone Number: (314) 621-5848, Ext. 1059



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Commissary

Finding Number: 1.B.3.

Finding: The Corrections Division had not established procedures to collect unpaid inmate balances. An inmate has a negative balance if the inmate has charges for medical services and restitution but does not have any monies in the inmate account.

Recommendation: The DPS establish procedures to collect unpaid inmate balances.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Keefe system is now set up to automatically withdraw amounts due to the Corrections Division from the account of any active inmate with available funds. A check is cut from the Trust Fund and forwarded to the city Treasurer for deposit. If there is a balance owed upon inmate release, the debt will be charged to the Inmate Fund.

Restitution and fees for copying medical records are typical charges to an inmate's account. Division policy allows inmates to release funds (in the form of a check) from their trust accounts to individuals outside the facility. There is a \$3.00 fee for processing the release. The fund release will not occur if the inmate's available balance is less than the release amount plus the processing fee.

Contact Person: Kim Maloney
Contact Phone Number: (314) 621-5848, Ext 1059



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Commissary

Finding Number: 1.C.

Finding: The agreement for commissary services did not specifically address all services provided by the contractor including collecting and recording monies and personal property received when inmates were arrested.

Recommendation: The DPS ensure agreements address all services provided by the contractor.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Keefe is the contracted vendor for commissary services and all of its duties are noted in the agreement. Concerns about the vendor's responsibility regarding inmate property during intake will be addressed with a contract amendment that spells out the vendor's responsibility more clearly.

It should be noted that this is a joint inventory by Keefe and the Corrections Division. Keefe establishes an inmate account based on monies collected and is responsible for bank deposits which are verified by the Corrections Division. The Corrections Division does not take custody of any cash funds. However, the Corrections Division has custody of non-cash items. The Corrections Division inventories all personal property of newly admitted inmates and provides secure storage for their property.

Contact Person: Kim Maloney
Contact Phone Number: (314) 621-5848, Ext. 1059



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 2.A.

Finding: The Corrections Division did not adequately review invoices for compliance with contract terms prior to approving payments. The Corrections Division also did not adequately review some invoices and/or supporting documentation.

Recommendation: The DPS ensure invoices are adequately reviewed for validity, accuracy, and compliance with contract terms. In addition, the department should seek reimbursement of overpayments.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Corrections Division maintains a list of current contracts and their terms. The accounting clerk reviews each invoice for accuracy and compliance with contract terms. Charges are checked for accuracy to avoid overpayments. When items are returned, a credit invoice is requested from the vendor. If certain charges like shipping or tax are disallowed, the division pays the adjusted amount.

Non-contract services over \$499.99 but less than \$5,000 are submitted to either the Supply Division or Board of Public Service (BPS) for bids. Typically, facility maintenance services go to the BPS while other services like copier maintenance go to the Supply Division. Non-contract services \$5,000 or greater must go to a selection committee. Generally, contracts are awarded to the vendor with the lowest bid.

The Corrections Division is allowed to use vendors on the contract list of the BPS, the Supply Division, or on a state contract. Non-contract items over \$499.99 are submitted to the Supply Division. Items that are a sole source are also submitted to the Supply Division with the required documentation, and emergency items are submitted for approval with at least 3 bids in order to expedite the process.

The previous audit cited overpayments with the recommendation that the Corrections Division seek reimbursement of overpayments. We do not have the necessary documentation to comment on whether any reimbursements were received.

Contact Person: Kim Maloney
Contact Phone Number: (314) 621-5848, Ext. 1059



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 2.B.1.

Finding: The Building Division (BD) did not maintain adequate documentation of efforts to compare prices (i.e., phone contacts, inquiries, etc.) for emergency demolitions. The division indicated demolition contractors were called when an emergency demolition was required. However, documentation of the calls and prices obtained were not retained.

Recommendation: The DPS ensure services are obtained through a competitive selection process and documentation of the process is maintained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Emergency demolitions are now documented and processed within the BD's web-based operating system, implementing this finding.

Contact Person: Randall Mourning

Contact Phone Number: (314) 622-3318



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 2.B.2.

Finding: The BD did not prepare and approve change orders for demolitions.

Recommendation: The DPS require change orders be prepared and approved for changes to contracts.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The BD now completes change orders per the recommendation.

Contact Person: Randall Mourning

Contact Phone Number: (314) 622-3318



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Building Division Receipts

Finding Number: 3.A.

Finding: Numerous employees in the BD collected and received checks and money orders. Various sections of the BD recorded receipts on unnumbered receipt slips which did not always have duplicate copies. In addition, a copy of the receipt slip was not always retained by the section initially receiving the monies even when there were duplicate copies.

Recommendation: The DPS limit the number of employees who receive or handle monies prior to recording and processing payments. The department should also require official prenumbered duplicate receipt slips or a log be prepared and reconciled to transmittals.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Citizens apply for permits (building, demolition, commercial occupancy, and trade) using the Dataflex or STLCity systems. These systems generate a permit application that lists a unique permit number as well as the permit cost, permit type, and work site address.

Citizens pay for permits at the Building Division - Cashier's Office. Currently, only two employees receive payments for permits: the Account Clerk II and the Cashier. These employees process daily payments by recording receipts by permit type on the Receipt Coding Form (RCF), reconciling the RCF to the closing report generated by the cash register, and preparing the deposit. Using reports run in Dataflex and STLCity, the Accountant II audits the RCF by comparing the permit numbers generated to the permit numbers paid for, makes any necessary corrections to the RCF, and forwards the deposit to the Treasurer's office.

All transactions are reconciled to the general ledger on a monthly basis by the Accountant II and reviewed and approved by the Executive Assistant II.

Contact Person: Randall Mourning

Contact Phone Number: (314) 622-3318



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Building Division Receipts

Finding Number: 3.B.

Finding: Licenses and electrical contractor permits issued were not reconciled to monies collected and amounts transmitted. The BD did not note the permit number on some receipt slips issued and could not determine whether a license or electrical contractor permit fee had been collected when the license or permit number was not indicated on the receipt slip. In addition, the BD did not indicate the receipt slip number in the computer system for licenses and electrical contractor permits.

Recommendation: The DPS require licenses and/or permits included on a receipt slip be clearly identified. The department should also reconcile licenses and permits issued to amounts transmitted.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All trade receipts (mechanical, electrical, and plumbing) are recorded and processed via the BD's web-based operating system. All trade receipts are reconciled to the general ledger on a monthly basis. As recently as 2017, the Internal Audit Section of the Comptroller's office performed a revenue review and issued an audit with no findings.

Contact Person: Randall Mourning
Contact Phone Number: (314) 622-3318



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Building Division Receivables

Finding Number: 4.A.

Finding: Monitoring procedures related to outstanding electrical permit fees were not adequate. The BD allowed electrical contractors to obtain electrical permits and pay the permit fee after the final inspection.

Recommendation: The DPS establish procedures to adequately record and monitor outstanding electric permit fees.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The web-based operating system requires payment of all fees prior to issuance of any electrical permit. Most electrical contractors now utilize escrow accounts to pay for permits.

Contact Person: Randall Mourning

Contact Phone Number: (314) 622-3318



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Building Division Receivables

Finding Number: 4.B.

Finding: The BD did not ensure demolition costs were correctly billed to various property owners. As a result, some property owners were under billed.

Recommendation: The DPS ensure property owners are billed the correct amount for demolition costs.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Currently, the BD issues invoices for demolition through STLCity, a web-based operating system. However, prior to the implementation of this system, the BD did not have the capacity to invoice property owners for demolition charges and relied on Forestry, a division of the Department of Parks, Recreation, and Forestry, to perform this task.

Contact Person: Randall Mourning

Contact Phone Number: (314) 622-3318



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Building Division Receivables

Finding Number: 4.C.

Finding: The BD had not performed a cost benefit analysis to determine when a lien should be placed on property for unpaid building violations. City officials indicated the BD and City Counselor's office informally determined liens should only be filed when a property owner had unpaid fees for at least 10 current building violations due to the cost of filing the lien. While it appeared reasonable the cost of filing a lien could be greater than unpaid fees, there was no documentation a formal cost/benefit analysis was performed.

Recommendation: The DPS perform a formal cost analysis to ensure the city is making the most economical decisions regarding follow up procedures for administrative fee receivables.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A change in state law allows the city to include these past due receivables on the owners' property tax bills, eliminating the need for the City Counselor to assess liens.

Contact Person: Randall Mourning
Contact Phone Number: (314) 622-3318



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Meeting Minutes

Finding Number: 5.

Finding: Meeting minutes for the Board of Appeals were not adequately detailed. Although the meeting minutes recorded decisions made, the meeting minutes did not include the Board member who made or seconded the motion or the votes taken. In addition, the meeting minutes were not reviewed by the Board or signed by a Board member to attest to the completeness and accuracy.

Recommendation: The DPS ensure complete and accurate minutes of the Board of Appeal's meetings are maintained in compliance with state law and signed.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Board minutes are maintained with required compliance. Minutes are entered into our web-based operating system and stored in data silos with retrieval capabilities. Minutes from each meeting contain motions made and the party who seconded the motions. All minutes are compiled, reviewed, and signed by a Board member.

Contact Person: Randall Mourning
Contact Phone Number: (314) 622-3318



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Criminal Cost Billings

Finding Number: 6.

Finding: The Director's office did not have adequate procedures to ensure criminal cost billings to the state for incarceration costs were accurately prepared.

Recommendation: The DPS develop procedures to ensure all criminal costs for incarceration are accurately billed to the state.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Repeated attempts to create an interface between the Circuit Court and the Corrections Division have failed. However, current discussions indicate that the obstacles previously preventing creation of an interface will be overcome with the appointment of former 22nd Judicial Circuit Judge Jimmie Edwards as the Director of Public Safety.

Investigations into deferred revenues revealed new, additional documentation requirements imposed by the MDOC as well as delayed billing. Consequently, the department has partnered with the Regional Justice Information Service (REJIS), the Corrections Division, the Sheriff's office, and the Circuit Court to streamline and improve the criminal cost billing process. These efforts to more fully automate the completion of the bill of costs as well as the reconciliation of the bill of costs to the jail time endorsement will enhance accuracy and processing speed, benefitting both the DPS and the MDOC.

The DPS began implementing the recommendation by developing procedures to ensure all criminal costs for incarceration are accurately billed to the state. The DPS has continued efforts to improve its billing procedures and is currently partnering with REJIS to develop an automated system that will improve efficiency and minimize the possibility of duplicate billing.

Contact Person: Randall Mourning

Contact Phone Number: (314) 622-3318



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Burglar Alarm Controls and Procedures

Finding Number: 7.A.

Finding: The Director's office did not adequately monitor the burglar alarm contract. Although the Director's office approved false alarm appeals and reviewed the calculation of the amount retained by the burglar alarm contractor, the DPS had not conducted a review of the contractor's accounting records nor had it requested the Internal Audit Section of the Comptroller's office conduct a review of the contractor to ensure the accuracy of the gross revenues reported to the department.

Recommendation: The DPS adequately and effectively monitor the operations of the burglar alarm contractor.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

As stated on the Comptroller's office website, the Internal Audit Section focuses its efforts on areas with the greatest risks and makes recommendations for improvements to the efficiency and effectiveness of operations and the adequacy of internal controls over financial information, the safeguarding of assets, and compliance with laws and regulations. However, the Internal Audit Section will also conduct special reviews of areas at the request of a city operating department.

The special review of the burglar alarm controls and procedures issued in July 2010 was completed at the request of the office of the Director. The purpose of the review was to determine if the contractor and the Department of Public Safety effectively and efficiently managed risks to ensure accomplishment of established objectives and goals, and complied with applicable laws, regulations, and contractual obligations; and to review the reliability and integrity of financial and operational information.

The only observation was that collection procedures could be improved. However, more aggressive collection efforts are prohibited by the absence of legislative authority in the alarm ordinance. Currently, the contractor's collection efforts on delinquent accounts with balances greater than \$250 consist of sending bi-annual invoices via certified mail and calling on a 90-day rotating schedule.

The Internal Audit Section has not conducted an audit of burglar alarm controls and procedures as part of its self-initiated activities subsequent to the special review. Going forward, the office of the Director will meet with the Internal Audit Section to determine an appropriate review schedule and implement periodic reviews.

Contact Person: Charlene Deeken
Contact Phone Number: (314) 622-3391



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Burglar Alarm Controls and Procedures

Finding Number: 7.B.

Finding: The Director's office had not performed an analysis to determine the most cost effective method to manage burglar alarm fees.

Recommendation: The DPS perform an analysis to determine the most cost effective method for managing burglar alarm fees. Once this analysis is completed, the department should consider whether to manage burglar alarm fees or contract for this service.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

In 2010, an internal cost assessment for managing the alarm registration and false alarm management program determined the annual cost to be \$344,045 (including labor, print, postage, transactions fees, and computer hardware and software). Today's cost would be even higher given annual adjustments for inflation, transaction fees, postage, software enhancements, etc.

For fiscal year 2017, the contractor was compensated \$344,159. The contractor absorbed all costs of the support infrastructure, staffing and training, hardware, operating system software, database licensing, network administration, technical support and communication, and printing and mailing services. In addition, the contractor provided support services to alarm owners and alarm companies including staffing a customer service line.

Contact Person: Charlene Deeken

Contact Phone Number: (314) 622-3391



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 8.A.

Finding: Records and monitoring procedures for DPS vehicles were not sufficient. The department did not require vehicle usage logs be maintained for its vehicles. In addition, the DPS did not regularly monitor its fleet to ensure vehicles were used efficiently and effectively. Also, the Board of Public Service's Equipment Services Division maintained a fleet management report of all city vehicles, including those of the DPS, which showed the mileage for vehicles when refueled; however, the DPS did not regularly obtain and review the reports to ensure the reports were accurate and vehicles were used efficiently and effectively.

Recommendation: The DPS require the preparation of usage logs for all vehicles and ensure the logs are properly reviewed.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The DPS fully complies with the reporting requirements set out in the City of St. Louis Vehicle Manual, dated November 19, 2010, which was approved by the Board of Estimate and Apportionment in December 2010. Fuel usage is monitored monthly when invoices listing the date, location, and amount of fuel purchased are reviewed and authorized for payment. For the period from July 2016 through April 2018, the average monthly fuel charge was about \$28 per vehicle.

Contact Person: Charlene Deeken

Contact Phone Number: (314) 622-3391



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 8.B.

Finding: The Director did not report commuting mileage to the Internal Revenue Service (IRS) as reportable compensation. The Director did not maintain a vehicle usage log to document miles driven for official, commuting, and personal use. The department was unable to show why the director's vehicle should have been exempt from IRS reporting requirements although the director took his vehicle home every day. Department personnel indicated the director needed his vehicle to respond to some public safety emergencies; however, no one could provide the IRS regulation that exempted vehicles for this reason.

Recommendation: The DPS ensure commuting mileage is reported in compliance with IRS requirements or reasons for the exemption status is clearly documented.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

At the time of the original finding a take-home vehicle was assigned to the Director. After the audit, the take-home vehicle assignment was terminated and subsequent directors have driven personal vehicles.

Contact Person: Charlene Deeken

Contact Phone Number: (314) 622-3391



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Excise Division Summonses

Finding Number: 9.

Finding: The Excise Division did not maintain adequate records to account for the numerical sequence of summonses issued for violations of city and state liquor laws. A log was not maintained to account for the summonses assigned to officers or issued to violators, or the ultimate disposition of all summonses. The Excise Commissioner did not retain the summons if the Excise Commissioner decided not to forward the violation to the City Counselor's office for any reason such as the lack of severity of the offense.

Recommendation: The DPS ensure records are maintained to account for the numerical sequence of summonses assigned and issued, and the ultimate disposition.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

In February 2010, a summons book log was initiated with the first book being numbered 00001 to 00025. Each book contains 25 tickets. The only book that is not listed on the log is 00326 to 00350; however, this book has been located and was either returned by one of the former Liquor Control Officers (LCO) or overlooked when a replacement book was being logged out in 2012. As of September 2018, the last book logged out was 00850 to 00874 on February 24, 2017.

The current system allows each LCO to maintain records of the summonses he/she writes. Once a summons is issued it is sent to the municipal court and the LCO maintains a copy. The Excise Commissioner has proposed a policy of making an extra copy of each summons and maintaining a separate, sequential master list, regardless of who writes the summons.

In 2012 the previous Excise Commissioner elected to suspend obtaining the dispositions from the court. The new Commissioner has requested the dispositions from the Court Administrator's office for 2016 and 2017. The Court Administrator's office reported all but five cases have been disposed of with one still pending, two on payment plans, and two under bench warrants for failure to appear.

Contact Person: Myles E. McDonnell
Contact Phone Number: (314) 622-4191



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Seized and Prisoner Property

Finding Number: 1.A.

Finding: The department could have improved its procedures to dispose of Criminal Activity Forfeiture Act (CAFA) monies on a more timely basis. The department had not properly identified the owners of the monies. The department spent over \$188,000 in seized CAFA monies for various operating expenses, including vehicle purchases, office supplies, and wireless phone bills.

Recommendation: The St. Louis Board of Police Commissioners (SLBPC) continue to implement controls to track and account for all seized monies, including source and disposition, and prohibit paying operating expenditures from seized asset accounts. In addition, the SLBPC should continue to research and identify recipients for remaining unidentified monies or turn over the monies to the State Treasurer's Office Unclaimed Property Division.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

An Access database and Excel spreadsheets have been established and used for all seizures with step-by-step accountability of where the asset is at all times. The State Treasurer's Office Unclaimed Property Division is still used for assets that are to be returned to the owner when the owner cannot be located. The strict control processes implemented in 2007 are still being followed today.

Contact Person: Sgt. Paul Bieniasz

Contact Phone Number: (314) 444-5593



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Seized and Prisoner Property

Finding Number: 1.B.

Finding: Over \$4,100 in prisoner cash and property became missing while in police department custody during the 2 years ended June 30, 2008.

Recommendation: The SLBPC continue to implement controls to ensure prisoner cash and other property is safeguarded and require independent verification of property held.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

In January 2009, the department implemented new inmate property control measures for money and non-currency valuables including the following:

Inmate property money bag: Form GEN-388 is a clear sealable 4" x 8" plastic bag, with pre-printed designations for pedigree, currency breakdown with monetary denominations, and places for signatures.

Inmate valuable bag: Form GEN-403 is a clear sealable 4" x 8" plastic bag, with pre-printed designations for pedigree, jewelry type, and quantity.

Both bags are used in conjunction with the current inmate property bag, GEN-86. They all have tamper-proof sealing where someone cannot re-open without destroying the bag. All are clear heavy plastic and visual inspection of their contents is evident.

This procedure is covered under special order 8-01, Arrest, Booking and Related Procedures, section G.2.b, Currency and Valuables, which states, "The booking person will count and verify any money and/or valuables in the presence of the prisoner and arresting or assisting officer. All money will be placed in a small currency envelope (Form GEN-388). Currency will be itemized on the envelope. The arresting officer witness (assisting officer or booking officer) and prisoner will sign the envelope. The currency envelope will then be placed in the property envelope along with other items."

Contact Person: Mark Garanzini

Contact Phone Number: (314) 621-5655



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Contract

Finding Number: 2.A.

Finding: The SLBPC failed to adequately monitor the vehicle towing operations of a contractor which allowed the contractor to underpay the police department and City of St. Louis. The towing contractor failed to properly remit towing fees to the department and the city, resulting in the contractor underpaying the department and the city for towing fees collected. The department failed to properly monitor fees remitted by the contractor which appeared to have contributed to underpayments by the towing contractor.

Recommendation: The SLBPC ensure future contracts are monitored for accuracy and compliance with contract requirements. In addition, the SLBPC should continue to seek compensation from the contractor for the amount of underpaid towing fees.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

This contract with this towing contractor is no longer in effect. The SLBPC pursued compensation through an outside attorney. Upon the transition to local control, this litigation was passed to the City Counselor's office. In May 2015, a settlement agreement was entered into by the City of St. Louis and St. Louis Metropolitan Towing LLC for \$50,000.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Contract

Finding Number: 2.B.

Finding: The department did not adequately monitor the status of towed vehicles or ensure complete and accurate information was recorded for all towed vehicles. The department maintained an internal database to record the status of towed vehicles. In addition, the towing contractor was responsible for entering towed vehicle information into the REJIS. The department did not monitor whether the contractor updated vehicle status timely or ensure the information in the internal database agreed to the information in the REJIS.

Recommendation: The SLBPC ensure information for all towed vehicles is properly recorded and updated in applicable databases.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

In support of the changes to towing procedures in 2009, several reports were created, and those reports remain in place today. The report distribution software allows the command to receive an automated notification when the reports are prepared, and it allows for review of previous versions of the following reports.

Weekly tow data report - A weekly report of all towed vehicles is produced to allow command oversight of all towed vehicles. This information includes report date, department service number of the officer authorizing the tow, assignment code, plate number, vehicle identification number (VIN), complaint number, tow reference number, tow slip number, reason towed, tow status, tow location, and tow district. The report includes not only detailed data but summary counts of tows.

Monthly tow data report - The same information listed above is also produced on a monthly basis to better allow for examination of trends. This report still includes detailed listings of the summary counts of tows so that command staff may review and follow up if they have any questions or concerns about towing activities.

Tow exception weekly report - An additional step was taken in order to better account for towing activities. A weekly report is produced that compares the REJIS tow record with the vehicle information entered into the I/Leads Records Management System. If there is a difference in VIN, license plate number, complaint number, or tow slip number, the tow will be displayed on this report so that the records may be corrected.

Outstanding tows monthly report - This monthly report shows all tows that have a status of "Active". The towed vehicles will remain on the report as long as they are active.

Contact Person: Dele Oredugba
Contact Phone Number: (314) 444-5770



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Contract

Finding Number: 2.C.

Finding: Until 2008, the towing contract allowed the department to utilize up to five abandoned vehicles in the custody of the towing contractor. Limitations on the use of the vehicles were not included in the contracts. While the department may have used the vehicles for legitimate law enforcement purposes, the lack of policies and procedures or specific contract stipulations gave the appearance vehicles may have been available for inappropriate or personal use.

Recommendation: The SLBPC ensure the practice of utilizing abandoned vehicles for police operations is not included in future towing contracts.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city's Towing Division provides towing services by Special Order 7-02. The Towing Division manages any private tow contractors used by the city. Police officers do not use abandoned vehicles for police operations.

Contact Person: Dave Daniels
Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Property Custody Unit
Finding Number:	3.A.
Finding:	As of February 2009, cash of approximately \$24,000 in custody of the Property Custody Unit (PCU) was missing, mislabeled, or misplaced.
Recommendation:	The SLBPC require the PCU to continue to investigate currency classified as "unable to locate" and continue to improve controls over currency maintained by the PCU.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The "unable to locate" investigation by the Internal Affairs Unit and Audit Advisory Unit is now considered closed.

The PCU has implemented several policies as a result of these findings. First and foremost, the department began a policy on July 21, 2009, where we no longer accept money that is proceeds or suspected proceeds of drug trafficking or other criminal activity as evidence unless probable cause exists tying the money to the crime. Buy money would be an example of this.

Money that is brought into our possession as a "recovered article" is placed in the valuables vault and is deposited into a bank account on a regular basis, minimizing the amount of cash we have in our physical inventory.

The PCU has also installed video recorder cameras and a Lenel card reader entry system in the valuables vault. An "integrity rule" has been instituted wherein no one person has access to the valuables vault. It is a two-person entry system where one person has the door combination, and another has the door key and card swipe access. No one person has both the combination and the key. Two property custody employees are required to be in the vault at all times when entry is made.

Monthly audits and alarm tests of the vaults are conducted and sent to the Property Custody Commander. The last one was completed on August 30, 2018 (as of September 2018).

It should be noted that since these policies were instituted, there has not been any instance of missing items.

Contact Person: Kurt Kellner
Contact Phone Number: (314) 444-5300



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Property Custody Unit

Finding Number: 3.B.1.

Finding: The PCU had a large number of weapons and old evidence stored in its property room which the department determined had no value and should have been destroyed. Failure to properly destroy or dispose of property created a lack of space to store more relevant items within the property room. The increased inventory also increased the amount of time to conduct physical inventories.

Recommendation: The SLBPC require the PCU to purge firearms and old evidence in accordance with policy and continue to work with the Circuit Attorney's office (CAO) to obtain approval for evidence destruction.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department, in agreement with the CAO, conducts quarterly purges through court hearings (February, May, August, and November) with the 22nd Judicial Circuit, Division 16. Prior to these court hearings, a list of eligible property/evidence is obtained through an established advanced search in our property control computer software system (Tracker system). Once the judgment is received from the judicial court, the list is given to the CAO for review and authorization of disposal. When authorization is approved, the firearms are properly prepared in accordance with department policy and taken to a smelter and destroyed. Other evidence is either taken to city refuse or put up for auction on propertyroom.com per department policy.

Contact Person: Sergeant Michael Boll
Contact Phone Number: (314) 444-5315



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Property Custody Unit

Finding Number: 3.B.2.

Finding: The PCU had the responsibility to store bulk prisoner property (such as bicycles) for the city's Justice Center. While all other prisoner property is stored by the Justice Center, bulk items have traditionally been given to the police department. Independent auditors noted the bulk prisoner property created a lack of storage space for items the department was required to store.

Recommendation: The SLBPC require the PCU to work with the Justice Center to determine the best storage location for bulk prisoner property.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A resolution with the city's Corrections Division could not be reached as it, too, could not come up with a physical location to resolve the issue due to the space requirements of large or bulk property.

This issue was resolved by the ability of the PCU to now accept prisoner "bulk property." The creation of form PRO-8 was established in April 2008 to accompany any "bulk property". The form is a three-part carbonless form with the distribution of the original being attached to the Arrest Register, one copy to the prisoner, and one copy affixed to the bulk property itself.

Any property that will not fit into the GEN-86 property bag is deemed "bulk property" and is subject to the rules and regulations under Special Order 8-03, Holdover Operations, Section V, Processing of Prisoners, Section C, No. 6 which states, "Property that will not fit into the standard property bag will be considered bulk property. Bulk property will be packaged separately by the arresting officer who will temporarily place said property in a secure location. Since the city Justice Center will not accept bulk property, this property will be placed in the property room and forwarded to Property Custody during normal operation hours. The arresting officer will complete a Bulk Property Form, PRO-8, when dealing with bulk property. Note: Bulk property will not be accepted by Property Custody without the Bulk Property Form completed and attached."

Contact Person: Mark Garanzini

Contact Phone Number: (314) 621-5655



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Property Custody Unit

Finding Number: 3.C.

Finding: The PCU did not have adequate controls to track evidence released to other agencies. The PCU routinely released evidence to the CAO and Sheriff for trials. While entries were made in the property system to show the transfer of evidence, there were no procedures in place for the PCU to periodically check the status of the evidence.

Recommendation: The SLBPC require the PCU to establish procedures to track the status of all evidence transferred to other agencies and identify items in the property system records that are permanently transferred.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A distinction must be made between an item that is checked out and an item that is disposed (released). If an item is checked out that means we expect the item to be returned to the Property Custody Unit and an item disposed means the item is removed from department's inventory and will not be returned.

With a few exceptions, items are only checked out to department employees while items released to an outside agency are disposed. The most notable exception to this general rule is the Juvenile Court. The Juvenile Court office does not have a property room so, as a courtesy, we allow the employees to check out an item(s) and then check in the item(s) as needed. These items are rarely checked out for more than a day or two. The advanced search that is run in the property control computer software system (Tracker) will return all items that are checked out and who they are checked out to whether or not they are department employees.

The Sheriff's office and Circuit Attorney's office are outside agencies and, as stated above, any evidence disposed of to them is no longer part of the department's inventory. Since the disposed items become the responsibility of their respective agency it would be impossible for the department to keep track of their statuses.

For the Circuit Attorney's office and other outside agencies, the agency's representative must present his/her Agency Identification (ID). The ID is copied, and the person must sign the copy of the ID with a red ink pen. In addition, the person must present a subpoena or demand letter on his/her department's letterhead requesting the specific item(s). The item is then marked "disposed" in Tracker. A PCU employee and the representative both sign a transfer receipt slip in black ink for each item. The PCU files and stores all transfer receipt slips by week/year in a folder from the weekly transfers to the Sheriff's office.

It is the responsibility of the PCU employee that checked out or disposed of an item to scan all relevant paperwork involved in the transfer process and attach the digital image to the appropriate complaint number in Tracker. Periodic audits are done of checked out and disposed items to make sure the required paperwork is scanned into Tracker and all policies and procedures are followed.

Contact Person: Kurt Kellner
Contact Phone Number: (314) 444-5300



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Fitness Center Receipts

Finding Number: 4.

Finding: Proceeds from Fitness Center memberships and merchandise sales totaling at least \$1,162 were received during the period July 1, 2007, through January 8, 2009, but were not transmitted to the Treasurer's office.

Recommendation: The SLBPC ensure reasons for Fitness Center receipt shortages are investigated, and seek reimbursement for the amount of receipts not transmitted to the City Treasurer. In addition, the SLBPC should consider implementing a thorough review of all Fitness Center receipts prior to July 1, 2007, to determine if additional shortages exist.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Below is a list of measures that have been established since the audit:

- Checks and/or money orders are the only acceptable form of payment at the Fitness Center for memberships. Checks and/or money orders are currently made payable to the City of St. Louis.
- Colleen Rossomanno and Tom Kelso are the only individuals allowed to accept payment for Fitness Center memberships.
- New members and existing members wishing to make their annual dues payments may only do so in person during normal business hours (8 a.m. - 4 p.m.) when Tom Kelso or Colleen Rossomanno are available.
- All checks and/or money orders received will be promptly receipted to include the check/money order number.
- To avoid tampering or missing receipts, the receipt slip book shall be kept locked up within the confines of the Fitness Center and/or lock box.
- A deposit of all checks and/or money orders received shall be made bi-weekly by a member assigned to the Academy Unit. If a representative is unavailable in the Budget and Finance Division, a deposit will be made the next business day. The Budget and Finance Division will, in turn, issue a receipt.
- A budget worksheet provided by the Compliance Auditor shall be maintained by the Fitness Programs Supervisor to include the fiscal year beginning balance and entries of all deposits and credits.
- The Fitness Programs Supervisor shall reconcile the Fitness Center spreadsheet and/or deposits made in the Budget and Finance Division with the Compliance Auditor quarterly or as requested. If an account does not balance, assistance will be given by the Budget and Finance Division.

An internal investigation was conducted on the missing funds, per Employee Misconduct Report 09-160. Internal controls were implemented, which included a policy of no longer accepting cash or selling merchandise.

Contact Person: Lieutenant Donna Garrett, Acting Commander Angie Dickerson
Contact Phone Number: (314) 444-5573, (314) 444-5572



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Accounting Controls and Procedures

Finding Number: 5.A.

Finding: Accounting duties were not adequately segregated and there was no independent review or oversight related to receipts in various divisions. Staff shortages and a vacant internal auditor position contributed to the lack of oversight.

Recommendation: The SLBPC adopt procedures to adequately segregate receipt duties between available employees and/or establish documented periodic reviews of records by employees independent of the recording, depositing, and transmitting functions.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Compliance Auditor performs an independent review of the Fitness Center's and Records Division's records on a quarterly basis. Since the Private Security Section (PSS) now operates out of the St. Louis County Police facility, it falls under the St. Louis County Police Department's day-to-day control and is not reviewed by the Compliance Auditor.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Accounting Controls and Procedures

Finding Number: 5.B.

Finding: The composition of receipts was not reconciled to the composition of deposits and transmittals made by the Fitness Center or Budget and Finance Division.

Recommendation: The SLBPC adopt procedures to reconcile the composition of receipt slips issued to the composition of amounts deposited or transmitted.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Compliance Auditor continues to perform periodic reviews of receipts and deposits. The Fitness Center no longer accepts cash; all payment must be made by check. Since checks are the only form of payment accepted, the composition of receipt slips issued to the composition of amounts deposited or transmitted never varies.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Accounting Controls and Procedures

Finding Number: 5.C.

Finding: The Fitness Center, PSS, and Budget and Finance Division did not always make timely deposits or transmittals.

Recommendation: The SLBPC adopt procedures to deposit or transmit receipts timely.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Compliance Auditor continues to perform periodic reviews of receipts and deposits to ensure timely deposits/transmittals.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Accounting Controls and Procedures

Finding Number: 5.D.

Finding: The Fitness Center, PSS, and Records Division did not always deposit or transmit monies intact. The PSS and Records Division made cash refunds when checks were received for more than the amount due. In addition, the Fitness Center did not maintain a change fund at a constant amount and withheld monies from deposits to increase the change fund balance during peak demand times. Fitness Center employees also used receipts to purchase food and other items.

Recommendation: The SLBPC adopt procedures to deposit or transmit receipts intact.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Fitness Center is part of the Police Academy and is the only part of the Police Academy that accepts payments. The Fitness Center does not maintain a change fund. The Records Division closes out twice a day and makes daily deposits. Since the PSS now operates out of the St. Louis County Police facility, it falls under the St. Louis County Police Department's day-to-day control and is not reviewed by the Compliance Auditor.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Accounting Controls and Procedures

Finding Number: 5.E.

Finding: Checks and money orders were not restrictively endorsed immediately upon receipt by any division within the department. Checks and money orders were not endorsed until the Budget and Finance Division prepared the transmittal or deposit.

Recommendation: The SLBPC adopt procedures to restrictively endorse all checks and money orders immediately upon receipt.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Compliance Auditor continues to perform periodic reviews of receipts and deposits at the location money is received to ensure both timely deposits and restrictive endorsements.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Severance Payments

Finding Number: 6.

Finding: The SLBPC approved approximately \$133,000 in severance wages for two department officials that did not appear reasonable or necessary.

Recommendation: The SLBPC refrain from paying excessive severance payments. If severance payments are provided, they should be limited and consistent with requirements of employment contracts.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The SLBPC has refrained from further excessive severance payments. The City Counselor's office reviews requests for severance payments. The Director of Public Safety approves severance payments that do not involve payout of paid leave.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Leave and Overtime

Finding Number: 7.A.

Finding: The department did not pro-rate the accrual of vacation and sick leave earned during employees' last month of employment. In April 2008, the department began pro-rating the amount of vacation leave earned based on the number of days worked during the month; however, employees still earned a full month's accrual of sick leave on the first working day of the month. In addition, employees were allowed to take leave on their last days of service, which could have extended their term of service into a new month and allowed additional leave accrual.

Recommendation: The SLBPC evaluate the reasonableness of allowing employees to use leave in their final pay period that allows additional leave accruals and consider pro-rating the amount of leave earned during the final month of employment based on the number of days worked during the month.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

After evaluating leave and overtime policies, the SLBPC chose to pro-rate vacation leave. However, the SLBPC continued to allow employees to earn a full month's accrual of sick leave on the first day of the month. The accrual was for the previous month's service. This sick leave policy remained in place for commissioned and civilian employees hired prior to local control until the passage of Ordinance 70791. Ordinance 70791, effective July 1, 2018, set bi-weekly rates of leave accrual for commissioned and civilian employees hired prior to local control. Installation of software updating the current time and attendance system is on track to be completed by the end of the year.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Leave and Overtime

Finding Number: 7.B.

Finding: The department's previous payroll and timekeeping system allowed for employees to record and be compensated for unearned overtime. To help address known problems with the previous payroll system and implement additional controls over payroll, the department implemented a new payroll system in June 2008. The department's new payroll system continued to allow overlapping or unearned overtime to be processed and paid.

Recommendation: The SLBPC ensure all overtime earned is valid and in compliance with SLBPC policy. The SLBPC should seek reimbursement of any unearned overtime payments. In addition, the SLBPC should ensure controls are implemented in the payroll system to prevent overlapping overtime accruals.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department holds commanders responsible for ensuring that overtime is valid and in compliance with department special orders. Additionally, controls in PeopleSoft, an electronic time and attendance system the department adopted in 2008, prevent overlapping overtime accruals.

PeopleSoft also allows the Budget and Finance Division to delete overtime paid in error at the request of the employee's commander. When time is deleted in PeopleSoft a dock in pay is generated. A dock in pay reimburses the department by reducing pay earned in the current period by the amount of unearned time paid from prior periods.

Due to turnover in personnel, we were unable to determine if any specific efforts were made to seek reimbursement of unearned overtime prior to the implementation of PeopleSoft.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Leave and Overtime

Finding Number: 7.C.

Finding: Contrary to department policy, employees worked more than 16 hours in a workday in 14 of the 65 applicable (18 percent) February 2008 payroll transactions reviewed.

Recommendation: The SLBPC implement a policy to limit the total number of hours worked per day and implement controls to ensure the policy is followed.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

By special order, officers are limited to working a maximum of 16 hours (normal 8 hour department duty plus any overtime) in any one day. The special order contains one exception to the 16-hour limit: officers may exceed the maximum due to instances requiring mandatory overtime with supervisory approval.

With the adoption of PeopleSoft, the Compliance Auditor is easily able to run reports that identify employees working excessive hours and share this information with the employee's commander for follow up.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 8.A.

Finding: Several purchases, totaling \$2,976, were made at clothing and department stores, local restaurants, and ticket venues. There was no documentation to indicate these purchases were business related, and these purchases appeared to be personal in nature. The majority of the purchases were made by the former Police Chief. Neither the SLBPC nor department employees reviewed supporting documentation for the former Police Chief's purchasing card expenditures. The SLBPC had not worked with the issuer of the purchasing cards to place restrictions on the types of purchases that could be made. Some purchasing card expenditures were not supported by original invoices or other documentation and were not approved in accordance with SLBPC policy. Purchasing cards were used to purchase items available under existing SLBPC contracts or bids.

Recommendation: The SLBPC implement adequate controls over the use of purchasing cards to ensure all purchases are reasonable and necessary. Supervisory or other approval should be documented and original invoices or other supporting documentation should be provided prior to payment of all purchases. In addition, the SLBPC should review the purchases made by the former Police Chief and seek reimbursement for personal purchases not already reimbursed to the department.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The number of purchasing cards has been greatly limited. The only cards are held by the Police Commissioner, Assistant Chief of Police, lieutenant colonels, the Commander of Intelligence, the Chief of Staff to the Commissioner of Police, and the Purchasing Division. No purchases may be made for personal gain and purchases must be reasonable and necessary in furtherance of the department's mission.

Procedures for any purchases on the purchasing cards include the preparation of a departmental requisition or a travel request form. Both of these forms must be approved through the chain of command and the Budget and Finance Division prior to their submission to the Purchasing Division. Additional reimbursement will not be sought from the former Chief of Police due to the remaining and immaterial amount of \$71.

Contact Person: Carol Shepard
Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 8.B.

Finding: Department employees incurred travel expenses to various conferences and events that did not appear reasonable and necessary. In addition, some hotel rates paid by the department exceeded federal CONUS rates (maximum lodging rates allowed for federal employees).

Recommendation: The SLBPC ensure all travel expenses are for a justified business purpose and consider adopting federal CONUS rates for maximum allowable lodging costs.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

As required by the Mayor's office, the St. Louis Metropolitan Police Department (SLMPD) has adopted the city's travel policy.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 8.C.

Finding: The department spent \$10,141 between June 2007 and May 2008 on food purchases for various events. This included various purchases at local restaurants and catering companies for banquets and graduations. The business purpose for these food expenditures was not documented.

Recommendation: The SLBPC develop a policy regarding food purchases and ensure all applicable purchases are reasonable and necessary.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The current policy prohibits food purchases to be made for employee's consumption except for approved details that require officers not to leave their assigned posts.

Contact Person: Carol Shepard
Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 8.D.

Finding: The department purchased two hand-crafted gold badges for the former Chief of Police at a cost of approximately \$6,000 each, and 5 gold-plated hand-crafted badges costing \$1,987 each for the new Chief of Police, lieutenant colonels, and assistant chiefs. Bids were not obtained for the badge purchases, and were purchased from a jeweler the department had used for many years to purchase hand-crafted badges for top-ranking officers. The department obtained bids for badges purchased for other officers which cost approximately \$20 each.

Recommendation: The SLBPC discontinue purchasing hand-crafted gold or gold-plated badges for top-ranking officers, and ensure bids are obtained for all badge purchases.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Gold badges were not purchased after November 2008. Gold-plated badges are still purchased for lieutenant colonels and the Chief of Police.

Contact Person: Carol Shepard
Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Purchasing and Bidding Policies

Finding Number: 9.A.

Finding: The SLBPC adopted a purchasing manual; however, the policies contained in the manual did not include some provisions applicable to state boards as required by Chapter 34, RSMo. SLBPC policy required bids for purchases over \$5,000; however, Section 34.040, RSMo, required bids for purchases over \$3,000. Other requirements of Chapter 34, RSMo, were not included in the purchasing manual, including a review to determine whether potential vendors have met requirements for collecting and paying state sales and use taxes.

Recommendation: The SLBPC review the purchasing manual and make necessary amendments to ensure compliance with state purchasing laws.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The SLMPD is now an agency of the city and is subject to the purchasing regulations of the city, including the Supply Division. Since 2013, the Purchasing Division has been in compliance with all city purchasing regulations.

Contact Person: Carol Shepard
Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Purchasing and Bidding Policies

Finding Number: 9.B.

Finding: The SLBPC did not ensure vendors have a valid City of St. Louis business license as required by policy.

Recommendation: The SLBPC ensure vendors within the city have current business licenses in accordance with policy prior to purchasing from or contracting with the vendor.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The SLMPD does a review for business license and tax delinquency on all vendors seeking a service contract. Purchases from all other vendors are processed by the city's Supply Division.

Contact Person: Carol Shepard

Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Purchasing and Bidding Policies

Finding Number: 9.C.

Finding: The SLBPC did not always solicit bids for goods and services in accordance with current policies and procedures. Bids or proposals were not solicited for some purchases over \$5,000. Justification for purchases from sole-source vendors was not always adequately documented.

Recommendation: The SLBPC solicit bids and proposals for all applicable purchases and document justification for sole-source vendor purchases.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Solicitations of bids for goods are done by the city's Supply Division. Approval for sole-source purchases is also approved by that office. Solicitations for professional services are completed by the Purchasing Division and are done in accordance with the city's regulations.

Contact Person: Carol Shepard
Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Capital Assets

Finding Number: 10.A.

Finding: The SLBPC purchased over \$200,000 of computer equipment that was not placed into service for extended periods of time.

Recommendation: The SLBPC ensure only equipment that is necessary and readily able to be placed in service is purchased. In addition, the SLBPC should determine if any of the equipment in storage can be used by other divisions or other city departments, and dispose of items that cannot be used.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

We employ a common sense, two-pronged approach to maintaining sensible inventory levels.

When placing orders, we try to estimate a quantity that will last no more than one calendar year and that will easily fit on the shelves in our storeroom or within a reasonable area at the department's Supply Division.

We typically do not order inventory until we have less than a half dozen units of a given item. This ensures we use all of a given item before replenishing our supply. This has been our policy since the last city audit.

Purchased items are placed in the usage rotation within a reasonable period of time. Most items are used or placed in service within 180 days of receipt.

Contact Person: Dele Oredugba

Contact Phone Number: (314) 444-5770



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Capital Assets

Finding Number: 10.B.

Finding: SLBPC capital asset records were maintained in five separate databases maintained by five separate divisions and there were no policies or procedures requiring uniform information be maintained on the various databases.

Recommendation: The SLBPC review capital asset procedures to ensure complete and accurate lists are maintained for all capital assets. Consideration should be given to adopting one centralized list for all capital assets.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Budget and Finance Division consolidates capital asset purchase and retirement information provided by the department's Supply Division and city's Equipment Services Division to create a centralized capital asset list. The accuracy of the list is ensured by the Budget and Finance Division which reviews general ledger entries, the Supply Division which conducts an annual inventory, and the Internal Audit Section of the Office of the Comptroller which includes reviews of the department's fixed and capital assets in its audit plan.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Capital Assets

Finding Number: 10.C.

Finding: Our review of capital asset records noted items were not always recorded in the appropriate capital asset database, the location of items was incorrectly recorded in the database, and items were not always tagged or identified as police department property. In addition, some tools and diagnostic equipment utilized by the Fleet Services Division were not tracked in the capital asset database despite these items meeting the criteria for classification as capital assets.

Recommendation: The SLBPC ensure all capital assets are promptly and accurately recorded on the capital asset database and capital assets are tagged or identified as SLBPC property.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Procedures relating to the accounting, tagging, and control procedures for property and equipment have been updated several times since this recommendation was made. The department's Fleet Services Division was absorbed by the city's Equipment Services Division after the department changed to local control.

Currently, the Budget and Finance Division maintains a database by funding source of all real and personal property over \$5,000. The division reviews invoices at the time of payment to capture items that need to be added to the capital asset listing. Asset donations over \$5,000 are reported to the division at the time of receipt by the Commander of the Office of Special Projects, the liaison between the department and the St. Louis Police Foundation which makes all donations. Deletion of capital assets considered surplus or condemned are reported to the division by the department's Supply Division. Any discrepancies between physical inventories and the division's database are noted and resolved annually.

All capital assets except real property, laboratory equipment, computer software, and firearms are tagged and recorded via bar-coded property tags upon receipt by the department's Supply Division. Laboratory equipment is tagged by the Laboratory Division. The Communications Service Center processes computer boards, plug-ins, and modifications. The Armory records serial and model numbers of firearms. The department's Supply Division creates and supplies the bar-coded property tags.

Contact Person: Dave Daniels
Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Capital Assets

Finding Number: 10.D.

Finding: Periodic physical inventories of capital assets were not conducted and policy only required the Supply Division conduct annual inventories.

Recommendation: The SLBPC adopt policies to require annual physical inventories of all department capital assets.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department's Supply Division coordinates a department-wide capital asset inventory annually. This includes all capital assets except for computer capital assets purchased by the Information Technology Division. The Information Technology Division performs a separate physical inventory of computer capital assets each year.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicle Usage

Finding Number: 11.

Finding: The SLBPC allowed commuting and other personal use of some department vehicles for employees considered on-call status, but did not require these employees maintain documentation to distinguish between business, commuting, and personal use. The SLPBC assigned unmarked vehicles to officers with the rank of captain and above and to four civilian department directors, and policy allowed personal use of those vehicles.

Recommendation: The SLBPC evaluate the need to assign unmarked vehicles to all high ranking officers and civilian employees and consider prohibiting personal use of department vehicles other than for commuting purposes. Mileage logs or other records should be maintained to distinguish between personal, commuting, and business use for all unmarked vehicles, and the taxable benefit of personal use should be reported on employees' W-2 forms.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Since 2009, the city overall has reduced the number of vehicles allowed for personal use. There remains a select number of commissioned personnel in the SLMPD who are allowed personal use of unmarked vehicles. We are examining the tax issues concerning use of such vehicles and the required reporting and documentation.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Budgetary Practices

Finding Number: 12.A.

Finding: The SLBPC did not prepare formal budgets for the activity of the Board Secretary's Account. Custody of the Board Secretary's Account was maintained outside the city treasury by the SLBPC for the deposit of certain monies collected by the police department and was primarily spent on special projects.

Recommendation: The SLBPC prepare annual budgets for the Board Secretary's Account.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Board Secretary's Account no longer exists. Budgets are proposed and approved in accordance with the city charter and ordinances.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Budgetary Practices

Finding Number: 12.B.

Finding: The SLBPC approved over \$3.1 million in transfers between General Fund budgetary expenditure accounts during the year ended June 30, 2008. Transfers were made to cover budget overruns in some budgetary expenditure accounts. In addition, both transfers-in and transfers-out occurred throughout the fiscal year in nine different accounts. Generally, budget transfers should only be made for unforeseen expenditures, but it appeared many of the transfers were made to cover normal operating cost overruns. Per SLBPC and department officials, some transfers were necessary because the original budget approved by the City of St. Louis Budget Director and Board of Aldermen did not reflect the needs of the SLBPC.

Recommendation: The SLBPC work with applicable city officials to prepare budgets that accurately reflect the needs of the department, and refrain from making excessive and unnecessary transfers between budgetary accounts.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Budgets are prepared and approved in accordance with the city charter and ordinances. The department prepares budgets to address operational needs. Once the department's budget is submitted to the city's Budget Division, the city's Budget Director is able to make any changes to reach a balanced budget for the city as a whole. If changes to the department's budget do not meet the operational needs of the department or unexpected needs arise, budget transfers will be made. For example, in recent years large budget transfers occurred because staffing issues and civil unrest increased overtime costs.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Budgetary Practices

Finding Number: 12.C.

Finding: The SLBPC had not adopted policies or guidelines defining allowable expenditures from the Police Chief Contingency budgetary account within the General Fund.

Recommendation: The SLBPC establish formal policies to define eligible costs for the Police Chief Contingency budgetary account.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The contingency account no longer exists.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts and Investments

Finding Number: 13.A.

Finding: The SLBPC had not requested proposals for banking services since 2000, and policies did not require competitive selection for banking and investment services.

Recommendation: The SLBPC periodically solicit formal proposals for banking and investment services.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The SLMPD only uses banking services selected by the City of St. Louis Treasurer's office.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts and Investments

Finding Number: 13.B.

Finding: At December 31, 2008, the SLBPC held 22 certificates of deposit totaling \$5.275 million at 22 banks throughout the country, none of which had a presence in the City of St. Louis. The investment policy required time deposits be made at banks with a presence within the City of St. Louis.

Recommendation: The SLBPC deposit funds in banks with a City of St. Louis presence in accordance with policy, or review the policy to determine if the bank location continues to be an objective.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The SLMPD only uses banks selected by the City of St. Louis Treasurer's office.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Traffic Tickets
Finding Number:	14.A.1.
Finding:	Documentation of some tickets assigned to area stations was missing or inadequate, and ticket books were not always assigned in numerical sequence.
Recommendation:	The SLBPC ensure traffic tickets are assigned to area stations in numerical sequence and documentation is properly completed and maintained for all tickets assigned.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Ticket Distribution Procedures

- The department's Supply Division maintains a log sheet of traffic tickets that are distributed.
- Tickets are distributed in numerical sequence.
- The log sheet records the date, amount of ticket books, the beginning and ending ticket numbers, the box number(s) containing the tickets, and the unit for which the tickets are assigned.
- A receipt slip listing the number of books and the ticket beginning and ending numbers is included with the log sheet.
- Upon delivery, the recipient checks the log sheet for accuracy and signs the receipt slip.
- The receipt slip is a duplicate with one copy for the recipient and one copy for the Supply Division.

The aforementioned procedures are rarely used since the introduction of mobile ticketing.

The recipients of the ticket books are responsible for the documentation of issued tickets. Gaps before distribution are a result of printing problems encountered by the vendor printing the tickets. All gaps in ticket sequences are documented by the department's Supply Division prior to distribution.

Contact Person: Carol Shepard
Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Traffic Tickets

Finding Number: 14.A.2.

Finding: A ticket database was maintained to account for all ticket numbers assigned to the department and the ultimate disposition of each ticket number; however, the database was incomplete and department officials did not investigate gaps in the numerical sequence of tickets. In addition, reports were available which identified ticket numbers not entered into the database; however, department officials indicated these reports were not reviewed.

Recommendation: The SLBPC ensure all tickets, including the ultimate disposition, are recorded on the database and gaps in the numerical sequence of tickets are investigated and resolved.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department's Supply Division maintains a database of traffic ticket books and accounts for the numerical sequence of tickets. This database is rarely used as most tickets are now issued by mobile ticketing. The numerical sequence of mobile tickets is generated electronically so there are no omissions in the sequence. Most other procedures are the same for mobile or manual tickets.

Contact Person: Carol Shepard

Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Traffic Tickets

Finding Number: 14.B.1.

Finding: Some tickets were voided by officers without adequate documentation, and copies of some voided tickets were not maintained. Officers were required to complete a form for each voided ticket for approval by a supervisor, which included an explanation code of the reason for voiding the ticket; however, some voided ticket forms were approved with inadequate or no documentation of the reason.

Recommendation: The SLBPC require detailed descriptions of reasons for voided tickets to be documented and ensure all required documentation, including copies of tickets, is maintained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

This recommendation is specifically targeted at the voiding of tickets. Special Order 07-01, section XI-C covers administrative procedures for voided tickets. This special order was issued in 2010 in direct response to the audit recommendation. The order requires the officer to complete a form which is reviewed and approved by a lieutenant or above. This procedure helps ensure that the reason for the void is included.

Contact Person: Carol Shepard

Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Traffic Tickets

Finding Number: 14.B.2.

Finding: It appeared some area station officers may not have been aware of the required procedures for voiding tickets and maintaining documentation, and copies of voided tickets were not always maintained.

Recommendation: The SLBPC ensure all applicable personnel are informed of procedures for voiding tickets.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Since this recommendation was made, the special order providing procedures for requisitioning, correcting, and voiding a traffic summons or parking ticket has been reissued.

When special orders are reissued, the order is sent out department-wide by a system called PASS. PASS requires employees to apply an electronic signature after reading the message. All special orders are available through the department's intranet.

Contact Person: Carol Shepard

Contact Phone Number: (314) 444-5395



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Acceptance of Baseball Tickets

Finding Number: 15.

Finding: The police department accepted season tickets from the St. Louis Cardinals baseball team in 2008 and previous years which may have been a violation of state law. The season tickets had been provided to the department for at least 7 years without payment to the baseball team. The department did not accept tickets for the 2009 season.

Recommendation: The SLBPC refrain from accepting gifts or gratuities.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The acceptance of anything of value from any individual or entity, including the St. Louis Cardinals baseball team, ended in 2009.

Contact Person: Dave Daniels

Contact Phone Number: (314) 444-5518



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Lead Remediation

Finding Number: 2.A.

Finding: Remediation projects tested from fiscal years 2007 and 2008 took an average of 179 days, or almost 6 months, from initial inspection to completion. For many of the projects reviewed, there was no documentation to support reasons for extensions granted to owners or why these individuals were not referred to court.

Recommendation: The BD implement procedures to ensure remediation projects are completed in a timely manner, including referring property owners to court when progress is not made, and documenting reasons for granting extensions.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The time to complete remediation projects has been greatly reduced. In 2017, the average timeframe from when a client met all program qualifications until the date when a contract for remediation assistance was signed was only 78 days. While there may be delays from the time that the inspection is done until the time that the owner completes an application for remediation assistance (which can impact the start date of remediation work), these factors are often outside of the city's control. For instance, the owner may take a long time to complete the eligibility paperwork to qualify for financial assistance. Typical causes of delay include paying delinquent real estate taxes, obtaining property insurance, having the child(ren) living in the unit screened for lead poisoning, etc. Once a contract is signed, there is often a delay until the work starts because, when historic replacement windows are required, it can take anywhere from 6-12 weeks for the windows to come in from the manufacturer. However, once the work starts, the remediation is typically completed within 5 business days.

Contact Person: Bill Rataj
Contact Phone Number: (314) 657-3845



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Lead Remediation

Finding Number: 2.B.

Finding: Our review of remediation projects noted 19 of 43 (44 percent) applicable residences were not re-inspected within the required timeframe after the violation notice was sent. BD policy required properties to be re-inspected within 14 days of the violation notice to monitor progress towards remediation.

Recommendation: The BD re-inspect properties 14 days after the violation notice is sent, in accordance with division policy.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Re-inspection of properties occurs within the timeframes set by the BD. The goal is for any unit with identified lead hazards to be remediated and achieve clearance whether through remediation work done by the property owner or through the city. When the property owner applies for financial assistance, a re-inspection is not required until the remediation work begins. The lead inspectors document all re-inspections in project files including reasons for granting extensions, such as during the winter months. Projects that receive financial assistance through the city are inspected daily once the remediation work begins. Owners that do not comply are referred to court where the ultimate goal of the court is to achieve compliance (clearance) as opposed to collecting fines.

Contact Person: Bill Rataj
Contact Phone Number: (314) 657-3845



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Lead Remediation

Finding Number: 2.C.

Finding: Our review of remediation project files noted 26 of 75 (35 percent) were missing at least one required piece of documentation. BD and Community Development Administration (CDA) policy required documentation for proof of ownership, tax compliance, signed agreements, and proof of insurance be maintained in the project files.

Recommendation: The BD and the CDA ensure required documentation is obtained and maintained in remediation project files.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The BD has tailored its web-based database to make sure all elements of a lead inspection/risk assessment (LIRA) are incorporated into the report so that the report produced is fully compliant with Housing and Urban Development (HUD) and Environmental Protection Agency guidelines. In addition, management staff at the BD review each HUD file project to make sure all requirements of the grant are met. They have developed an Inspection Checklist so that each file can be reviewed to ensure all components are included in the LIRA. They also utilize a Project Designer Close Out Checklist for each file so they can confirm all compliance requirements have been met.

The CDA developed a checklist after the last audit for the intake staff to use to make sure each project meets the program requirements. The checklist includes all items a client needs to qualify for the program. The two intake staff members conduct peer reviews of each file so that there are two reviews of each file before it is determined to be eligible. CDA management periodically reviews these peer reviewed files as well.

The program was monitored by the HUD Office of Healthy Homes and Lead Hazard Control within the past year. There were no findings or concerns noted during the monitoring visit and the HUD stated that "the city's grant operation is exemplary and may be of benefit to other grantees."

Contact Person: Bill Rataj
Contact Phone Number: (314) 657-3845



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Temporary Relocation Expenditures

Finding Number: 3.

Finding: The Department of Health (DOH) and BD did not adequately monitor the Lead Safe St. Louis Program (LSSL) temporary relocation process, resulting in expenditures in excess of the maximum allowance for lodging and meals.

Recommendation: The DOH and BD continue to monitor the eligibility and expenditures of temporarily relocated families to ensure compliance with LSSL policies.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city has not provided temporary relocation funding in the form of lodging or meals since May 2009. The city only provides a uniform stipend (currently at \$150) for households that self-relocate while the remediation work occurs and other forms of relocation assistance are not available.

Contact Person: Bill Rataj
Contact Phone Number: (314) 657-3845



City of St. Louis - Department of Public Safety
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Grant Compliance

Finding Number: 5.

Finding: The DOH and BD overspent applicable grant funding during the year ended June 30, 2008, and the errors were not corrected in a timely manner.

Recommendation: The DOH and BD implement controls to ensure grant monies are expended within grant budgets, and correcting entries are made timely.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Both the BD and the DOH have implemented controls to monitor and track spending. Since the last audit took place over 8 years ago, this issue has not recurred. The BD submits a monthly report of all expenditures to the Building Commissioner, the Lead Program Manager, and the CDA for review. The Fiscal Services Section in the DOH also tracks expenditures on a regular basis.

Contact Person: Bill Rataj

Contact Phone Number: (314) 657-3845



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Board of Aldermen

Report No. 2018-118
November 2018

auditor.mo.gov

City of St. Louis - Board of Aldermen

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Board of Aldermen
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2008-62, *City of St. Louis, Board of Aldermen*, issued in September 2008, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Board of Aldermen. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Board of Aldermen that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in June and October 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Board of Aldermen

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Elected Officials' Allowances

Finding Number: 1.A.1.

Finding: The Board of Aldermen (BOA) policy on expense reimbursement allowed several items to be reimbursed which did not appear to be prudent uses of taxpayer monies. Seven aldermen submitted reimbursement requests totaling approximately \$10,600 for donations and charitable contributions. The city code also allowed for reimbursement of flowers, gifts, and lobbying.

Recommendation: The BOA discontinue the practice of reimbursing for charitable contributions, lobbying expenses, gifts, and flowers.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

No steps have been taken by the BOA on this finding. Reimbursement of these items is still allowed per city code.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Elected Officials' Allowances

Finding Number: 1.A.2.

Finding: The BOA policy did not require adequate documentation for some reimbursements. Although aldermen submitted receipts for meal purchases, the business purpose of the meeting and the individuals present were not documented. The city code did not specifically require the submission of receipts and documentation of business purpose and individuals present for meal purchases. In addition, one meal reimbursement reviewed included the purchase of alcohol.

Recommendation: The BOA require the business purpose and names of individuals attending meetings be documented on meal receipts. In addition, the BOA should consider banning reimbursement for the purchase of alcohol.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The majority of board members do not utilize the accountable plan for expense reimbursement. The members who choose to use the accountable plan must submit receipt slips for reimbursement of meals. The BOA does not allow reimbursement for the purchase of alcohol.

Contact Person: Tom Shepard
Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Elected Officials' Allowances

Finding Number: 1.A.3.

Finding: Adequate supporting documentation was not received or retained for some expense account reimbursements. The city code did not specifically indicate the type of supporting documentation required for reimbursement.

Recommendation: The BOA specifically address in the city code supporting documentation requirements for expense account reimbursements.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city code has not been changed to specifically indicate the type of supporting documentation required for expense account reimbursements.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Elected Officials' Allowances

Finding Number: 1.B.

Finding: Some accountable expense plan reimbursement requests were not submitted in a timely manner.

Recommendation: The BOA require the submission of expense account reimbursement requests on a monthly basis.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The BOA does not have a penalty if expense account reimbursement requests are not submitted within a certain time frame.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicle

Finding Number: 2.

Finding: The BOA President used his city-owned vehicle for personal use and did not maintain vehicle usage logs to document commuting and personal use of the vehicle.

Recommendation: The BOA discontinue allowing the Board President to use a city-owned vehicle for personal use. In addition, the Board of Aldermen should require the preparation of usage logs for the vehicle and ensure these logs are properly reviewed.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The President of the BOA no longer uses a city-owned vehicle for work or personal purposes.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622 4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Minutes

Finding Number: 3.A.

Finding: The BOA minutes were prepared and signed by the clerk/legal counsel; however, they were not signed by a member of the BOA.

Recommendation: The BOA ensure the minutes are signed by the preparer and a board member to attest to their completeness and accuracy.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A member of the BOA (the Chairman of the Rules and Engrossments Committee) now signs all minutes.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Minutes

Finding Number: 3.B.

Finding: Reasons and the vote for closing meetings were not documented in the minutes of the open meeting. Open session minutes did not provide any indication of the board voting to close the meetings or the specific reason for closing the meetings.

Recommendation: The BOA ensure the reason and vote for closing a session is documented in the open minutes.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The BOA currently documents the reason and vote for closing a session in the open minutes.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Minutes

Finding Number: 3.C.

Finding: The BOA closed meeting minutes were not adequate. The closed meeting minutes did not include sufficient detail of matters discussed and actions taken. The only closed meeting minutes were roll call sheets with brief descriptions and the record of the vote by the board. It was often difficult to understand what was being voted on and the final decision of the board. In addition, decisions made during closed session were not disclosed in open session as required.

Recommendation: The BOA ensure minutes of closed meetings clearly document all business conducted and the votes taken in closed session are disclosed in open session.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

BOA closed meeting minutes document all business, and votes taken in closed session are disclosed.

Contact Person: Tom Shepard
Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Personnel Policies

Finding Number: 4.

Finding: The BOA considered all 15 of its employees exempt from the overtime and compensatory time provisions of the Fair Labor Standards Act (FLSA), and therefore, not entitled to overtime compensation. However, several of these employees may not have been exempt from these provisions.

Recommendation: The BOA review the classification of its employees and its current overtime and compensatory time policies to ensure such policies comply with the FLSA.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The BOA gives compensatory time to non-management employees if there is an evening meeting of the BOA or a BOA committee meeting that they are required to attend. BOA employees work shifts are 8 a.m. to 4 p.m. and 9 a.m. to 5 p.m., Monday through Friday. Non-management employees have a sign-in sheet to record their hours of work. The office is not open on the weekend.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Cellular Telephones

Finding Number: 5.

Finding: Procedures for approval of cellular telephone usage could have been improved. In February 1997, the BOA passed ordinance 63999 which prohibited the possession or use of city-owned cellular telephones by any official or employee of the City of St. Louis except for those designated by resolution of the BOA. However, various city departments reimbursed employees for use of their personal cellular telephones and approval by the BOA for employees to receive this reimbursement was not required.

Recommendation: The BOA revise its policy to require approval by the board for reimbursement of personal cellular telephone usage.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Ordinance 68654 requires the passing of a resolution by the BOA and recommendation of the Board of Estimate and Apportionment to designate any employee that has a city-owned or leased cellular phone. The ordinance requires the same approval process if any city official or employee is requesting reimbursement for personal cellular phone costs that relate to official city business.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Department of Streets

Report No. 2018-117
November 2018

auditor.mo.gov

City of St. Louis - Department of Streets

Follow-Up Report on Audit Findings

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State Auditor's Letter

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Director of Streets
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2009-63, *City of St. Louis, Department of Streets*, issued in June 2009, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Department of Streets. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Department of Streets that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in June, September, and October 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Department of Streets

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.A.

Finding: At least \$1,210 in permit fee collections were not accounted for properly and appeared to be missing, and additional amounts could have been missing.

Recommendation: The Department of Streets take necessary action to recover missing funds and work with law enforcement officials regarding any criminal prosecution. In addition, department personnel should determine if any additional monies are missing.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

This issue related to a prior employee who is no longer employed. Our current accountant started employment in November 2011. The St. Louis Metropolitan Police Department (SLMPD) investigated and the former accountant was charged with theft. The SLMPD did not identify any additional missing monies.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.B.1.

Finding: Accounting duties were not adequately segregated and there was no independent oversight related to receipts.

Recommendation: The Department of Streets segregate the accounting duties of the Director's office to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent review of work performed and investigation into unusual items and variances is necessary.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The current accounting duties are segregated, transactions are recorded daily, and activity is supervised.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.B.2.

Finding: The method of payment (i.e., cash, check, or money order) and date received were not recorded on some receipt slips. As a result, the composition of receipt slips could not be reconciled to the composition of monies transmitted.

Recommendation: The Department of Streets ensure the method of payment and date received is recorded on each receipt slip, and the composition of receipt slips issued is reconciled to the composition of transmittals.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The method of payment and date received are recorded on each receipt slip and all receipt slips are reconciled daily.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.B.3.

Finding: Receipt slips were not issued in numerical sequence, and the numerical sequence of receipt slips issued was not accounted for properly.

Recommendation: The Department of Streets require receipt slips be issued in numerical sequence and accounted for properly.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Receipt slips are issued in numerical sequence and the numerical sequence of receipt slips is accounted for properly. The accountant performs this duty.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.B.4.

Finding: Some receipts were not transmitted to the Treasurer's office in a timely manner.

Recommendation: The Department of Streets transmit all monies in a timely manner.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All monies are transmitted in a timely manner.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.B.5.

Finding: Procedures were not established to properly document, investigate, and resolve daily cash overages and shortages. In addition, office personnel indicated an additional \$100 change fund was normally maintained as an emergency fund; however, this fund had been used to replenish the change funds of the three front office clerks when shortages occurred.

Recommendation: The Department of Streets establish procedures to ensure personnel properly document, investigate and resolve daily overages and shortages. In addition, the department should ensure the change funds remain at a constant amount and any overages/shortages are reflected in amounts transmitted.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department's accountant reviews the recorded permit receipts and the amounts collected by the clerks on a daily basis. The amount transmitted is what was actually collected, not utilizing change funds to compensate for overages/shortages. The overages/shortages are documented to identify trends.

The change funds are maintained at a constant level and are not used to replenish cash drawers for overages/shortages.

This is the department's practice; however, to fully implement the recommendation we will document this as an official procedure.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.B.6.

Finding: Some receipt and transmittal documentation maintained by the Director's office accountant was poorly organized and maintained.

Recommendation: The Department of Streets ensure all records are well organized and properly maintained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A filing system is in place. Files and accounting records are organized and properly maintained.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.C.1.

Finding: The department did not account for the numerical sequence of permits issued. In addition, unused permits were maintained in a supply room in an unsecured location with access by all department employees.

Recommendation: The Department of Streets ensure the numerical sequence of permits is accounted for properly. In addition, unused permits should be maintained in a secure location.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Currently, permits are issued from the Cityworks computerized system, and temporary paper permits are issued only on rare occasions when the system is down. The electronic permit data is stored on a secure city network. The paper permits, used as a temporary permit when the system is down, are stored in a combination-locked safe until they can be entered in the computerized system. Cityworks allows us to account for the numerical sequence of permit and receipt numbers issued and we can generate periodic reports (daily, weekly, monthly, etc.) to verify the numerical sequence. If a permit is voided (i.e., canceled), this status is indicated by the system and any reports generated from the system reflect the voided permit.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.C.2.

Finding: The department had not established adequate procedures related to the issuing of permits. The department prepared some permits from information received over the phone and held the permit for the customer to pick up. By holding the permits for customers, the department was not transmitting monies collected for permits in numerical sequence which made it difficult to trace receipts to transmittals.

Recommendation: The Department of Streets improve procedures and requirements for handling and issuing permits.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Procedures for issuance, voiding, and variances of permits were established and have been effective.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Director's Office Controls and Procedures

Finding Number: 1.C.3.

Finding: Permits issued were not reconciled to monies collected and amounts transmitted.

Recommendation: The Department of Streets reconcile permits issued to amounts transmitted.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Permits are reconciled to amounts collected and transmitted daily.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.A.

Finding: Receipts totaling \$1,380 received by the division were not accounted for properly and appear to be missing.

Recommendation: The Department of Streets take necessary action to recover missing funds and work with law enforcement officials regarding any criminal prosecution. In addition, department personnel should determine if any additional monies are missing.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The information was forwarded to the SLMPD for investigation. To the department's knowledge, this did not lead to the recovery of the missing funds or criminal prosecution. In addition, the department has not discovered any additional missing funds since that time.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.B.1.

Finding: The method of payment (i.e., cash or check) was not recorded on the towing tickets or the daily receipt ledger, thus the composition of receipts could not be reconciled to the composition of transmittals to the Treasurer's office. In addition, the division did not obtain information from the Treasurer's office documenting the composition of transmittals.

Recommendation: The Department of Streets require the method of payment to be recorded on each towing ticket and the daily receipt ledger, and the composition of receipts be reconciled to the composition of transmittals. In addition, the department should obtain documentation of the composition of transmittals from the Treasurer's office.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The method of payment is recorded on each towing ticket and the daily receipt ledger. We also receive documentation from the Treasurer's office indicating the composition of receipts in each transmittal. In addition, the composition of receipts is reconciled with the composition of transmittals.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.B.2.

Finding: The division did not adequately document monies received for vehicles auctioned. The auction date, amount bid, if payment was cash, and the tow ticket number were recorded on a ledger sheet at the time of the auction. Most auction monies were collected the day of the auction; however, some regular customers were allowed to bring in payment and claim the vehicle over the course of the week. The payment date was not recorded on the ledger nor was the receipt of these monies recorded on any other records.

Recommendation: The Department of Streets record the date monies are received for auctions and reconcile auction monies received to amounts transmitted.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Auction money is recorded in the daily receipt ledger with the date received and appropriate Treasurer's office receipt number. The auction monies received are reconciled to the amounts transmitted to the Treasurer's office.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.B.3.

Finding: As a result of making cash refunds for overpayments of towing and storage fees paid by debit card, transmittals to the Treasurer's office were not made intact.

Recommendation: The Department of Streets ensure monies are transmitted intact and checks are written to refund any overpayments.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Monies are transmitted intact and overpayments are issued by the same method of original payment.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.C.

Finding: The division did not adequately document approval and the reason why some allowable charges for towing and vehicle storage services were reduced and not collected.

Recommendation: The Department of Streets ensure adequate documentation and approval is maintained for reductions in towing amounts.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Documentation to reduce tow tickets, including an explanation, is placed on the individual ticket.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.D.

Finding: The division sent notification letters by first class mail instead of certified mail to vehicle owners whose vehicles had been towed. City Revised Code Sections 17.56.140 through 17.56.190 set forth procedures concerning the impoundment and redemption of towed vehicles. The code indicated the division was required to send notification to the owner of a towed vehicle in a sealed envelope with postage prepaid. The notification informed the owner of the location of the vehicle and procedures for redemption of the vehicle. The code did not specifically mention if the notification should be sent by first class mail or certified mail.

Recommendation: The Department of Streets evaluate the costs of sending towed vehicle notifications by certified mail versus the benefits of better documentation.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

It was determined that sending letters via United States Postal Service certified mail was justified and beneficial for these purposes.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.E.1.

Finding: The division did not have a written policy and procedure for the distribution of excess auction monies. When a vehicle was not claimed by the owner within 30 days of being towed, the division auctioned the vehicle. If the amount received was greater than the towing, storage, and administration fees, the excess was transmitted to the Treasurer's office for deposit into an escrow account. At the end of each fiscal year, the Comptroller's office distributed unclaimed monies to the city's General Fund.

Recommendation: The Department of Streets adopt a written policy and procedure concerning the distribution of excess auction monies.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department has a policy following the sale of auctioned vehicles that includes the transfer of monies (less the tow fee and storage fee) to the Treasurer's office to an escrow account. The Treasurer's office holds the amount for a period of 1 year in the event the vehicle owner comes forward with a valid claim to collect. If that time period expires, the monies are transmitted to the city's General Revenue Fund.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.E.2.

Finding: A \$200 administration charge was assessed on each vehicle sold to cover the costs of labor and paperwork involved in auctioning a vehicle; however, no documentation of costs or how this fee was determined was available.

Recommendation: The Department of Streets review and document the division's costs of administering auctions of towed vehicles and establish the administrative fee to recover those costs.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department reviewed the costs associated with administration of auctioning vehicles and determined them to be nominal and reasonably covered under the general administration efforts by staff, negating the need for an additional fee solely for auction administration time.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.E.3.

Finding: The \$200 administration fee for auctioning a vehicle was not adequately recorded in the division's accounting records, and as a result, the accounting records and the amount transmitted as surplus from the auction sale did not reconcile. The court based Regional Justice Information System (REJIS) computer system was used by the division to obtain information concerning a vehicle it had towed and to record information such as the fees charged for towing and storage; however, the \$200 administration fee was not recorded on this system.

Recommendation: The Department of Streets ensure the fees for towing, storing, and auctioning a vehicle, including the \$200 administration fee, are documented in the REJIS system.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All fees (less the auction administration fee no longer charged) are documented in the REJIS system.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Towing Division

Finding Number: 2.F.

Finding: The division did not have written procedures concerning the handling of damage claims and claims were not adequately documented. The division did not obtain bids for three of four damage claims reviewed. The division had not obtained bids or entered into a written contract with the auto repair shop utilized by the division. The division did not properly complete damage claim forms. The division did not obtain or retain adequate documentation for some damage claim expenditures.

Recommendation: The Department of Streets establish a written policy or procedure for the handling of vehicle damage claims. Procedures should include proper handling of bids, completing damage claim forms, and obtaining adequate documentation for expenditures. In addition, the Division should work with the city's Supply Division to obtain bids and enter into a written contract for auto repair services.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The City Counselor's office has a written policy for handling damage claims. When a claim occurs, it is handled directly by the City Counselor's office. The City Counselor's office is responsible for properly handling of bids, completing damage claim forms, and obtaining adequate documentation for expenditures.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Emergency Purchases

Finding Number: 3.

Finding: Some emergency purchases did not appear to meet the city's definition of "emergency."

Recommendation: The Department of Streets ensure emergency purchases meet the definition of an emergency.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Street Department's purchasing agents have met with the Supply Division for training on the appropriate purchasing methods available to us. There were detailed discussions on the use of emergency purchasing including what constitutes an emergency and what does not. Reference materials were provided to the department by the Supply Division for use when evaluating which purchasing method is appropriate for a given need.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Sale of Salt

Finding Number: 4.

Finding: The department did not have a written policy concerning the sale of road salt.

Recommendation: The Department of Streets develop a written policy concerning the sale of salt.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Rarely do we sell salt, but in the event we do, the procedure is to do so at material cost. This is the department's practice; however, we will document this as an internal written procedure for the division prior to considering the status of this recommendation as "Implemented."

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Collection Procedures

Finding Number: 5.

Finding: The Department of Streets had not developed procedures to properly follow up and turn over old accounts receivable balances to a collection agency or the City Counselor's office. A report of amounts owed to the department could not be generated due to how files were organized.

Recommendation: The Department of Streets develop procedures to ensure accurate lists of accounts receivable are prepared and updated on a timely basis, and to monitor and pursue timely collection of outstanding amounts due to the city.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department maintains accurate listings of accounts receivable and the department monitors and pursues timely collection of outstanding amounts due to the city.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Permits and Fees

Finding Number: 6.A.

Finding: The Department of Streets had not documented how fees for several permits charged by the department were established or determined. Many permit fees charged by the department had been established by city revised code or ordinances; however, there were several permit fees such as bike rack rentals (security barriers), street performer permits, city street map sales, street paving and sealing charges, traffic count book (number of vehicles using specific city streets) sales, and dumpster impound charges which were not set by city revised code or ordinance. These fees were set at the discretion of the director with no written documentation of how the fees were determined.

Recommendation: The Department of Streets review and document the costs of various permits, items, and services and establish fees to recover those costs.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Permit fee amounts were examined in 2010 and took into account the cost of these services and administration. Of the 28 permit items reviewed, 9 new fee increases were recommended for consideration. Primary examples of permit fees that changed following this review were excavations (previously \$65 and now \$125), blocking lanes (previously we charged various amounts for different conditions but now charge \$20 per curb/parking lane and \$30 per traffic lane), driveway construction (previously \$50 commercial/\$20 residential and now \$100 commercial/\$50 residential), sidewalk construction (previously \$10 residential/\$50 non-residential and now \$25 residential/\$50 non-residential), sidewalk vending (previously \$25 and now \$200), vacate streets/alleys (previously \$100 and now \$500), and bad check fee (previously \$20 per check and now \$40 per check). Fees that are no longer applicable are curbing (previously \$5/linear foot, but we no longer sell curbing), barricade rental (previously \$2.10 each day plus a \$25.00 delivery charge, but we no longer rent out barricades). The fee structure will be reviewed again in fiscal year 2019.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Permits and Fees

Finding Number: 6.B.

Finding: The Department of Streets had not updated the annual excavation fee charged to three large companies.

Recommendation: The Department of Streets periodically review the annual fee charged to companies for excavation inspections to ensure it is adequate.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department has plans to update permit fees for 3 utility companies during fiscal year 2019. In fiscal year 2018, we began to reevaluate the fees for the local gas utility company.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Permits and Fees

Finding Number: 6.C.

Finding: Fees were not consistently charged in accordance with the established schedule for sidewalk permits. City Revised Code Section 20.46.010, indicated a sidewalk construction permit in a residential zone was \$10 and all other zoning areas were \$50 per permit. The department had not adequately documented why these amounts were not charged for some sidewalk permits.

Recommendation: The Department of Streets ensure fees charged for sidewalk permits are in accordance with the established policies. Exceptions should be fully documented and approved by a supervisor.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Fees charged for sidewalk permits are reviewed daily by a supervisor per policy and city code.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Street Paving and Sealing

Finding Number: 7.A.

Finding: Some amounts recorded as payments received from contractors in the manual log did not agree to the invoices mailed to the contractors. After street paving and sealing work was complete, an invoice was prepared by a front office clerk, based on the inspection report, and mailed to the contractor for payment. The Director's office maintained a book with a ledger sheet for each contractor and an entry was made to this ledger indicating the amount due per the invoice. Department personnel indicated that sometimes a contractor informed the Director's office about a mistake in the charges on the invoice. The Director's office obtained verbal approval to change the invoiced amount from the Street and Traffic Inspector Supervisor. The Director's office did not maintain documentation of the revised invoice, but the entry in the ledger was revised when payment was received from the contractor.

Recommendation: The Department of Streets ensure proper documentation, including supervisory approval, is maintained for changes to street paving and sealing invoices.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department verifies documentation is proper, including a supervisor approval, on all street paving invoice charges.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Street Paving and Sealing

Finding Number: 7.B.

Finding: Some invoices were not mailed to the contractors in a timely manner for street paving and sealing work. Invoices were sent to the contractors after a street inspector approved the work performed at the site. The inspectors submitted the inspection report to the Director's office and the invoice was prepared by the clerical staff. The inspector's report indicated when the work was completed but did not clearly indicate when it was submitted to the clerical staff for processing.

Recommendation: The Department of Streets improve procedures for the processing of inspection reports and ensure invoices for street paving and sealing are mailed in a timely manner.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Invoices for street paving and sealing are mailed in a timely manner. A review of the division procedure is as follows. An asphalt ticket is prepared as soon as the backfill inspection is completed. The asphalt ticket is forwarded to the asphalt crews on the next business day. The asphalt crews then patch the area. Upon completion, the asphalt ticket is delivered to the accountant either the same day or the next business day. The completed work request has always been delivered back to the accountant no later than the next business day. Asphalt tickets are customarily signed and dated by the employee completing the work.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 8.A.

Finding: The Department of Streets did not require vehicle usage logs be maintained for its vehicles. In addition, the Department of Streets did not regularly monitor the fleet to ensure vehicles were used efficiently and effectively.

Recommendation: The Department of Streets require the preparation of usage logs for all vehicles and ensure these logs are properly reviewed.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Global Positioning System (GPS) devices are installed on vehicles with the ability to generate daily logs on demand for usage/activity. The department has recently procured new GPS technology due to discontinuation of the prior GPS product by the manufacturer. The new system will also allow us to prepare usage logs and our policy will be to review them regularly to verify fleet efficiency.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 8.B.

Finding: The Street Division used 16 pool/on-call vehicles for commuting purposes but did not report commuting mileage to the Internal Revenue Service (IRS) as compensation.

Recommendation: The Department of Streets ensure commuting mileage is reported in compliance with IRS requirements.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Commuting mileage is reported in accordance with IRS requirements.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: 50/50 Sidewalk Program

Finding Number: 9.

Finding: The Department of Streets did not submit a monthly report to the Board of Public Service (BPS) on the 50/50 Sidewalk Program as required by city code. The code appeared to require revision since the report was actually required and used by the Comptroller's office.

Recommendation: The Department of Streets forward the monthly list of unpaid sidewalk repairs to the BPS as required by city code or request the city code be revised.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Monthly listings of unpaid sidewalk repairs are forwarded to the BPS and the Comptroller's office.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: School Crossing Guard Program

Finding Number: 10.

Finding: The Department of Streets did not have written policies and procedures for the school crossing guard program. Both private and public schools could request the Director of Streets provide a crossing guard for its school. The crossing guards were considered Department of Streets employees and paid through city payroll.

Recommendation: The Department of Streets develop written policies and procedures for the handling of the school crossing guard program.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Historically, the department has funded school crossing guards at approximately 22 schools. However, in fiscal year 2018 we were only allowed to support 3 schools with our budget. Depending on the direction of the program and funding availability for subsequent fiscal years, we will fully document a procedure and policy accordingly.

Contact Person: Jamie Wilson
Contact Phone Number: (314) 647-3111



City of St. Louis - Department of Streets
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Petty Cash

Finding Number: 11.

Finding: Controls and procedures over the department's petty cash funds needed improvement. The petty cash funds were not maintained on an imprest basis and complete and accurate petty cash ledgers were not maintained.

Recommendation: The Department of Streets determine if petty cash funds are needed, and if needed, ensure they are maintained at a constant amount on an imprest basis. In addition, a complete and accurate petty cash ledger should be maintained to support reimbursement of the petty cash funds.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The department has not used a petty cash fund since prior to November 2011.

Contact Person: Jamie Wilson

Contact Phone Number: (314) 647-3111



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Department of Health

Report No. 2018-116
November 2018

auditor.mo.gov

City of St. Louis - Department of Health

Follow-Up Report on Audit Findings

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Lead Safe St. Louis Program

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NICOLE GALLOWAY, CPA

Missouri State Auditor

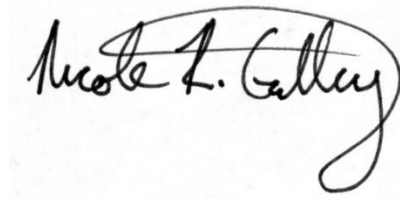
To the Honorable Mayor
and
Acting Director of the Department of Health/Commissioner of Health
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2009-59, *City of St. Louis, Department of Health*, and applicable audit report findings contained in Report No. 2009-60, *City of St. Louis, Lead Safe St. Louis Program*, both issued in June 2009, as part of our current audit of the City of St. Louis. The functions of the Lead Safe St. Louis Program are performed by the Community Development Administration, Department of Public Safety - Building Division, and Department of Health; therefore, applicable follow-up statuses for the Lead Safe St. Louis Program have been included in these agency follow-up reports. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Department of Health. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Department of Health that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May and June 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Department of Health

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Travel Expenses

Finding Number: 1.A.

Finding: Department of Health (DOH) employees attended out-of-state conferences and incurred excessive lodging expenses by staying at the hotels that sponsored the conferences. City travel regulations encouraged employees to stay at the sponsoring hotel for the conference and allowed transportation expenses between the airport and the hotel; however, travel regulations stated taxi services within a city were unallowable expenses. As a result, it appeared employees had little choice except to stay in sponsoring hotels.

Recommendation: The DOH work with the Board of Estimate and Apportionment to change city travel policies to allow reimbursement for travel expenses incurred within a city.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A travel policy was implemented on March 10, 2010, and updated and revised on July 19, 2017. The City of St. Louis travel regulations do not allow taxi services within a city and DOH staff are encouraged to obtain lodging at either the sponsoring hotel or at a comparable hotel.

Contact Person: Robin S. Jones

Contact Phone Number: (314) 657-1415



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Travel Expenses

Finding Number: 1.B.

Finding: The DOH incurred travel expenses that did not appear allowable under the funding grant or included expenses that were not allowed by travel regulations.

Recommendation: The DOH ensure travel expenses are paid only for amounts allowed by city travel regulations and applicable grant agreements.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A travel policy was implemented on March 10, 2010, and updated and revised on July 19, 2017. The DOH has taken the necessary actions to ensure that travel expenses are paid only for amounts allowed by the City of St. Louis travel regulations and applicable grant agreements. All travel paid for using grant funds must be included in the grant budget and must relate to the grant deliverables and outcomes.

Contact Person: Robin S. Jones
Contact Phone Number: (314) 657-1415



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Travel Expenses

Finding Number: 1.C.

Finding: The DOH allowed requested trips to be completed without required approvals and documentation.

Recommendation: The DOH adopt procedures to ensure all travel requests and reimbursements are approved by the appropriate authorities and required documentation is obtained prior to approval.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A travel policy was implemented on March 10, 2010, and updated and revised on July 19, 2017. The DOH has procedures in place that require travel requests be submitted and approved in advance. At least 45 days in advance of travel, the staff must obtain his/her manager's approval. The travel packet is then logged and submitted to the Fiscal Services Section of the DOH. The appropriate accountant ensures that funding is available and all necessary paperwork is submitted to the Fiscal Manager, DOH Director, and the Comptroller's and Mayor's offices for approval.

Contact Person: Robin S. Jones
Contact Phone Number: (314) 657-1415



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Payroll and Other Expenditures

Finding Number: 2.A.

Finding: Our review of payroll expenditures from grant funds noted applicable timesheets reviewed did not have documentation of time spent on grant-related functions.

Recommendation: The DOH require all employees document time spent on grant-related functions.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A policy was implemented in 2010 and updated and revised on November 20, 2016. Managers or supervisors must ensure that all employees assigned to a grant submit time documentation forms that indicate the time spent/hours worked on and charged to the grant. These forms are due bi-weekly at the end of each pay period. The manager or supervisor approves the form, retains a copy for his/her records, and sends the original to the payroll section where it is shared with the appropriate accountant. The accountant for the grant uses the time documentation form and the employee timesheet information to reconcile spending against the approved grant budget.

Contact Person: Robin S. Jones
Contact Phone Number: (314) 657-1415



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Payroll and Other Expenditures
Finding Number:	2.B.
Finding:	Our review of grant-funded expenditures noted items that did not appear allowable under the funding grant.
Recommendation:	The DOH implement procedures to ensure only allowable items are purchased with grant funds.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A purchasing and expenditure policy was implemented on October 23, 2008, and updated and revised on April 30, 2018. All purchases from grant monies must be included in the grant budget and must be tied to the grant's scope of work, deliverables, and outcomes. Employees within each program complete an internal requisition and attach a copy of the page of the grant contract that clearly states that the expenditure is allowable and a statement justifying the purchase. The internal requisition, copy of the grant contract page, and brief justification/explanation for the purchase should be forwarded to the Fiscal Accountant for verification of funds and then to the DOH Director or Commissioner of Health for approval.

Contact Person: Robin S. Jones
Contact Phone Number: (314) 657-1415



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Payroll and Other Expenditures
Finding Number:	2.C.
Finding:	Our review of certain emergency purchases noted none included a documented justification that adequately met the city's definition of an emergency.
Recommendation:	The DOH ensure city policy is followed for all emergency purchases, including adequately documenting the emergency nature of the purchase. Bids should be solicited for purchases that do not meet the city's definition of an emergency.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A purchasing and expenditure policy was implemented on October 23, 2008, and updated and revised on April 30, 2018. The DOH follows the City of St. Louis Supply Division's policies and procedures for all purchases. The DOH has worked diligently to ensure that emergency purchases are true emergencies. During fiscal year 2018, the DOH had one emergency purchase (sexually transmitted infection medication).

Contact Person: Robin S. Jones
Contact Phone Number: (314) 657-1415



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Payroll and Other Expenditures

Finding Number: 2.D.

Finding: The DOH entered into two agreements for the creation of data management systems without soliciting proposals or justifying the reason for the sole source purchase.

Recommendation: The DOH ensure city purchasing policies are followed for purchases of data management systems.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A purchasing and expenditure policy was implemented on October 23, 2008 and updated and revised on April 30, 2018. The DOH follows the City of St. Louis Supply Division's policies and procedures for requests for proposal and entering into contractual agreements, including the sole source purchases. The contract with Innovative Data Systems was canceled in December 2016, resulting in a cost savings of \$10,000. The Functional Needs Registry contract was funded in part by the DOH (the Department of Human Services is the contract holder). The DOH no longer provides funding for this contract.

Contact Person: Robin S. Jones
Contact Phone Number: (314) 657-1415



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Air Pollution Control Program

Finding Number: 3.A.

Finding: Eight employees of the Air Pollution Control Program (APCP) regularly took their assigned vehicles home rather than parking them at the air pollution control building. APCP officials stated there was no particular business purpose for allowing the inspectors to drive the vehicles home and this practice had been allowed for many years. In addition, the inspectors were not required to maintain mileage logs.

Recommendation: The DOH require mileage logs for all city vehicles and discontinue the practice of allowing employees to commute in city vehicles when there is no clear business purpose.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

On June 10, 2011, the State of Missouri discontinued funding of local air pollution agencies, including the City of St. Louis DOH APCP. There have been no air pollution control employees since November 2013.

Any future air pollution control employees will make use of personal vehicles and will submit mileage records for reimbursement. Any persons using city vehicles will make use of a daily report form to document mileage, purpose, etc. for each trip.

Contact Person: Jeanine Arrighi
Contact Phone Number: (314) 657-1507



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Air Pollution Control Program

Finding Number: 3.B.

Finding: The APCP did not inspect some required pollution emitting facilities. The APCP received state grant funds and maintained an agreement with the Missouri Department of Natural Resources (DNR) to inspect pollution emitting facilities in the City of St. Louis.

Recommendation: The DOH fulfill its agreement with the DNR and inspect all required pollution emitting facilities.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

On June 10, 2011, the State of Missouri discontinued funding of local air pollution agencies, including the City of St. Louis DOH APCP. The DOH is in the process of executing a new Memorandum of Agreement with the DNR for responsibilities that do not include inspecting pollution emitting facilities.

Contact Person: Jeanine Arrighi

Contact Phone Number: (314) 657-1507



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Air Pollution Control Program

Finding Number: 3.C.

Finding: The city did not have a Board of Air Pollution Control Appeals and Variance Review as required by city code.

Recommendation: The DOH work with the Mayor's office to reinstate the Board of Air Pollution Control Appeals and Variance Review to comply with city code.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

City Ordinance 68657 (effective June 2, 2010) eliminated the Board of Air Pollution Control Appeals and Variance Review. City Ordinance 70607 (effective July 19, 2017) replaced Ordinance 68657, and did not reinstate a Board of Air Pollution Control Appeals and Variance Review due to two factors:

1. City Ordinance 70607 relies on the Administrative Citation Fine Ordinance 69821 (effective January 24, 2015) to address any appeal for fines.
2. The scope of City Ordinance 70607 covers limited air pollution functions, including asbestos abatement/demolition and air pollution nuisance, and any variance will be considered by the Commissioner of Health or his/her designee.

Contact Person: Jeanine Arrighi

Contact Phone Number: (314) 657-1507



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: School Nurse Program

Finding Number: 4.

Finding: The DOH provided nurses to private schools in the City of St. Louis but did not provide a similar service to the city's public schools.

Recommendation: The DOH review the school nurse program and consider providing equitable services to all city students.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The DOH provided services to private schools in the city; however, the DOH also provided services (asthma, lead, nutrition, and other public health related services) to the city schools during the 2001-2017 school years. These same services were offered to private schools.

Contact Person: Steven Estopare

Contact Phone Number: (314) 657-1485



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Temporary Relocation Expenditures

Finding Number: 3.

Finding: The DOH and Department of Public Safety, Building Division (BD) did not adequately monitor the Lead Safe St. Louis Program (LSSL) temporary relocation process, resulting in expenditures in excess of the maximum allowance for lodging and meals.

Recommendation: The DOH and BD continue to monitor the eligibility and expenditures of temporarily relocated families to ensure compliance with LSSL policies.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The DOH has no responsibilities regarding relocation programs at this time.

Contact Person: Steven Estopare

Contact Phone Number: (314) 657-1485



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Special Fund Receipts

Finding Number: 4.

Finding: The DOH did not reconcile Medicaid or court fine deposits to applicable billing and receipt records. While the DOH received monthly reports of deposits into the Remediation Special Fund from the Comptroller's office, the DOH did not reconcile deposits to BD Medicaid billing records or to fines received from the municipal court.

Recommendation: The DOH implement procedures to reconcile deposits into the Remediation Special Fund to applicable billing and receipt records.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Changes in personnel have interrupted this reconciliation procedure but it is being restored. Court fines from the Problem Property Court will be received by the DOH each month from the Law Department. Medicaid invoices will be received by the DOH each month from the BD's Lead Program. These receipts will be compared to the monthly revenue report to ensure funds are deposited in the Remediation Special Fund for the Lead Program.

Contact Person: Steven Estopare
Contact Phone Number: (314) 657-1485



City of St. Louis - Department of Health
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Grant Compliance

Finding Number: 5.

Finding: The DOH and BD overspent applicable grant funding during the year ended June 30, 2008, and the errors were not corrected in a timely manner.

Recommendation: The DOH and BD implement controls to ensure grant monies are expended within grant budgets, and correcting entries are made timely.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Many of the positions supported by grant funds were partially paid by other city funds. On a monthly basis the DOH's Fiscal Services Section prepares documents known as "payroll exceptions" to transfer any payroll costs from grants to the other funds that partially cover payroll expenses. For example, a nurse may be paid 50 percent from a grant and 50 percent from other city funds. The payroll expenditures are initially charged to the grant. After the payroll is completed, the payroll exceptions documents transfer half of the payroll expenses from the grant fund to the city fund. These controls help ensure that grant funds expended are not in excess of the available funds.

Contact Person: Steven Estopare
Contact Phone Number: (314) 657-1485



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Office of Treasurer

Report No. 2018-115
November 2018

auditor.mo.gov

City of St. Louis - Office of Treasurer

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Tishaura O. Jones, Treasurer
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2008-97, *City of St. Louis, Office of Treasurer*, issued in December 2008, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Office of Treasurer. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Office of Treasurer that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Office of Treasurer

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Bank Accounts and Investments

Finding Number: 1.A.

Finding: The Treasury Division did not adequately document the competitive procurement of services for the deposit of city funds. The investment policy required the Treasurer to annually select financial institutions through a formal, competitive procurement process. However, the Treasury Division had not competitively procured the bank depositories and the banks and accounts utilized by the Treasury Division had not changed in recent years.

Recommendation: The Treasurer's office periodically solicit formal bids or proposals for banking services and maintain adequate documentation of the factors considered and the decisions made.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Treasurer's office has met with the banks currently managing the city's largest accounts to identify potential savings. These meetings with the current city depositories have yielded over \$100,000 in potential savings in bank services. The Funds Committee meets annually to certify every bank that does business with the City of St. Louis after evaluating its lending data.

Per the Chief of Staff and Counsel, the Treasurer's office plans to issue a formal request for qualifications (RFQ) later this year for banking services.

Contact Person: Connie Johnson

Contact Phone Number: (314) 622-3510



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts and Investments

Finding Number: 1.B.1.

Finding: The Treasury Division had not resolved old reconciling items in its accounts. The Dormant Account contained old unidentified monies from other bank accounts that were closed 10 or more years ago.

Recommendation: The Treasurer's office contact the payees and attempt to resolve the old outstanding checks and unidentified monies. If payees cannot be located, the amounts should be turned over to the state's Unclaimed Property Division. Old outstanding checks and unidentified monies should be followed up on and resolved timely.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Treasury Division works with other departments to get the necessary data to contact everyone that has outstanding checks before funds are submitted to the State of Missouri.

Per the Treasury Division Operations Director, the outstanding checks at the time of the 2008 audit (i.e., checks as of October 31, 2007) have been identified and/or sent to the State of Missouri as unclaimed property. There is a requirement to send unclaimed property to the state within 3 years of its issuance. Currently, the department has three types of outstanding checks and the status of each is as follows:

- Election Board and Jury Checks: Outstanding jury checks were submitted to the state in a timely fashion. Board of Election checks are still outstanding. The Treasury Division is working to address these outstanding matters.
- Payroll Checks: Some outstanding payroll checks were submitted to the state, but there still are several outstanding checks within this timeframe. The Treasury Division is currently working to address whether these outstanding checks were issued to the state, but may not have been properly recorded or reconciled. The Treasury Division is working to address this issue.
- Miscellaneous Withholding: Outstanding withholding checks were submitted to the state for calendar year 2011, but there is still one check outstanding for December 31, 2008. Currently, the Treasury Division is working on 13 checks for the period February 11, 2015, to December 31, 2015.

Contact Person: Connie Johnson

Contact Phone Number: (314) 622-3510



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts and Investments

Finding Number: 1.B.2.

Finding: The procedures of the Treasury Division for posting electronic deposits to the daily ledger and contacting other departments about unremitted Receipt Coding Forms (RCFs) or adjustments related to those electronic deposits were not sufficient to ensure timely posting of those receipts. We noted several items recorded on the November 2007 bank reconciliation that had been electronically deposited into the clearing bank account, but were not posted to the daily ledger until at least a month or more later.

Recommendation: The Treasurer's office work with other city departments as necessary to ensure that receipts are promptly posted to or adjusted on the accounting ledgers.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Per the Treasury Division Account Manager, electronic receipts go to the city clearing account, which is the omnibus account that is used to pay many of the city's bills and tax increment financing payments. Most of the electronic receipts are related to the Grants Department regarding federal grants, but many of the receipts pertain to wire transactions initiated by the Treasury Division. The RCF is required to book the receipt to the accounting ledgers. The Treasury Division Accounting Manager notifies all departments by email when a receipt arrives.

If an RCF is not received by the Treasury Division within 1 week, the recommended practice is to contact the department by email. The Treasury Division has two dedicated staff who conduct research and provide the Comptroller's office with customer service regarding outstanding RCFs.

RCFs are also prepared by the departments and submitted to the Treasury Division for booking. To be more proactive and to keep books as accurate as possible, the Treasury Division has recently implemented a process where Treasury Division clerks print out the daily incoming wire transactions and list the department for which each respective wire transaction is assigned. The Treasury Division clerks give this information daily to the Cashier so she will know which wire transactions have been completed. However, it is the responsibility of the receiving department to prepare and submit the RCF to claim the funds. Thus, these wire transactions will not be booked until the Cashier receives an RCF. In this case, the Treasury Division will only reflect receipt of the wire transaction.

The Treasury Division has created documentation using Google Docs which lists all wire transactions that have been posted for the month. This document covers the outstanding wire transactions from the Treasury Division, as well as wire transactions that have been claimed by departments. This document is available for the Comptroller's office to review.

Contact Person: Connie Johnson
Contact Phone Number: (314) 622-3510



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts and Investments

Finding Number: 1.C.

Finding: The Treasury Division did not always promptly prepare bank reconciliations.

Recommendation: The Treasurer's office perform bank reconciliations timely for all accounts.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Per the Treasury Division Operations Director, specific timeframes for reconciliation have not been assigned on each of the 33 accounts. However, the Accounting Manager has been directed to oversee the process, and all accounts are expected to be reconciled within 2 weeks after month end. As of the date of this response (May 2018), all accounts have been reconciled through December 31, 2017, except for the payroll and city clearing accounts. The ability to perform timely reconciliations for all City of St. Louis accounts requires an additional accountant clerk, which requires funding through the budget process.

Contact Person: Connie Johnson
Contact Phone Number: (314) 622-3510



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts and Investments

Finding Number: 1.D.

Finding: The Treasury Division did not maintain adequate documentation to support investment decisions.

Recommendation: The Treasurer's office maintain documentation to support investment decisions.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Treasury Division maintains a listing of investments in the general pool and for bonds by maturity. As instruments mature or a determination has been made internally that funds are needed, the Treasury Division will inquire about investment strategy/direction from the Comptroller's office via email. The Treasury Division will periodically inquire about investment strategy.

The Treasury Division relies on the city's contracted asset manager (PFM) to help make investment decisions for the city. PFM sends quarterly reports to the city. In certain situations, we reach out to PFM to request information about certain investments, losses and gains, etc. All desired changes are communicated to PFM from the Treasury Division via email. These emails are the documentation to support any investment decisions relating to the general pool and bond issues and are kept in the Comptroller's office. The Treasury Division also maintains emails and other documentation regarding all investments and we encourage the departments to do the same. The listing of investments is updated daily and maintained on the Treasury Division's shared drive.

All investment decisions relating to the St. Louis Lambert International Airport (Airport) are directly communicated from the Airport to PFM. The Treasury Division does not maintain any documentation of these decisions. The Water Division and Airport are required to make their own investment decisions, but they also work with the Treasury Division. The Treasury Division maintains copies of all trade tickets as well.

Contact Person: Connie Johnson

Contact Phone Number: (314) 622-3510



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Segregation of Duties

Finding Number: 2.

Finding: Receipting procedures did not provide adequate control over monies received in the Treasury Division. The various city departments turned over collections of fees, taxes, and other monies received to the Treasury Division for deposit into city accounts. The remitting city departments documented each turnover on a RCF and a Form 449 and remitted these forms along with the collections to the cashier in the Treasury Division. The Treasury Division indicated these forms were not prenumbered due to the forms originating in multiple city departments. The Treasurer's cashier verified the cash and checks to the form, stamped the RCF paid, recorded a sequential number on the form, remitted one copy of the RCF to the Comptroller's office, and returned one copy of the RCF to the remitting department. These procedures appeared adequate to ensure monies recorded on the daily ledger were deposited; however, errors or irregularities could have occurred that would not have been detected by current procedures. Because the RCFs and Forms 449 were not prenumbered, but were instead assigned a sequential number by the cashier who received these forms directly from the remitting departments and deposited the cash, there was less assurance that all collections were posted to the daily ledger.

Recommendation: The Treasurer's office strengthen controls over monies collected in the Treasury Division.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Treasury Division has a two-tier approach to receipting procedures which ensures adequate control over monies. The first tier involves the Cashier who is responsible for the daily operations and management of the cash window. The Cashier reconciles daily receipts, prepares deposits, receipts and journalizes payments made by cash and checks received from departments and the public, and completes and issues official receipt slips for all revenues received, as well as counts and balances amounts received against the revenue receipt slips issued daily. The Cashier books all transactions with approved RCFs.

The second tier involves the Accountant who is responsible for bank reconciliations and fund investments, including General Ledger research and reconciliations for 33 bank and investment accounts. This position also serves as a back-up Cashier when necessary. Recently, the Treasury Division acquired a temporary Investment and Reconciliation Clerk who works directly with the Accountant. The addition to the team has helped the Treasury Division make significant progress in updating most reconciliations handled by the Treasury Division. Through this team effort, with the assistance of the Comptroller's office, account books have been and are currently being researched on a regular basis to ensure all outstanding issues are addressed. This process usually results in the preparation of RCFs and adjustments for wire and investment transactions. Upon approval of the RCFs and adjustments by the Account Manager or the Assistant Treasurer, RCFs and adjustments are submitted to the Cashier for booking purposes.

Another way the Treasury Division has worked to strengthen procedures is by working more closely with the Comptroller's office. The Treasury Division and the Comptroller's office meet on an average of once a month and as



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

needed. This collaboration with the Deputy Comptroller and her team of accountants in conjunction with the Treasury Division's Accountant, Investment and Reconciliation Clerk, and Assistant Treasurer have been a check and balance on providing quality assurance and control over the city's deposits and receipts.

The Treasurer's office requires each department to perform monthly reconciliations to ensure all funds have been posted.

Contact Person: Connie Johnson
Contact Phone Number: (314) 622-3510



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 3.A.1.

Finding: The Treasurer's office did not execute written agreements for the services paid from bond proceeds related to parking projects. Additionally, the advisors remitted the invoices directly to the bond trustee for payment, and the Treasurer did not document or maintain evidence of formal approval of the payments. Furthermore, the invoices noted only the total amount due and provided no detail as to how the amount due was derived. For the 2006 bond issuance, the Treasurer's office contracted with one of the financial advisors to assist with the bond issuance and other matters for \$48,000 for one year. The Parking Division subsequently made monthly payments to the advisor totaling \$48,000 from the Parking Fund. Additionally, the advisor invoiced the bond trustee directly and received another payment totaling \$37,000 from the proceeds of the 2006 bonds. Consequently, it appears the advisor received \$37,000 more than he was entitled to under the terms of the contract.

Recommendation: The Treasurer's office execute written contracts for financial advisory services on bond issuances, document approval of related invoices, and ensure amounts paid are consistent with the contract terms. Additionally, the Treasurer should review the payments to the financial advisors and consider obtaining repayment for any amounts paid in excess of agreed-upon terms.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Per the Chief of Staff and Counsel, written contracts are in place for all current financial advisory services. Financial advisory services are paid a flat fee on a monthly basis specified by contract, which simplifies oversight over such payments. The contracts are placed on the executive drive and are accessible for review by all pertinent parties. Although financial advisory services are paid a flat fee, invoices are submitted for all payments. They are reviewed by the Chief Financial Officer (CFO), vouchered for payment, and submitted to the Treasurer, Chief of Staff, and Counsel for approval. Once approved, they are resubmitted to the Fiscal Department's Accounting Clerk II, who begins the cycle of payment with the Comptroller's Accounting Services Section. The advisory services were awarded after issuing a competitive request for proposal (RFP) or RFQ. Additionally, the Treasurer issued an RFQ for underwriters in 2015. The Treasurer ultimately selected three different firms to potentially serve as underwriters for bond issuances.

The current procedure that we have in place of the CFO reviewing all invoices before they are sent to the bond trustee for payment should prevent overpayment. If an overpayment should occur, the Parking Division will attempt to recoup funds from the vendor through reduction of current payments or seek legal action. We do not retain copies of invoices for financial advisory services that are paid by the bond trustee.

Contact Person: Jared Boyd
Contact Phone Number: (314) 612-1478



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 3.A.2.

Finding: The Parking Division made payments to an advisor from the Parking Fund for ongoing financial advisory services based upon invoices that were not detailed.

Recommendation: The Treasurer's office require adequately detailed invoices for ongoing financial advisory services.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Per the Chief of Staff and Counsel, the current contracts for advisory services are at fixed rates. Any changes in services and/or financial advisors that would deviate from a fixed rate would require detailed invoicing.

Contact Person: Jared Boyd

Contact Phone Number: (314) 612-1478



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 3.B.

Finding: As of May 2008, the Treasurer's office had not installed a new payroll/personnel system that was acquired in December 2007 and some of the warranties had already expired.

Recommendation: The Treasurer's office install the automated payroll/personnel system promptly. Future equipment purchases should be installed in a timely manner.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The automated payroll/personnel system that was purchased in December 2007 was installed under the previous administration in 2009. That system became outdated and obsolete. The NOVAtime 5000 Workforce Management Solution was purchased in February 2016. The system and equipment were installed promptly and the system was fully implemented on August 7, 2016.

Contact Person: Shirley Rukcic
Contact Phone Number: (314) 612-1475



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 3.C.

Finding: The Treasurer's office did not have a formal procurement policy. As a result, the decision of whether to solicit bids/proposals for a particular purchase was made on an item-by-item basis.

Recommendation: The Treasurer's office establish formal procurement policies and procedures, including documentation requirements regarding the bids or proposals received and justification for the vendor selected.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Per the Chief of Staff and Counsel, the Treasurer's office utilizes the RFP process for procuring professional services. Additional guidelines have been established this year regarding the minimum dollar amount required to justify utilizing the RFP process. Our office has issued RFPs or solicited bids for financial advisory services, financial management services, feasibility studies, and engineering services, which were identified in the 2008 audit. Our office has not issued formal RFPs for legal services based upon inheriting several cases from the previous administration. The law firms utilized by the Treasurer's office tend to have either specialized knowledge or institutional history with the office.

A minimum of three proposals are required, and if three proposals are not obtained, the office must issue another RFP. The Executive Committee will evaluate the proposals, which will include a financial analysis for due diligence as a part of the selection process. The RFP process is not utilized for nonprofessional services.

Contact Person: Jared Boyd
Contact Phone Number: (314) 612-1478



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 3.D.

Finding: The Treasurer's office did not execute formal written contracts for legal services, engineering services, and feasibility study services.

Recommendation: The Treasurer's office execute formal written agreements for services received.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Per the Chief of Staff and Counsel, there are formal written agreements for current services being rendered. These contracts are on the executive drive and are accessible for review by all pertinent parties. These written agreements are to be finalized, signed, and placed on the executive drive prior to the start of any services being rendered.

Contact Person: Jared Boyd

Contact Phone Number: (314) 612-1478



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Euclid/Buckingham Garage

Finding Number: 4.A. and 4.B.

Finding: The Parking Division did not ensure a developer complied with contract terms regarding invoicing and payment for the Euclid/Buckingham garage construction. The Parking Division did not require the developer to provide documentation of construction progress as a basis for requesting payment. The Parking Division processed the payments to the developer without applying a \$500,000 credit for the sale of the air rights.

Recommendation: The Treasurer's office ensure staff responsible for monitoring projects and approving invoices are aware of significant contract terms and make no further payments to the developer without documentation of construction completion and lien waivers. Subsequent payments should be linked to the documented percentage of construction completed. Additionally, amounts paid to the developer should be net of the \$500,000 air rights credit.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Per the Parking Administrator, the Treasurer's office has begun utilizing the services of outside independent project managers that will work in conjunction with the Facilities Manager for construction projects on a more systematic basis. For example, the most recent construction project was for Cupples #7 and the project manager was Kwame Building Group.

A timeline is provided that indicates construction progress and payment requirements, in conjunction with the contract. Updates are given to the Chief of Staff, Counsel, and Parking Administrator. Project information is uploaded to the My Smart Plans system for review. All signed and executed contracts are on the executive network drive for access. It is required that lien waivers be provided by each contractor. Invoices are presented for payment, along with an Application and Certificate for Payment, that indicates the portion of the contract that has been completed. This is approved by the Facilities Manager, the Chief of Staff, Counsel, or Parking Administrator before submission to the Fiscal Department for payment. The Fiscal Department ensures all pertinent documents have been prepared and executed prior to processing for payment. Air rights credits are no longer included in current construction projects.

Contact Person: Carl Phillips

Contact Phone Number: (314) 589-6730



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Parking Ticket Processing Contract

Finding Number: 5.A.

Finding: The Parking Division did not consistently verify the number of processed tickets, paid tickets, or delinquent collections on the contractor's billings.

Recommendation: The Treasurer's office verify the number of tickets processed and paid and the delinquent collections on the contractor's billings to the totals of detailed reports.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Currently, the contractor's bill reflects the tickets processed for the month (Police and Treasurer's office), along with the delinquent tickets collected, credit card charges, and reimbursable postage. We are not charged on tickets paid; these would be included in the tickets processed. The price is verified on the contractor's billings based on the contract. The tickets processed and the dollar amount of the delinquent collections are verified against the Payment Detail Reports from eTims (the contractor's database). The Fiscal Department has access to eTims, which has tickets issued and tickets paid. A methodology will be developed with the Parking Administrator to verify the tickets issued in eTims against the tickets issued and tracked by the Parking Enforcement Office for the Treasurer's office.

The tickets paid are not verified. However, the amount paid is verified through the UMB Bank reconciliation process. It should also be noted that this contract was awarded via a competitive RFP process in February 2015 to Xerox State and Local Solutions, Inc.

Contact Person: Michelle Smart
Contact Phone Number: (314) 622-5678



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Parking Ticket Processing Contract

Finding Number: 5.B.

Finding: The Parking Division did not consistently verify the contractor met the performance criteria for the performance bonus. The contractor did not routinely provide the Parking Division with the details of its performance measurements. Additionally, the Parking Division did not periodically test the contractor's measures or its compliance with most standards.

Recommendation: The Treasurer's office require the contractor to routinely provide reports supporting its performance measurements and periodically test the contractor's compliance with each of the performance standards before paying the performance bonus.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The performance bonus has been eliminated. However, the contractor's compliance with performance standards is still crucial. To ensure compliance, the Parking Division receives the Service Organization Compliance Report on an annual basis from the contractor's independent auditor.

Contact Person: Michelle Smart
Contact Phone Number: (314) 622-5678



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Parking Ticket Processing Contract

Finding Number: 5.C.

Finding: The 2005 contract amendment appeared to have provided no additional services to the Parking Division and city while allowing the contractor to earn additional bonuses related to the early collection incentive bonus.

Recommendation: The Treasurer's office require additional services from the contractor for any subsequent contract amendments which allow additional bonuses.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The bonus structure was a part of a contractual obligation with Duncan Solutions, which no longer exists. This contract ended in January 2014. This is no longer applicable.

Contact Person: Michelle Smart

Contact Phone Number: (314) 622-5678



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Parking Meters

Finding Number: 6.

Finding: The Parking Division had not analyzed and compared meter costs and related revenues.

Recommendation: The Treasurer's office analyze and compare meter costs and revenues and consider removing the low revenue meters or service, replace, and collect coins from those meters with less frequency than other meters.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Treasurer's office issued a competitive RFP for meter costs and related revenues in 2014. Additionally, the Treasurer's office commissioned an independent parking study examining the city's current parking system and national best practices in 2014. In February 2015, an agreement was entered into between the Treasurer's office and Xerox State and Local Solutions, Inc. for the management of the Integrated Parking Management System for the City of St. Louis. This consists of managing the Parking Violations Bureau, meter maintenance and collections, and the sub-contractor companies (Hudson, IPS, and Parkeon) that offer their services to the city for parking purposes. Xerox is now operating under the name Conduent.

Contact Person: Carl Phillips

Contact Phone Number: (314) 589-6730



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Personnel Policies and Payroll Procedures

Finding Number: 7.A.

Finding: The Treasurer's office did not have written policies addressing related employees. Employees were not required to disclose to management their relationship to other employees and related employees were sometimes in supervisory/subordinate positions.

Recommendation: The Treasurer's office develop a written policy on related employees, require employees to disclose such relationships, and prohibit employees from supervising relatives.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Treasurer's office Employee Handbook, effective January 1, 2015, includes an anti-nepotism policy that prohibits close relatives, partners, those in dating relationships, or members of the same household to be in positions that have a reporting responsibility to each other. The Treasurer's office application for employment requires applicants to disclose whether the applicant has relatives that work for the office. Additionally, the anti-nepotism policy requires employees to inform management and human resources if they begin a dating relationship or become relatives, partners, or members of the same household when one party is in a supervisory position.

Contact Person: Shirley Rukcic
Contact Phone Number: (314) 612-1475



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Personnel Policies and Payroll Procedures

Finding Number: 7.B.

Finding: Policies related to employee leave were not always enforced, and leave balances were not always maintained accurately. Additionally, employees were not periodically notified of their accumulated leave balances and the leave balances kept by the Treasurer's office were not periodically compared to the balances maintained by the Comptroller's office.

Recommendation: The Treasurer's office enforce employee leave policies and ensure accurate leave balance records are maintained. Periodically, employees should be notified of their leave balances and leave balances should be reconciled with the Comptroller's office.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Treasurer's office implemented the NOVAtime 5000 Workforce Management Solution on August 7, 2016, for the purposes of capturing, tracking, and managing employee time, labor, and attendance. The system automatically processes employee accruals on a bi-weekly basis and tracks current leave balances based on the manual entry of accrual usage by payroll clerks. All employees can view current accrued leave balances at any time via Employee Web Services from a computer or at a hand punch data collection terminal. The employees of the Treasurer's office are not civil service employees and do not fall under the civil service pay ordinance, and therefore, leave balances are not tracked by the Comptroller's office.

Contact Person: Shirley Rukcic
Contact Phone Number: (314) 612-1475



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicle Policies and Records

Finding Number: 8.A.

Finding: Vehicle usage/maintenance logs were often incomplete. Usage/maintenance logs were maintained in each vehicle and contained columns for the date, beginning and ending odometer readings, fuel dispensed, and maintenance. We noted 14 of the usage/maintenance logs had no odometer readings recorded for 2007, although the fuel invoices indicated usage for those vehicles, and many of the other logs lacked usage data for one or more days during 2007. Also, none of the logs included information about the daily destinations and purposes of the trip.

Recommendation: The Treasurer's office require employees record daily destinations, purpose, and odometer readings on the usage/maintenance logs. The logs should be periodically reviewed and the usage of the vehicles evaluated for reasonableness and propriety.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Indication of the daily destination and purpose for routine drivers (i.e., parking enforcement officers, parking enforcement supervisors, and couriers) is not necessary as they are required to utilize vehicles to complete essential functions of their jobs. Drivers are required to complete the daily mileage and safety ticket form which assures the documentation of mileage and the vehicle safety check. Information captured on the daily mileage and safety ticket form is reviewed by management to ensure completeness prior to submitting to the Fleet Section.

Maintenance logs are maintained by the Director of Fleet and Safety. Once the driver's daily mileage logs are received by the Fleet Section, they are reviewed by the Administrative Clerk. If there are any maintenance items checked off or recorded on the forms, the Administrative Clerk forwards them to the Director of Fleet and Safety. The Director then reviews the items that need attention and addresses those items by making the repair (i.e., replace burned out light bulbs; replace worn windshield wiper blades; add windshield washer fluid, engine oil, anti-freeze/coolant, etc.). Items that need to be addressed through routine maintenance or repair are then scheduled for service at a repair facility.

Contact Person: Carl Phillips

Contact Phone Number: (314) 589-6730



City of St. Louis - Office of Treasurer
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicle Policies and Records

Finding Number: 8.B.

Finding: The review of fuel usage was not adequately documented.

Recommendation: The Treasurer's office develop expected fuel mileage parameters for each vehicle and document the investigation of mileage outside the established parameters.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

If an abnormal number of miles are noticed on a city vehicle in any given month, the Fiscal Department will alert the Parking Administrator. The Parking Administrator will then speak with the necessary department head and inquire why the excess miles were on the vehicle in question.

Contact Person: Carl Phillips
Contact Phone Number: (314) 589-6730



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
September 2018**

Monthly Report on Political Subdivision Filings

September 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 52 political subdivisions required to file a financial report by September 30, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in September 2018, after their filing deadline. The filing status for these 14 entities is presented in summary on page 3 and by individual entity in Appendix B-D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

September 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 52 political subdivisions, other than cities, towns, and villages, with a fiscal year end of March 31, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 52 political subdivisions, 42 filed an annual financial report by September 30, 2018.

This report also includes the filing status for 14 political subdivisions, other than cities, towns, and villages, that filed their financial report in September 2018, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due September 30, 2018

Fiscal Year Ended March 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	PWSD 3 Andrew County	Yes	July 31, 2018
Barry	Monett Marketplace CID	No	
Boone	Centralia Public Library District	Yes	April 17, 2018
Buchanan	Maxwell Heights FPD	Yes	April 6, 2018
Butler	North Cache River Drainage District	Yes	May 14, 2018
Caldwell	Golden Age NHD	No	
Camden	Sunrise Beach Market Center CID	Yes	September 24, 2018
Carroll	Sambo Slough Levee District	No	
Carter	West Carter Ambulance District	Yes	August 3, 2018
Cass	Cedar Tree CID	Yes	August 9, 2018
	Fairfield Inn CID	Yes	August 8, 2018
	PWSD 6 Cass County	Yes	July 16, 2018
	TXRH CID	Yes	July 23, 2018
	Y Belton CID	No	
	Y Belton Two CID	No	
	Y Highway Marketplace CID	Yes	September 14, 2018
Clay	210 Highway CID	Yes	September 30, 2018
	210 Highway TDD	Yes	September 30, 2018
	Kearney West Side CID	Yes	September 24, 2018
	Shoppes at Kearney CID	Yes	September 24, 2018
Cole	PWSD 2 Cole County	Yes	August 22, 2018
Franklin	St. Clair Sewer District	Yes	June 20, 2018
Harrison	Harrison County Hospital District	Yes	July 30, 2018
Henry	Golden Valley Memorial Hospital	Yes	June 12, 2018
Holt	Union Township Levee District	No	
Howell	63 Bypass CID	Yes	September 13, 2018
	Ozark Hills CID	Yes	September 13, 2018
	Ramseur Farm CID	Yes	September 13, 2018
	South 160 CID	Yes	September 13, 2018
	Southern Hills CID	Yes	September 13, 2018
Jasper	Sarcozie Rural FPD	Yes	August 14, 2018
Jefferson	Twin City Mall CID	No	
Lewis	Steffenville Drainage District	No	
Livingston	Livingston Ambulance District	Yes	June 18, 2018
	Stoneybrooke CID	Yes	September 27, 2018
Montgomery	Wellsville Public Library District	Yes	April 16, 2018
Perry	Perry County Memorial Hospital	Yes	July 27, 2018
Pettis	Galaxy West CID	Yes	July 27, 2018
	Sedalia Public Library District	Yes	May 15, 2018
Putnam	Putnam County Care Center	Yes	September 4, 2018
Ray	Levee District 2 Ray County	Yes	March 21, 2018
	Levee District Ray-Carroll County	Yes	February 27, 2018
Saline	Van Meter-Teteseau Levee District	Yes	May 16, 2018
Schuyler	Schuyler County Ambulance District	No	
St. Louis	Jennings Station Road CID	Yes	July 20, 2018
	Kirkwood Square CID	No	
	Manchester Lindbergh Southeast CID	Yes	May 24, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due September 30, 2018

Fiscal Year Ended March 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Market at McKnight CID	Yes	June 27, 2018
	Plaza on the Boulevard-Jennings CID	Yes	July 20, 2018
	Rock Hill Public Library District	Yes	September 28, 2018
Stoddard	PWSD 4 Stoddard County	Yes	August 23, 2018
Taney	Southtowne CID	Yes	September 24, 2018
Total Filed		42	
Total Not Filed		10	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due April 30, 2018
 Filed in September 2018

Fiscal Year Ended October 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cass	Jeter Farm CID	Yes	September 20, 2018
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2018

Filed in September 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Bollinger	Leopold Volunteer FPD	Yes	September 26, 2018
Howell	Pomona FPD	Yes	September 24, 2018
Jackson	Bridgewood Plaza CID	Yes	September 25, 2018
	New Longview TDD	Yes	September 11, 2018
	Ritter Plaza CID	Yes	September 24, 2018
	Linn County Ambulance District	Yes	September 4, 2018
Montgomery	Rhineland Bottom SRD Montgomery County	Yes	September 25, 2018
Polk	Bolivar SRD Polk County	Yes	September 28, 2018
St. Francois	St. Francois County 911 Board	Yes	September 24, 2018
Total Filed		9	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
SRD	Special Road District
TDD	Transportation Development District

Appendix D

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due August 31, 2018

Filed in September 2018

Fiscal Year Ended February 28, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Audrain	Van-Far Ambulance District	Yes	September 24, 2018
Carroll	Dewitt Drainage & Levee District	Yes	September 17, 2018
Marion	Drainage District Marion County	Yes	September 19, 2018
	Fabius River Drainage District	Yes	September 20, 2018
Total Filed		4	



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
September 2018**

Monthly Report on Municipal Court and Revenue Filings

September 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by September 30, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 51 cities and 25 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in September 2018, after their filing deadline. The filing status for these 29 cities and 2 villages is presented in summary on pages 4 and by individual entity in Appendixes B to D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

September 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 51 cities and 25 villages with a fiscal year end of March 31, 2018, whose financial reports, addendums, or certifications were due by September 30, 2018. Of the 76 cities and villages required to file an annual financial report, 55 filed the annual financial report timely. Of the 31 cities and villages required to file an addendum, 18 filed an addendum timely. Of the 30 cities and villages required to file a certification, 16 filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
September 2018
Executive Summary

This report includes the filing status for 29 cities and 2 villages that filed at least one of the items (financial report, addendum, or certification) in September 2018, after their filing deadline. Of these entities, 8 filed an annual financial report, 9 filed an addendum, and 21 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2018

Fiscal Year Ended March 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Adair	Village of Gibbs Village	No		n/a	n/a
Atchison	City of Tarkio	Yes	April 16, 2018	No	No
Audrain	City of Martinsburg	No		n/a	n/a
	Village of Benton City	Yes	August 20, 2018	n/a	n/a
Barry	City of Monett	Yes	August 30, 2018	Yes	Yes
Bates	City of Butler	Yes	September 14, 2018	No	Yes
Boone	City of Centralia	No		n/a	n/a
Buchanan	Village of Agency	Yes	August 23, 2018	n/a	n/a
	Village of Lewis & Clark	Yes	June 18, 2018	n/a	n/a
Camden	Village of Sunrise Beach	No		No	No
Cape Girardeau	Village of Old Appleton	Yes	August 28, 2018	n/a	n/a
	Village of Pochahontas	No		n/a	n/a
Carroll	City of Norborne	Yes	August 1, 2018	n/a	n/a
Cass	City of Belton	Yes	September 27, 2018	Yes	Yes
	City of Pleasant Hill	Yes	September 28, 2018	Yes	Yes
Chariton	City of Triplett	Yes	August 28, 2018	n/a	n/a
Clark	City of Kahoka	No		n/a	n/a
Clay	City of Glenaire	No		n/a	n/a
	City of Holt	No		n/a	n/a
	City of Kearney	Yes	September 6, 2018	Yes	Yes
	City of Mosby	Yes	May 22, 2018	n/a	n/a
	Village of Claycomo	Yes	September 5, 2018	No	No
	Village of Oakview	Yes	August 19, 2018	Yes	Yes
Clinton	Village of Grayson	No		n/a	n/a
Cole	City of Lohman	Yes	August 29, 2018	n/a	n/a
Cooper	City of Blackwater	Yes	April 24, 2018	n/a	n/a
	City of Boonville	Yes	August 13, 2018	n/a	n/a
	City of Pilot Grove	Yes	April 3, 2018	n/a	n/a
DeKalb	City of Osborn	Yes	August 30, 2018	n/a	n/a
Franklin	Village of Leslie	No		n/a	n/a
Grundy	City of Spickard	Yes	September 25, 2018	n/a	n/a
Henry	City of Calhoun	No		n/a	n/a
Holt	Village of Corning	No		n/a	n/a
Howell	City of West Plains	Yes	September 13, 2018	No	Yes
Jefferson	City of Crystal City	Yes	September 25, 2018	Yes	Yes
	Village of Scotsdale	Yes	April 16, 2018	n/a	n/a
Lafayette	City of Lexington	Yes	May 15, 2018	No	No
	City of Napoleon	Yes	July 29, 2018	n/a	n/a
	Village of Dover	No		n/a	n/a
Lawrence	City of Pierce City	Yes	August 22, 2018	Yes	Yes
	City of Verona	Yes	September 11, 2018	No	No

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2018

Fiscal Year Ended March 31, 2018

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Livingston	City of Chillicothe	Yes	September 27, 2018	n/a	n/a
Miller	City of Iberia	Yes	July 17, 2018	Yes	Yes
	Village of Olean	Yes	September 15, 2018	n/a	n/a
Mississippi	City of East Prairie	Yes	June 29, 2018	Yes	Yes
Moniteau	City of California	Yes	September 21, 2018	n/a	n/a
Monroe	City of Paris	Yes	August 28, 2018	n/a	n/a
Montgomery	City of Jonesburg	No		n/a	n/a
	City of McKittrick	Yes	June 13, 2018	n/a	n/a
	City of Wellsville	No		n/a	n/a
	Village of Rhineland	No		n/a	n/a
Osage	City of Westphalia	Yes	September 24, 2018	n/a	n/a
Perry	City of Perryville	Yes	September 27, 2018	Yes	Yes
Pettis	City of Sedalia	Yes	September 24, 2018	Yes	n/a
Pike	Village of Eolia	Yes	May 9, 2018	n/a	n/a
Putnam	City of Unionville	Yes	July 30, 2018	n/a	n/a
Ray	City of Hardin	Yes	August 31, 2018	Yes	No
Saline	City of Sweet Springs	Yes	July 19, 2018	No	No
	Village of Arrow Rock	Yes	June 6, 2018	n/a	n/a
	Village of Mount Leonard	No		n/a	n/a
Scotland	Village of Arbela	Yes	July 20, 2018	n/a	n/a
Scott	City of Chaffee	No		No	No
	City of Oran	No		n/a	n/a
Shelby	Village of Bethel	Yes	August 22, 2018	n/a	n/a
St. Clair	Village of Vista	No		n/a	n/a
St. Francois	City of Leadwood	Yes	August 2, 2018	No	No
St. Louis	City of Jennings	Yes	September 25, 2018	Yes	Yes
	City of Kirkwood	Yes	September 27, 2018	No	No
	City of Rock Hill	Yes	September 25, 2018	Yes	Yes
	City of Velda Village Hills	Yes	September 28, 2018	Yes	Yes
	Village of Hillsdale	Yes	August 1, 2018	No	No
	Village of Sycamore Hills	Yes	April 20, 2018	Yes	No
Taney	City of Hollister	Yes	July 20, 2018	No	No
Texas	City of Licking	Yes	August 20, 2018	Yes	No
Vernon	Village of Harwood	No		n/a	n/a
Wright	City of Mansfield	Yes	August 9, 2018	Yes	Yes
Total Filed		55		18	16
Total Not Filed		21		13	14
Total n/a		0		45	46

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due October 31, 2017
 Filed in September 2018

Fiscal Year Ended April 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
New Madrid	City of Risco	***	March 13, 2018	No	Yes
Total Filed		0		0	1

*** Filed after October 31, 2017, but before September 2018.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in September 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Barry	City of Butterfield	Yes	September 12, 2018	No	No
	City of Cassville	**	May 15, 2018	Yes	Yes
Buchanan	City of Easton	Yes	September 25, 2018	**	No
Callaway	City of Holts Summit	***	August 3, 2018	Yes	Yes
Camden	City of Osage Beach	**	June 13, 2018	Yes	Yes
Cass	City of Lake Winnebago	**	April 18, 2018	**	Yes
Christian	City of Billings	**	April 24, 2018	No	Yes
Clay	City of Liberty	**	June 29, 2018	**	Yes
Franklin	City of St. Clair	**	June 28, 2018	**	Yes
Greene	City of Republic	**	June 20, 2018	Yes	No
Holt	City of Forest City	Yes	September 11, 2018	n/a	n/a
Iron	City of Annapolis	Yes	September 10, 2018	***	Yes
Jackson	City of Grain Valley	**	June 14, 2018	No	Yes
Laclede	Village of Phillipsburg	Yes	September 11, 2018	n/a	n/a
Lincoln	City of Elsberry	***	July 9, 2018	No	Yes
New Madrid	City of Canalou	***	July 17, 2018	Yes	**
	City of Marston	***	July 17, 2018	No	Yes
Newton	City of Fairview	**	February 7, 2018	**	Yes
Polk	City of Bolivar	**	January 10, 2018	**	Yes
Polk	City of Humansville	**	June 13, 2018	Yes	Yes
St. Louis	City of Dellwood	**	June 27, 2018	Yes	Yes
	City of Manchester	***	July 17, 2018	Yes	Yes
	City of Wilbur Park	**	June 26, 2018	Yes	No
	City of Wildwood	**	June 28, 2018	No	Yes
Stone	City of Reeds Spring	Yes	September 13, 2018	***	***
Taney	City of Merriam Woods	Yes	September 7, 2018	n/a	n/a
Texas	City of Houston	***	July 3, 2018	**	Yes
Washington	Village of Caledonia	Yes	September 14, 2018	n/a	n/a
Webster	City of Marshfield	**	June 4, 2018	**	Yes
Total Filed		8		9	19

** Filed by June 30, 2018.

*** Filed after June 30, 2018, but before September 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due August 31, 2018
 Filed in September 2018

Fiscal Year Ended February 28, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Audrain	City of Vandalia	**	August 13, 2018	**	Yes
Total Filed		0		0	1

** Filed by August 31, 2018.



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Board of Directors of Fire Protection
Districts in St. Louis County

Certain fire protection districts are required by Section 321.690, RSMo, to be audited and to submit their audit reports to the State Auditor's Office (SAO). To address our responsibilities of Section 321.690.3, RSMo, and 15 CSR 40-4.010 to 15 CSR 40-4.020, we have reviewed the independent audit reports of the fire protection districts in St. Louis County, as of and for the year ended December 31, 2017. The purpose of this review was to evaluate the districts' compliance with statutory audit requirements and SAO regulations. Because our review is limited to statutory and regulatory compliance, we do not express an opinion or any other form of assurance on the audit reports.

There are 23 fire protection districts in St. Louis County. All districts with an audit period ending December 31, 2017, submitted audit reports. Section 321.690.2, RSMo, requires certain fire protection districts to have an audit performed biennially, and Section 321.690.3, RSMo, requires the districts to forward the audit report to our office within 6 months of fiscal year end. Kinloch Fire Protection District was not required to submit a report in 2018, because it is intending to obtain a biennial audit for the 2 years ended December 31, 2018, according to a letter received from the Kinloch Fire Protection District on September 4, 2018. This district is expected to submit an audit report for the 2 years ended December 31, 2018.

The SAO posts the individual audit reports to its website. A searchable link is available at <https://auditor.mo.gov>. A table summarizing our review of the St. Louis County fire protection districts' audit reports follows.

District	Audit Report Period	Report Compliance with Section 321.690.3, RSMo	Findings in Independent Audit Report
Affton	1 Year Ended 12/31/2017	Yes	No
Black Jack	1 Year Ended 12/31/2017	Yes	No
Community	1 Year Ended 12/31/2017	Yes	No
Creve Coeur	1 Year Ended 12/31/2017	Yes	No
Eureka	1 Year Ended 12/31/2017	Yes	Yes
Fenton ³	1 Year Ended 12/31/2017	Yes	No
Florissant Valley	1 Year Ended 12/31/2017	Yes	Yes
Kinloch ¹			
Lemay	1 Year Ended 12/31/2017	Yes	No
Maryland Heights ³	1 Year Ended 12/31/2017	Yes	No
Mehlville	1 Year Ended 12/31/2017	Yes	No
Metro West	1 Year Ended 12/31/2017	Yes	No
Metro North	1 Year Ended 12/31/2017	Yes	Yes
Mid-County	1 Year Ended 12/31/2017	Yes	Yes
Monarch	1 Year Ended 12/31/2017	Yes	No
Northeast Ambulance ⁴	1 Year Ended 12/31/2017	Yes ²	Yes
Pattonville	1 Year Ended 12/31/2017	Yes	No
Riverview	1 Year Ended 12/31/2017	Yes	No
Robertson	1 Year Ended 12/31/2017	Yes	Yes
Spanish Lake	1 Year Ended 12/31/2017	Yes	No
Valley Park	1 Year Ended 12/31/2017	Yes	No
West County EMS	1 Year Ended 12/31/2017	Yes	No
West Overland EMS	1 Year Ended 12/31/2017	Yes	No

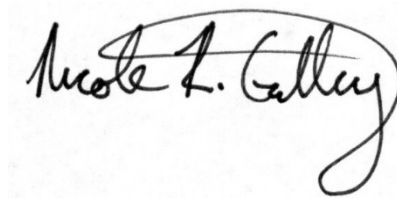
¹ The fire protection district provided a letter of intent to have an independent audit covering the 2 years ended December 31, 2018. The audit report is required to be submitted to the SAO no later than June 30, 2019.

² The audit report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

³ The audit report filed included an error in the notes to the financial statements. A revised audit report was requested and obtained. We noted no concerns with the revised audit report.

⁴ The audit report filed did not include the views of responsible officials related to the audit findings, conclusions, and recommendations, as required for audits performed in accordance with *Government Auditing Standards*. A revised audit report was requested and obtained. We noted no concerns with the revised audit report.

No findings resulted from our review of the audit reports submitted by the St. Louis County fire protection districts.



Nicole R. Galloway, CPA
State Auditor



NICOLE GALLOWAY, CPA **Missouri State Auditor**

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Board of Directors of Fire Protection
Districts in Greene County

Certain fire protection districts are required by Section 321.690, RSMo, to be audited and to submit their audit reports to the State Auditor's Office (SAO). To address our responsibilities of Section 321.690.3, RSMo, and 15 CSR 40-4.010 to 15 CSR 40-4.020, we have reviewed the independent audit reports of the fire protection districts in Greene County, as of and for the year or 2 years ended December 31, 2017. The purpose of this review was to evaluate the districts' compliance with statutory audit requirements and SAO regulations. Because our review is limited to statutory and regulatory compliance, we do not express an opinion or any other form of assurance on the audit reports.

There are 11 fire protection districts in Greene County. All districts with an audit period ending December 31, 2017, submitted audit reports. Section 321.690.2, RSMo, requires certain fire protection districts to have an audit performed biennially, and Section 321.690.3, RSMo, requires the districts to forward the audit report to our office within 6 months of fiscal year end. Some of the districts were not required to submit a report in 2018, because they obtain biennial audits and the most recent audit report submitted was for the 2 years ended December 31, 2016. These districts are expected to submit a biennial audit report for the 2 years ended December 31, 2018. As noted in our prior report, No. 2018-017, *Greene County Fire Protection Districts*, issued in April 2018, the West Republic Fire Protection District did not obtain the required independent audit for the 2 years ended December 31, 2016, in a timely manner. The SAO received the audit report on March 5, 2018, subsequent to our prior review.

The SAO posts the individual audit reports to its website. A searchable link is available at <https://auditor.mo.gov>. A table summarizing our review of the Greene County fire protection districts' audit reports follows.

District	Audit Report Period	Report Compliance with Section 321.690.3, RSMo	Findings in Independent Audit Report
Ash Grove	2 Years Ended 12/31/17	Yes ²	Yes
Battlefield	1 Year Ended 12/31/17	Yes	No
Bois D'Arc	2 Years Ended 12/31/17	Yes	No
Brookline ¹			
Ebenezer ³	2 Years Ended 12/31/17	Yes	No
Fair Grove ¹			
Logan-Rogersville ¹			
Strafford Volunteer ¹			
Walnut Grove	1 Year Ended 12/31/17	Yes	Yes
West Republic ^{1, 4}			
Willard	1 Year Ended 12/31/17	Yes	No

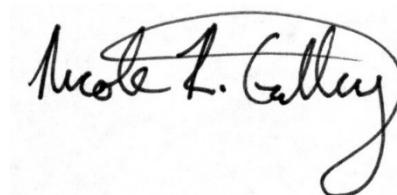
¹ The fire protection district had an independent audit for the 2 years ended December 31, 2016. The district's next audit is expected to cover the 2 years ended December 31, 2018, and is required to be submitted to the SAO no later than June 30, 2019.

² The audit report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

³ The audit report filed included an error in the notes to the financial statements. A revised audit report was requested and obtained. We noted no concerns with the revised audit report.

⁴ Due to noncompliance in a previous period, the SAO reviewed the audit report for the 2 years ended December 31, 2016, submitted March 5, 2018. The audit report had no audit findings and was in compliance with Section 321.690.3, RSMo, except that the audit report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

No findings resulted from our review of the audit reports submitted by the Greene County fire protection districts.



Nicole R. Galloway, CPA
State Auditor



Office of Missouri State Auditor
Nicole Galloway, CPA

Laclede County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Laclede County

Sheriff's Controls and Procedures	The Bookkeeper does not deposit inmate monies timely. Sheriff's office personnel do not compare reports of month-end liabilities to the reconciled bank balance for the civil account. The Sheriff charges a \$10 flat fee for mileage when serving civil papers, which is not in accordance with state law. The seized property evidence log maintained is not accurate. The Sheriff's office does not charge or collect sales taxes on e-cigarettes sold to inmates, and no sales taxes are remitted to the Department of Revenue.
Property Tax System Changes	Refunds of overpayments related to errors in property tax records are not always properly recorded in the property tax system and reductions in assessed valuations do not always go through the abatement process.
County Collector's Penalty Distributions	The County Collector improperly calculated the distribution of late payment penalties collected from January 1, 2018, to May 31, 2018.
Tax Maintenance Fund	Some disbursements from the county's TMF were not in compliance with uses allowed by state law and/or were not reasonable. The County Collector did not transfer TMF monies in excess of the allowable limit at year-end to the county's General Revenue Fund.
Passwords	The County Assessor, Recorder of Deeds, and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data.
Prosecuting Attorney's Accounts Receivable	The Prosecuting Attorney's office does not generate a monthly list of unpaid bad checks and restitution.
Recorder of Deeds' Controls and Procedures	The Recorder of Deeds does not document his review of the daily transaction reports used to reconcile receipts to deposits and does not account for the numerical sequence of receipt numbers.
Senate Bill 40 Board's Budgets	The Senate Bill 40 Board did not approve budgets for the years ended December 31, 2017, and 2018, until April 2018, after our inquiry.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations of another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Laclede County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Laclede County

We have audited certain operations of Laclede County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Laclede County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

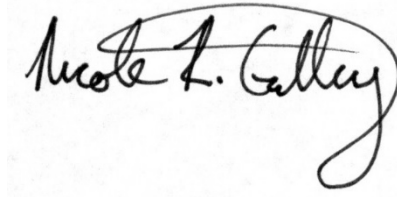
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Laclede County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Marian Rader, M.Acct., CPA, CFE
Audit Staff:	Albert Borde-Koufie, MBA
	Misty Bowen, MSED
	Dovile Zavistauskaite

Laclede County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office processed inmate monies, paper service fees, concealed carry weapon permit fees, bonds, and other miscellaneous receipts totaling approximately \$437,500 during the year ended December 31, 2017.

1.1 Deposits

The Bookkeeper does not deposit inmate monies timely. The Bookkeeper removes monies from 2 kiosks for deposit approximately once a month. This results in substantial cash amounts accumulating in the kiosks prior to deposit. For example, \$13,930 received at the lobby kiosk from September 22 through October 14, 2017, was not deposited until October 18, 2017. In addition, \$1,387 received at the booking kiosk and booking area from September 22 through October 14, 2017, was not deposited until October 17, 2017.

Failure to implement adequate depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

1.2 Liabilities

Sheriff's office personnel do not compare reports of month-end liabilities to the reconciled bank balance for the civil account. The monthly income summary report and the transaction report listed liabilities totaling \$2,947 at December 31, 2017, and the reconciled bank balance was \$2,297, resulting in a shortage of \$650. Due to personnel changes, a different person began reviewing disbursements and bank reconciliations in March 2018, and identified and corrected an overpayment error from November 2017 that caused the shortage. While procedures over disbursements and bank reconciliations have improved, monthly reports of collections on hand are not compared to the reconciled bank balance to ensure adequate funds are available to pay all liabilities.

Regular identification and comparison of liabilities to the reconciled bank balance is necessary to ensure accounting records are in balance and cash is sufficient to satisfy all liabilities. Differences should be adequately investigated and explained.

1.3 Paper service fees

The Sheriff charges a \$10 flat fee for mileage when serving civil papers, which is not in accordance with state law. The Sheriff collected approximately \$44,000 for civil paper service fees, including mileage, during the year ended December 31, 2017.

Section 57.280, RSMo, provides that the Sheriff be reimbursed for each mile actually traveled to serve any summons, writ, subpoena, or other order of the court. Charging a per-mile reimbursement for service will bring the Sheriff into compliance with state law.

1.4 Seized property

The seized property evidence log maintained is not accurate. During our review of the evidence log and items on hand as of April 2018, we noted cash totaling \$5,424 was recorded on the evidence log, but was not on hand. We



Laclede County
Management Advisory Report - State Auditor's Findings

later determined it had been turned over to the Circuit Clerk in February 2018. The evidence log had not been updated to reflect the disposition of this item.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory records should be maintained to ensure seized property is accounted for properly.

1.5 Sales tax

The Sheriff's office does not charge or collect sales taxes on e-cigarettes sold to inmates, and no sales taxes are remitted to the Department of Revenue (DOR). Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax. Therefore, the Sheriff should be charging and collecting sales tax and remitting tax collections to the DOR.

Similar conditions
previously reported

Similar conditions to sections 1.1, 1.2, and 1.4 were noted in our prior audit report.

Recommendations

The Sheriff:

- 1.1 Ensure monies received are deposited timely.
- 1.2 Prepare a monthly lists of liabilities for the civil account and reconcile it to the reconciled bank balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 1.3 Ensure civil paper service fees are charged in accordance with state law.
- 1.4 Maintain accurate seized property records and ensure dispositions of seized property are properly recorded.
- 1.5 Contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on e-cigarette sales and ensure all future sales tax collections are remitted to the DOR.

Auditee's Response

- 1.1 *No money was found missing during the auditor's review. The Sheriff's office has implemented new procedures regarding more timely deposits of money received at the kiosks.*
- 1.2 *No money was found missing during the auditor's review. The Sheriff's office staff identified the shortage mentioned in the review, not the auditors, and the shortage was an accounting issue and the money was not missing. The Sheriff's office has adopted new procedures regarding reconciliation of deposits and comparing a monthly list of liabilities to the reconciled balance.*



Laclede County
Management Advisory Report - State Auditor's Findings

- 1.3 *The flat fee for civil process was implemented by the previous Sheriff's administration. The purpose of the flat fee was to try to implement a recommendation from the State Auditor's Office to collect a mileage fee in advance. The procedure was changed on July 1, 2018, and mileage fees are now charged after the service of process.*
- 1.4 *No seized property was found missing by the auditors. The controls over seized property were overhauled at the beginning of the current administration, and best practices were implemented prior to the audit and are under continuous review by the current administration. The money mentioned in the finding was accounted for without issue, and was a data entry issue. Procedures for spot audits of the property room have been implemented.*
- 1.5 *This is under current legal review as to whether the Sheriff's office is required under state statute and the state code of regulations to collect the tax. If legal counsel agrees with the auditor's interpretation, the Sheriff's office will remit the tax money on future sales.*

2. Property Tax System Changes

Refunds of overpayments related to errors in property tax records are not always properly recorded in the property tax system and reductions in assessed valuations do not always go through the abatement process. If an error in a property tax record resulting in an overpayment is identified after the related tax has been paid, it is processed in one of the following methods:

- If the taxpayer does not request a refund, the County Assessor adjusts the assessed value of the property in the subsequent tax year so that the tax liability is reduced to offset the amount of the overpayment, and enters a note into the tax system to verify the accuracy of the assessed value in the following year. However, a refund check should be issued by the County Collector for tax overpayments instead of the County Assessor changing assessed valuations to lower a future payment.
- If the taxpayer requests a refund for the overpayment, the County Assessor sends a letter to the County Collector indicating the error and requesting a refund to the taxpayer. The County Collector issues the refund and makes a manual adjustment to a monthly settlement to reduce monthly distributions by the amount of the refund. These refunds are not presented to the County Commission for abatement. For example, a taxpayer was issued a \$1,580 refund on April 27, 2016, for taxes overpaid during the past 5 years. The County Assessor corrected the assessed valuation beginning in tax year 2016, but did not prepare an abatement order for the prior 5 years. As a result, the County Commission did not review and approve an abatement order for the erroneous assessment.



Laclede County Management Advisory Report - State Auditor's Findings

According to the County Collector's annual settlement for the year ended February 28, 2018, distributions for these types of refunds totaled approximately \$6,200.

The lack of independent verification and approval of changes in the property tax system significantly increases the risk of intentional and unintentional errors and omissions to the property tax books. Presenting abatement orders to the County Commission provides an independent review of changes made to the property tax system and helps ensure these changes are proper.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. Section 53.030, RSMo, requires the County Assessor to take an oath to assess property at what the official believes to be the actual cash value, and no provision of law permits the County Assessor to change the assessment based on overpayment of tax. Making adjustments to assessed valuations to satisfy overpayments increases the risk of improper assessments in future years and loss of tax revenues.

Recommendation

The County Assessor discontinue the practice of changing assessed valuations for subsequent billings when overpayments occur and present abatement orders to the County Commission for correction of all erroneous assessments.

Auditee's Response

The County Assessor's office has discontinued the practice of changing assessed valuations for subsequent billings when overpayments occur. The County Commission will be presented with abatement orders for correction of all erroneous assessments.

3. County Collector's Penalty Distributions

The County Collector improperly distributed late payment penalties collected from January 1, 2018, to May 31, 2018. The County Collector did not change the penalty distribution calculation when the penalty increased from 7 percent to 9 percent on January 1, 2018, in accordance with state law. Due to this oversight, the distribution to the County Employees' Retirement Fund was calculated as three-sevenths of late payment collections but should have been calculated as five-ninths. As a result, \$14,064 was under distributed to the County Employees' Retirement Fund, and the Tax Maintenance and General Revenue Funds were each over distributed \$7,032.

Effective January 1, 2018, the penalty for late payment authorized under Section 52.290.1, RSMo, increased to 9 percent and provides for the penalty to be distributed as follows: two-ninths to the General Revenue Fund, two-ninths to the Tax Maintenance Fund, and five-ninths to the County Employees' Retirement Fund. To ensure all penalties are properly distributed and to help detect errors timely, penalties collected and distributed should be periodically reviewed and recalculated for accuracy.



Laclede County
Management Advisory Report - State Auditor's Findings

Recommendation

The County Collector ensure the distribution of penalties is calculated accurately and correct the distributions made in error.

Auditee's Response

According to your correspondence to begin the audit and your correspondence for the audit exit, this audit was related to the time frame for the year ended December 31, 2017.

The penalty distribution inaccuracy did not occur and was not discovered until after the time frame of your audit. The calculation was discovered and corrected after the local exit from your field workers. Other counties that use the same monthly settlement software were notified to remedy the differences. This finding should be omitted or used on the next audit cycle if you deem it necessary.

Auditor's Comment

Our audit communication memo provided to the County Collector at the beginning of the audit (dated March 12, 2018), stated our audit included, but was not necessarily limited to, the year ended December 31, 2017. The County Collector corrected the calculation for future penalty distributions after we identified the error and brought it to his attention. However, the distribution errors noted in the finding still need to be corrected to ensure compliance with state law.

4. Tax Maintenance Fund

Controls over the management and use of Tax Maintenance Fund (TMF) monies need improvement. By law, the TMF is to be used for additional administrative or operational costs related to the office of the County Collector. During the year ended December 31, 2017, disbursements totaled approximately \$25,800 from the TMF.

4.1 Disbursements

Some disbursements from the county's TMF were not in compliance with uses allowed by state law and/or were not reasonable.

- The County Collector paid approximately \$1,900 for 4 computers in July 2017, and gave the computers to other county offices approximately 2 months later after he had purchased 4 more computers. The other county offices did not reimburse the TMF for the cost of these computers.
- The County Collector paid approximately \$2,000 for a security system installed throughout the courthouse that primarily benefitted other county offices. The cost of this system was not allocated among all county offices benefiting from the system.

Section 52.315, RSMo, requires TMF monies be expended for additional administration and operation costs of the County Collector's office. Because the purchases listed above were primarily for the benefit of other county offices and not related to costs or expenses incurred in the office of the County Collector, the disbursements are not an appropriate use of TMF monies.



Laclede County
Management Advisory Report - State Auditor's Findings

4.2 Balance over limit

The County Collector did not transfer TMF monies in excess of the allowable limit at year-end to the county's General Revenue Fund. As of December 31, 2017, the balance of the TMF was \$110,560, which exceeds the County Collector's prior year's approved budget of \$108,776 by \$1,784.

Section 52.317.1, RSMo, sets limits for the TMF balance as of December 31 each year. In all counties other than first class counties, which collect more than four million dollars, the balance shall be limited to an amount equal to the previous year's approved budget for the office of the County Collector. Any moneys remaining in the TMF as of December 31 each year that exceed the established limits shall be transferred to the county's general revenue by January 15 of the following year.

Recommendations

The County Collector:

- 4.1 Ensure future disbursements from the TMF are in compliance with statutory provisions. In addition, the TMF should be reimbursed from the applicable fund(s) for the improper disbursements benefiting other county offices.
- 4.2 Review the balance of the TMF as of December 31 each year and disburse funds in excess of the allowable limit to the county's General Revenue Fund in accordance with state law.

Auditee's Response

- 4.1 *The County Collector finds the auditor to be incorrect and strongly disagrees with its findings. The primary purchase of the computers was for the County Collector's office and in compliance with Section 52.315, RSMo. It was discovered upon receipt of this purchase that these lacked the technology and hardware for the purpose intended. The County Collector's office did the reasonable and responsible thing to properly provide other offices with these computers that have a direct benefit to this office, and therefore, was in compliance with state statute. At the present time, all County Commissioners have computers that have a direct result of this practice.*

The County Collector strongly disputes this finding. The County Collector's office found it curious that the auditor did not address Section 52.315.3, RSMo, "The collector has the sole responsibility for all expenditures made from the tax maintenance fund and shall approve all expenditures from such fund. All such expenditures from the tax maintenance fund shall not be used to substitute for or subsidize any allocation of county general revenue for the operation of the office of collector." The County Collector's general revenue budget only provides for salaries and mileage/training. In the year ending December 31, 2017, the TMF had expenditures that clearly were for the operation of the County Collector's office and the County



Laclede County
Management Advisory Report - State Auditor's Findings

did not reimburse the fund. These expenditures included \$4,960 for the County Collector's software, \$1,010 for information technology and hardware setup, \$4,956 for office supplies, \$3,000 for website and web-based payment portal, \$10,470 for equipment and installation, along with many others that were office related. The TMF has transferred to the General Revenue Fund \$20,000 since your previous audit period for expenditures that have a direct impact to the operation of the County Collector's office and there were no reimbursements to the TMF and also no mention of this in your findings.

4.2 *The County Collector will review the balance of the TMF as of December 31 each year and disburse funds in excess of the allowable limit to the county's General Revenue Fund in accordance with state law.*

Auditor's Comment

4.1 The items indicated in the finding benefiting other county offices are not administrative or operating costs of the County Collector's office and the TMF should be reimbursed from the applicable fund for the improper disbursements benefiting other county offices. In addition, the County Collector's contends that the county used the TMF to subsidize allocations from the General Revenue Fund. However, the County Collector's approved budget in the General Revenue Fund has increased in each of the last 3 years and for 2018 the County Collector's approved budget in the General Revenue Fund was higher than the original budget request submitted by the County Collector. Thus, the County Commission is not using the TMF to subsidize the General Revenue Fund.

5. Passwords

The County Assessor, Recorder of Deeds, and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically to help ensure passwords remain known only to the assigned user.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent on keeping them confidential. However, since passwords do not have to be periodically changed by employees in these offices, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.



Laclede County
Management Advisory Report - State Auditor's Findings

Recommendation

The County Commission work with other county officials to require employees maintain confidential passwords that must be periodically changed.

Auditee's Response

The County Assessor provided the following response:

Passwords in the County Assessor's office are now periodically changed and kept confidential.

The Recorder of Deeds provided the following response:

All the computers in the Recorder of Deeds' office, except the public computers, now have a scheduled password change which is done every 180 days.

The Public Administrator provided the following response:

During the fieldwork pertaining to the audit of Laclede County, Missouri for the year ended December 31, 2017, it was brought to the Public Administrator attention the necessity of having a policy and procedure regarding the changing of passwords for our computer system.

At the time of the discussion, the Public Administrator immediately incorporated a policy to require all passwords be changed approximately every 90 days. All employees will change their passwords every quarter.

The County Commission provided the following response:

The County Commission will work with office holders to ensure passwords are changed periodically and kept confidential.

6. Prosecuting Attorney's Accounts Receivable

Improvement is needed to better monitor and pursue collection of receivables. The Prosecuting Attorney's office does not generate a monthly list of unpaid bad checks and restitution. As a result, the amount of unpaid receivables is unknown and the need for follow up on specific cases may not be identified timely.

A complete and accurate list of unpaid bad checks and restitution would allow the office personnel to more easily review amounts due, take appropriate steps to ensure amounts due are collected, and determine if any amounts are uncollectible.

A similar condition was noted in our prior audit report.

Recommendation

The Prosecuting Attorney establish procedures to monitor and collect accounts receivable.



Laclede County
Management Advisory Report - State Auditor's Findings

Auditee's Response

Typically, individuals who owe money to crime victims are placed on probation with a specific condition that the individual pay restitution. The Prosecuting Attorney believes that it is a function of the probation provider to make sure that the person being supervised is paying restitution as ordered by the court. However, per your recommendation, the Prosecuting Attorney is now working more closely with the probation provider so that if restitution is not paid as ordered, the court is notified in a timely manner so the court can take any action the court deems appropriate.

As to bad checks, the Bad Check Clerk manually reviews the check referrals monthly to determine what action needs to be taken. Per your recommendation, the Bad Check Clerk will generate a report from our case management system to compare with the manual review she currently makes to ensure that checks are being processed and prosecuted in a timely manner.

7. Recorder of Deeds' Controls and Procedures

Controls and procedures in the Recorder of Deeds' office need improvement. The office collected approximately \$270,000 for recording documents such as marriage licenses and deeds, passport fees, and other miscellaneous receipts during the year ended December 31, 2017.

The Recorder of Deeds does not document his review of the daily transaction reports used to reconcile receipts to deposits. In addition, office personnel do not account for the numerical sequence of receipt (invoice) numbers automatically generated by the accounting system. We noted 10 missing receipt numbers during our review of 20 daily transaction reports.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

Recommendation

The Recorder of Deeds perform a documented review of the accounting records and account for the numerical sequence of all receipt numbers.

Auditee's Response

Our information technology vendor was contacted to program our system to not allow invoices to be deleted. This task was finished August 28, 2018. A daily report of the invoice numbers is now being printed and the review is documented and kept on file.

The invoices were mistakenly deleted because there was all new personnel in the office. They would go into the invoicing system by mistake thinking it was our indexing system. When they realized they were in the wrong system, they simply deleted the invoice.

8. Senate Bill 40 Board's Budgets

The Senate Bill 40 Board did not approve budgets for the years ended December 31, 2017, and 2018, until April 2018, after our inquiry. These budgets were on file in the Board's records; however, they had not been forwarded to the State Auditor's Office as of August 29, 2018.



Laclede County
Management Advisory Report - State Auditor's Findings

Budget documents are an essential tool for the efficient management of finances and should be prepared annually at the beginning of each fiscal year. In addition, Section 50.740, RSMo, requires budgets to be submitted to the State Auditor's Office.

Recommendation

The Senate Bill 40 Board should ensure budgets are approved and submitted to the State Auditor's Office in a timely manner as required by state law.

Auditee's Response

The Senate Bill 40 Board will ensure budgets are approved and submitted in a timely manner.

Laclede County

Organization and Statistical Information

Laclede County is a county-organized, third-class county. The county seat is Lebanon.

Laclede County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 113 full-time employees and 13 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Danny Rhoades, Presiding Commissioner	\$	32,984
Joe Pickering, Associate Commissioner		30,297
Darrell Pollock, Associate Commissioner		30,297
Lynn Stowe, Recorder of Deeds		47,498
Glenda Mott, County Clerk		47,498
Jon Morris, Prosecuting Attorney (1)		141,046
David Millsap, Sheriff		51,740
Jean Cook, County Treasurer		47,498
Steve Murrell, County Coroner		16,557
Karen Guinn, Public Administrator		46,567
Steve Pickering, County Collector (2), year ended February 28,	67,145	
Johnny North, County Assessor, year ended August 31,		46,329
Steve Mathis, County Surveyor (3)		

(1) Includes \$4,028 of back pay due to a raise that was received in 2016, but not issued until January 2017.

(2) Includes \$19,560 of commissions earned for collecting city property taxes.

(3) Compensation on a fee basis.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Office of License Collector

Report No. 2018-109
October 2018

auditor.mo.gov

City of St. Louis - Office of License Collector

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Mavis T. Thompson, Esq., License Collector
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2009-64, *City of St. Louis, Office of License Collector*, issued in June 2009, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Office of License Collector. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Office of License Collector that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Office of License Collector

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Businesses Operating Without Valid Licenses

Finding Number: 1.

Finding: The License Collector's office could have improved procedures to timely resolve non-compliance issues in the license application clearance process, including establishing guidelines for determining when it was appropriate to close non-compliant businesses.

Recommendation: The License Collector continue to coordinate with other city departments to strengthen procedures to resolve problems with businesses obtaining clearance and determine whether there are any other legal avenues the city can take against non-compliant businesses. In addition, the office should consider developing guidelines for determining what factors will be considered when deciding whether to close a business and when those determinations will be made.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector's office, in coordination with other city departments, established a comprehensive procedure for determining what factors and guidelines will be considered when deciding to close a business. We have coordinated with other city departments to strengthen procedures for resolving problems with businesses obtaining clearance and determined whether there are other legal avenues the city can take against non-compliant businesses. Specifically, we met with the Collector of Revenue, Assessor, Building Division, Municipal Court Judge, City Counselor's office, and the Health Department.

The outcome of these meetings resulted in the formulation and implementation of a comprehensive Business Closure Policy. This policy addressed the procedure for pursuing a legal remedy in court against non-compliant businesses.

Contact Person: Mavis Thompson
Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Follow-up on Delinquencies and Pending Applications

Finding Number: 2.A.

Finding: Some follow-up procedures performed on delinquencies and pending applications were not adequately documented and information was not maintained in a readily accessible, centralized location to allow for proper monitoring and supervision. As a result, it was difficult for management to determine what follow-up work had been performed on a particular business.

Recommendation: The License Collector improve procedures to ensure adequate documentation is maintained in an accessible centralized location for all follow-up work performed.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector office's procedures to follow up on delinquencies are the following:

- Field service representatives (FSRs) are assigned to delinquent businesses existing on their specified routes.
- FSRs call the business owner to arrange a date and time for collections.
- FSRs physically go to the business to collect payment.
- FSRs send correspondence to delinquent businesses that are not reachable by phone.
- FSRs leave a door hanger identifying the delinquent business and restricted time allotted for payment.
- All documentation concerning efforts of collections and results of those efforts are logged into a centralized location in the licensing system shared drive.
- If the efforts are unsuccessful, compliance officers are asked to intervene to try to get better results and obtain payment from delinquent business.
- If the compliance officers are also unsuccessful, a summons will be issued by the police department.
- After due process, our business closure policy will be implemented if needed.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Follow-up on Delinquencies and Pending Applications

Finding Number: 2.B.

Finding: The License Collector's office did not send out deficiency notices to businesses in a timely manner, if at all, when licenses could not be issued as a result of pending applications that had deficiencies in the clearance process.

Recommendation: The License Collector ensure follow-up work is performed consistently and timely, and documentation of such actions is maintained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector office's procedures for notifying delinquent businesses and pending applications in a timely manner are the following:

- Phone calls are made by the municipal business license section to inform the taxpayer of delinquency.
- Emails are sent out to delinquent taxpayers.
- Billing statements to identify a 30, 60, and 90 day delinquency are mailed out regularly.
- Evidence of emails and phone calls can be found in the Land Records Management System (LRMS).
- A staff person has been assigned to perform daily online reviews of address delinquencies, if any.
- Information is logged daily in a spreadsheet to show each attempt made by the FSRs to contact delinquent taxpayers.
- A route sheet is submitted daily to the Field Service Supervisor to show the frequency of attempts made to communicate with delinquent taxpayers.
- All information is maintained in a shared drive database.
- All pending applications are reviewed and taxpayers are contacted and provided necessary information to bring their statuses into compliance.
- Separate delinquency notification letters are no longer mailed to delinquent taxpayers due to implementation of the above procedures. The billing delinquency statement serves as the notification.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Follow-up on Delinquencies and Pending Applications

Finding Number: 2.C.

Finding: The License Collector's office coded incorrect statuses for some businesses on the LRMS, preventing the required follow-up work from being performed. In addition, the License Collector's office did not have adequate procedures in place to identify such errors. While the License Collector's office had identified some errors when follow-up work was performed on some businesses, procedures were not in place to identify such errors on a timely basis.

Recommendation: The License Collector establish procedures to ensure businesses are coded to the correct status in the LRMS system and actively monitor the statuses to help ensure any errors are identified timely.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector office's procedures for coding are as follows:

- FSRs physically go to the location to confirm the status of businesses no longer operating and will adjust codes to identify them as such if needed.
- Confirmed compliant taxpayers' codes are changed by the Finance Division after verification of a checklist to put them in the proper status.
- The access to change codes is restricted to specified departments and managers (depending on the type of change).
- Once a status code has been modified, changed, or corrected, the employee must use his/her sign-in code (Operator Identification) to identify who made the change.
- Management periodically reviews code entry changes to ensure the proper status of businesses.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Verification of Business License Applications

Finding Number: 3.

Finding: The License Collector's office could have improved procedures used to verify the accuracy of information reported on some types of business license applications where fees due were based solely on information provided by businesses.

Recommendation: The License Collector develop procedures to verify the accuracy of information submitted on business license applications, at least on a periodic or sample basis. This could include performing audits or examinations of the information submitted in business license applications.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Manufacturers representatives verify the accuracy of information submitted on business license applications by manufacturers during the annual site visits to the manufacturers' locations.

The FSRs verify the accuracy of information submitted on business license applications by non-manufacturers during the annual site visits to the non-manufacturers' locations.

Additionally, the License Collector's office continues to coordinate information with other city offices in an effort to validate information provided by businesses, particularly the Collector of Revenue, Assessor, and Building Division.

Contact Person: Mavis Thompson
Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Internal Controls and Procedures

Finding Number: 4.A.1.

Finding: Monies received by mail were not adequately tracked to ensure all monies received were deposited. The License Collector's office maintained a mail log to track all monies received by mail; however, entries on the mail log were not reconciled to deposits.

Recommendation: The License Collector ensure receipts recorded on the mail log are reconciled to deposits.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Checks received in the mail are reconciled to the deposits on a daily basis. The procedure is as follows:

- The mail clerk will log each check on the mail log spreadsheet and include the total amount received each day.
- The checks and the accompanying applications are given to the Chief of Staff for review.
- After this review, the Chief of Staff will deliver the checks and applications to the cashier's room. The cashier will create a cash slip for each check received.
- The checks are remotely deposited to our bank account and a deposit summary is created. The summary provides a list of the checks and the total amount deposited.
- The deposit summary is then reconciled to the mail log spreadsheet.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Internal Controls and Procedures

Finding Number: 4.A.2.

Finding: The License Collector's office did not have procedures in place to ensure monies collected in the field were turned over to the Finance Division for processing and depositing. In addition, records retained of monies collected in the field were not reliable.

Recommendation: The License Collector develop procedures to ensure monies collected by field staff are turned over to the Finance Division for deposit. This should include issuing prenumbered receipt slips, maintaining a record of receipt for all monies collected in the field, and accounting for the numerical sequence of receipt slips.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A procedure is in place for the payment collection process. Prenumbered receipt slips are issued to the FSRs. The receipt slip book is in a three-tab form: the white copy is given to the taxpayer, the pink copy is given to the accounting department, and the yellow copy is retained in the field department. The collected amount is also recorded on the FSRs route sheet and on the electronic file "Daily Productivity Report" which is stored on the shared drive. The route sheet will have a copy of the form of payment and a copy of the prenumbered receipt slip issued.

Upon return to the office, funds collected in the field by FSRs are submitted to the accounting department along with the pink copy of the receipt slip. The Field Service Manager keeps an electronic log of the numerical sequence of receipt slips given to each employee.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Internal Controls and Procedures

Finding Number: 4.A.3.

Finding: The License Collector's office did not have procedures in place to ensure monies collected for duplicate license fees or insufficient fund (NSF) check fees were deposited.

Recommendation: The License Collector develop procedures to ensure all monies collected for duplicate license fees and NSF check fees are deposited.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The LRMS system has been updated to process and record duplicate license fees and NSF check fees. These transactions are accompanied by a cash slip that is reconciled to the daily deposit report, and monies are deposited in the same manner as all other collections.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Internal Controls and Procedures

Finding Number: 4.A.4.

Finding: Checks received in the License Collector's office that had been remote deposited were not maintained in a secure location.

Recommendation: The License Collector adequately secure remotely deposited checks.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Checks for remote deposits are now kept in locked cabinets.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Internal Controls and Procedures

Finding Number: 4.B.

Finding: Independent or supervisory reviews and reconciliations of various records were not always performed or documented. Office procedures required adjustments made to the LRMS system be reviewed by the Assistant Finance Manager on a daily basis; however, the review was not documented. Bank service fees were charged to each bank account on a monthly basis; however, no documentation existed to indicate anyone reviewed the propriety of the bank fees charged. Supervisory approvals of both manufacturers on-site inspection reports and property declarations were not always documented.

Recommendation: The License Collector ensure independent reviews and reconciliations are performed and adequately documented.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Finance Manager or Assistant Finance Manager perform reviews and reconciliations daily. They initial the documents reviewed and reconciled.

Adjustments to the LRMS system are reviewed by the Finance Manager or Assistant Finance Manager daily. They initial the documents reviewed.

The Chief of Staff has always reviewed the propriety of bank fees charged each month and his initials document that the review was performed. Additionally, Royal Banks of Missouri has recently waived all bank fees.

Manufacturers representatives make annual site inspections, starting January 1 of each year. Site inspection forms are filled out by the manufacturers representatives and signed. The Manufacturers Manager reviews all property declarations and his initials document the review. The declarations are submitted to the Merchants and Manufacturers Tax Equalization Board every year from April through August for a final review.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Disbursements

Finding Number: 5.A.

Finding: The License Collector's office did not have a formal written procurement policy. As a result, the decision to solicit competitive bids/proposals for purchases was made on an item-by-item basis and was generally obtained through informal inquiries or research. Additionally, supporting documentation of bids obtained or inquiries and research performed was generally not retained.

Recommendation: The License Collector establish formal procurement policies and procedures, including documentation requirements regarding bids, quotes, or proposals received and justification for the selection made.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector's office has developed a comprehensive procurement policy.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Disbursements

Finding Number: 5.B.

Finding: The License Collector did not execute formal written contracts with several businesses for services provided. Services provided without current or formal written contracts included armored car services, general contract work for office renovations, and employee performance assessments.

Recommendation: The License Collector enter into current, formal written contracts for all services received.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector's office has secured a written contractual agreement for armored car services and no longer uses the other vendors cited in the prior audit.

The License Collector's office procurement policy requires formal written contracts for all persons engaging in business with and on behalf of the License Collector's office. The License Collector's office has adhered to this policy since its implementation.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Payroll Procedures

Finding Number: 6.A.1.

Finding: A reconciliation was not performed between the payroll register and the adjusted payroll variance report to verify the accuracy of payroll distributions.

Recommendation: The License Collector ensure the adjusted payroll variance reports are reconciled to the final payroll registers.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A reconciliation between the final payroll register and the adjusted payroll variance report is performed.

An error confirmation form is submitted to the Comptroller's office payroll section confirming any corrections needed, including details of the corrections.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Payroll Procedures

Finding Number: 6.A.2.

Finding: Employees did not sign off on time records to verify accuracy and supervisors did not sign off on employee time records to indicate their review and approval.

Recommendation: The License Collector ensure all time records are signed off by both employees and supervisors attesting to the accuracy of the time reported.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Timesheets are printed each pay period on Monday and distributed to managers. Each employee's manager and employee review the employee's timesheet. On Thursday, paycheck stubs are distributed to employees. For each employee, both the employee and manager sign and date the employee's timesheet. This verifies the accuracy of the timesheet and receipt of the paycheck stub. A copy of each timesheet is kept on file and the employee is provided a copy by his/her manager if requested.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Payroll Procedures

Finding Number: 6.B.

Finding: Payroll records in the License Collector's office contained a number of errors and inconsistencies.

Recommendation: The License Collector establish procedures to ensure all payroll records are checked for mathematical accuracy, completeness, and agreement with other records.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The use of an electronic time clock has greatly reduced the number of errors and inconsistencies. We have also implemented an Excel spreadsheet version of the time card which significantly reduces data entry errors.

The procedure for verifying the accuracy of an employee signing in and out includes comparing the time clock record with any request that an employee has submitted for time off and also comparing it to the daily assigned work calendar. The final step is for the employee to review and verify the payroll record before it is submitted to the Comptroller's office.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Payroll Procedures

Finding Number: 6.C.

Finding: The personnel manual had not been updated to include all policies and procedures followed by the License Collector's office.

Recommendation: The License Collector update the personnel manual to ensure it includes all significant personnel policies and procedures currently in use.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The personnel manual has been updated to include all significant policies and procedures. The manual includes information regarding sick leave time earned and maximum accruals allowed for leave balances. The manual also includes guidelines for the shared leave program which allows employees to donate leave to other employees, as well as guidelines for leave balances and handling of accumulated leave balances upon termination or resignation.

The personnel manual is updated regularly as new policies and procedures are developed.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 7.A.

Finding: The License Collector, the Chief Deputy License Collector, and a manager used their assigned, unmarked, city-owned vehicles for commuting and personal use. The officials did not maintain vehicle usage logs to document miles driven for official, commuting, and personal use. The License Collector's office did not provide documentation approving and justifying personal use of the vehicles.

Recommendation: The License Collector discontinue the use of city-owned vehicles for personal use or ensure proper approval documentation is maintained for any exceptions. The License Collector should also ensure personal and commuting mileage reported for compensation is adequately supported.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector, as the appointing authority, has complied with the City Vehicle Policy Manual Section 3.8.1. The License Collector granted a written exception which approves personal use of vehicles owned by the License Collector's office to the License Collector and the Chief of Staff.

Personal mileage of these 2 vehicles is reported to the city, in accordance with city regulations, for reporting to the Internal Revenue Service as compensation on the W-2 forms of these individuals.

In addition, both the License Collector and the Chief of Staff complete a daily vehicle usage log to document beginning and ending odometer readings for official, commuting, and personal use.

Contact Person: Mavis Thompson
Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 7.B.

Finding: Records of vehicle use and monitoring procedures for the License Collector's vehicle fleet were not sufficient. While periodic mileage readings were recorded on a monthly basis and when vehicles were fueled, the License Collector's office did not require detailed vehicle usage logs be maintained to document beginning and ending odometer readings, destination, and trip purpose for any of its 12 vehicles.

Recommendation: The License Collector require the preparation of usage logs for all vehicles and ensure these logs are properly reviewed.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector's office keeps in its Field Service Division both a paper record and electronic file of daily mileage usage. The main source for this information is the field service route sheet which collects the beginning and ending odometer readings, the address of the site visited, and what activity was performed at the location. The Field Service Manager reviews this information daily.

Contact Person: Mavis Thompson
Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 7.C.

Finding: Vehicles may not have been used efficiently and effectively. The License Collector's office had a total of 12 vehicles. Our review of monthly mileage records noted three of these vehicles had 8 months of inactivity during the 15-month period reviewed.

Recommendation: The License Collector review vehicle usage and vehicle assignments periodically to ensure the number of vehicles in the fleet are necessary and justified.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector's office no longer has 12 vehicles in its fleet. The Field Service and Manufacturers Divisions currently share 5 vehicles for the purpose of field collection and verification. The Field Service Division uses 3 of the vehicles and the Manufacturers Division uses 2 of the vehicles on a daily basis. All vehicles are signed in and out daily on the log sheet located in the Field Service Division.

Contact Person: Mavis Thompson
Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts

Finding Number: 8.A.

Finding: The License Collector could have improved procedures to monitor and ensure bank accounts were sufficiently collateralized. While securities were released at the authorization of the Chief Deputy License Collector and a month-end summary of pledged collateral was reviewed, the License Collector's office relied on the bank to monitor and ensure adequate collateral securities were pledged on a daily basis to cover amounts deposited in the various bank accounts.

Recommendation: The License Collector establish procedures to actively monitor and ensure bank accounts are adequately collateralized.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A daily report is provided on the office's collateral position by the bank. The report is reviewed daily by the Chief of Staff and Finance Division Manager. Communication is maintained on a daily basis between the bank and the License Collector's office concerning deposits and the collateral position.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts

Finding Number: 8.B.

Finding: The License Collector's office operated without a depository agreement for 9 months during the audit period and had not competitively procured banking services for several years.

Recommendation: The License Collector ensure the office has a written depository agreement in effect at all times for banking services and competitively procure banking services on a periodic basis.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector's office has a written depository agreement for banking services with Royal Banks of Missouri until 2021. At that time, we will follow our procurement policy to competitively procure banking services.

Contact Person: Mavis Thompson

Contact Phone Number: (314) 622-4643



City of St. Louis - Office of License Collector
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Budgetary Practices

Finding Number: 9.

Finding: The License Collector's office operated without a formal budget during fiscal year 2008. The beginning balance plus revenues collected were significantly more than the amount needed to cover operating expenditures for the fiscal year, and it is unclear why such a large reserve was needed.

Recommendation: The License Collector prepare a formal budget on an annual basis, including a plan to retain only the necessary commissions for the operations of the office and to maintain a reasonable reserve level. If additional monies are being reserved for planned projects or needs, such issues should be identified in the budget document.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The License Collector prepares and maintains a formal budget on an annual basis. We retain only the commissions necessary for operating the office. We do not maintain a reserve level. All planned projects and needs are included in the annual budget.

Contact Person: Mavis Thompson
Contact Phone Number: (314) 622-4643



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Community and Economic Development Offices

Report No. 2018-108

October 2018

auditor.mo.gov

City of St. Louis - Community and Economic Development Offices

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Executive Director of Community Development Administration
and
Affordable Housing Commission
and
Land Reutilization Authority
City of St. Louis, Missouri

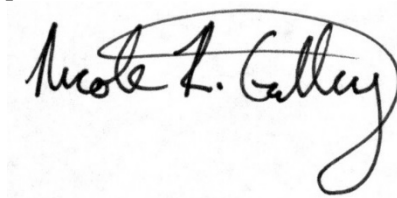
We have compiled the statuses of the audit report findings contained in Report No. 2009-38, *City of St. Louis, Community and Economic Development Offices*, issued in April 2009, and the applicable audit report finding contained in Report No. 2009-60, *City of St. Louis, Lead Safe St. Louis Program*, issued in June 2009, as part of our current audit of the City of St. Louis. The functions of the Lead Safe St. Louis Program are performed by the Community Development Administration, Department of Public Safety - Building Division, and Department of Health; therefore, applicable follow-up statuses for the Lead Safe St. Louis Program have been included in these agency follow-up reports.

These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our ongoing audit of the city's administration of economic incentives and special taxing districts, and our upcoming audit of Community and Economic Development offices. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Community Development Administration, Affordable Housing Commission, and Land Reutilization Authority that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Community and Economic Development Offices

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Community Development Administration Awarding Procedures

Finding Number: 1.A.

Finding: The Community Development Administration (CDA) did not perform a standard analysis or summarize the results of the evaluation process when selecting proposals for subrecipient or ward pool housing project awards. As a result, the reasons for funding the various proposals were not adequately documented. The CDA published annual requests for proposals for new subrecipients, but did not require previously funded subrecipients to apply for funding.

Recommendation: The CDA develop a formal selection process for all subrecipient and housing project awards which includes requests for proposals for previously funded subrecipients and for program income awards. The selection process should include performing a standard analysis with stated criteria for each type of award, and preparing and retaining documentation of the reasons for funding the various proposals.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

In 2013, the CDA embarked on a significant change to the way it allocates its Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) grant funds awarded by the U.S. Department of Housing and Urban Development (HUD). In partnership with HUD St. Louis field office staff and the HUD's technical assistance consultants, the CDA developed a process that competitively awards grant funds based on priorities identified in the city's Consolidated Plan.¹ As a part of this process, changes were made to the city's CDBG/HOME request for proposal (RFP) process that were integral to ensuring compliance with federal rules and a robust public participation process. Significant changes to the RFP process include the following:

- The CDA posts and solicits feedback from the community on funding priorities prior to issuance of an RFP.
- The availability of the RFP is advertised in multiple sources including the St. Louis Post-Dispatch, the St. Louis American, and the CDA's website.
- All applicants, including previously funded organizations, are required to apply for funding by the deadline detailed in the RFP.
- All applicants must utilize the same application form.
- An applicant scoring matrix is provided in the RFP and is posted on the CDA's website.
- Applications are submitted through an electronic grants management system.
- Several capacity building workshops are held to assist applicants with proposals and federal compliance.
- Questions on the RFP are answered and posted as Frequently Asked Questions (FAQ) on the CDA's website.

¹ The City of St. Louis Consolidated Plan is a five-year plan and annual action plan that assesses market conditions, affordable housing, and community development needs in the City of St. Louis and establishes data-driven, place-based priorities for investment in community development. The Consolidated Plan allocates specific federal entitlement grant funding from the HUD.



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

- A Proposal Evaluation Committee consisting of outside community development professionals and city staff is used for the review of applications.
- Summaries of evaluation criteria are prepared and maintained by the CDA.
- Applicants are rated and ranked for recommendation to the Board of Aldermen (BOA) and the Mayor's office for approval as a part of the annual CDBG/HOME annual board bill process.

Using the RFP process as a guide, in 2014 the CDA made significant changes to the way it allocates funding to housing development/residential projects. Interested developers are required to apply for funding during the Notice of Funding Availability (NOFA) process, which occurs at least once a year. The CDA's NOFA process also utilizes the same posting, workshop, and FAQ process as the CDBG/HOME grants. Each proposal received is also rated and ranked by city staff, with summaries prepared of evaluation criteria.

Contact Person: Alana Green
Contact Phone Number: (314) 657-3835



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Community Development Administration Awarding Procedures

Finding Number: 1.B.

Finding: The city did not advertise for proposals or document the selection process for projects funded under the Major Residential/Commercial Initiatives program.

Recommendation: The CDA work with the BOA to establish a formal competitive selection process for projects funded by the Major Residential/Commercial Initiatives program.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The African-American Aldermanic Caucus and BOA are no longer directly involved with selecting residential development projects. The Major Residential/Commercial Initiatives program is no longer available.

Contact Person: Alana Green

Contact Phone Number: (314) 657-3835



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Community Development Administration Monitoring Procedures
Finding Number:	2.A.1.
Finding:	The CDA did not have formal procedures for tracking program review recommendations made by CDA staff. As a result, there was no documentation that CDA staff performed follow-up procedures on the recommendations.
Recommendation:	The CDA ensure follow-up on program monitoring recommendations is performed and documented on a timely basis.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

As reflected in the CDA's initial response to the finding in 2009, the programmatic monitoring tracking sheet was updated to include three new columns: the date the monitoring report was mailed, the date the operating agency response was due (if applicable), and the date the concern was resolved. In 2013, to coincide with the aforementioned technical assistance provided by the HUD, the CDA developed a new Programmatic Monitoring Guidebook which significantly enhanced procedures for federal compliance. The main goal of the guidebook was to formalize, in policy, that programmatic monitoring is not a "one-time event" and should be an ongoing process of planning, implementation, communication, and follow-up. Significant enhancements reflected in the guidebook include the following:

- Using a provided template, programmatic monitors are required to complete annual risk assessments of all funded organizations and agencies.
- Programmatic monitors are required to complete a technical assistance visit during the first quarter of the year for all organizations deemed "high risk." High risk organizations include, but are not limited to, those organizations with previous compliance issues.
- The programmatic monitoring visit process was detailed to include steps for scheduling site visits, completing entrance conferences, acquiring the necessary data and documentation, and determining how and when to complete the exit conference.
- All site visit forms and checklists were significantly enhanced to include all HUD required review materials and guidance.
- A sample monitoring letter and guidance on preparing letters was included.

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City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Community Development Administration Monitoring Procedures

Finding Number: 2.A.2.

Finding: The CDA did not adequately document some monitoring visits for housing projects. Documentation was prepared for monitoring visits that were required by CDA policy; however, CDA staff indicated optional monitoring visits were normally performed several times during each project and monitoring reports were not prepared for these optional visits unless concerns were noted and not immediately corrected during the visit.

Recommendation: The CDA prepare documentation of all housing project monitoring visits.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Engineering Technician II and/or the Senior Plan Examiner conduct inspections of all housing projects. While no form is utilized to document property inspections when construction is not being funded with federal funds, the CDA completes a thorough review of each "acquisition only" project prior to releasing any deed restrictions. This includes a final inspection, documentation of improvements, and the completion of associated closeout checklists. The Engineering Technician also prepares a bi-weekly report that summarizes the findings noted during all of the inspections conducted in that period for each project. Finally, an inspection is required before each construction payment request is processed. The above-referenced staff reviews each construction payment request and must sign off that the work was completed before the payment request can be processed.

Contact Person: Bill Rataj
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City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Community Development Administration Monitoring Procedures
Finding Number:	2.B.
Finding:	The CDA had not established formal policies and procedures for the repayment or write-off of rental housing loans to contractors that built or rehabilitated rental housing benefiting low-income city residents.
Recommendation:	The CDA establish formal written policies and procedures for repayment and write-off of rental housing project loans.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Asset Management Committee (AMC) has developed a policy in which partial or full forgiveness of rental housing project loans will be considered. This policy was last revised in July 2014. The policy outlines the circumstances in which forgiveness of the loan, either in whole or in part, will be considered. All requests must be reviewed by the AMC and the developer/property owner is required to provide documents for review to the AMC. In some cases, if requested by the AMC, the developer/owner may be required to make an in-person presentation before the committee in addition to providing the requested documents. Any loan modifications approved must be signed by the CDA Executive Director.

Contact Person: Bill Rataj
Contact Phone Number: (314) 657-3845



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Community Development Administration Healthy Home Repair Program

Finding Number: 3.A.

Finding: The CDA had not periodically solicited proposals for Healthy Home Repair Program (HHRP) administration services.

Recommendation: The CDA periodically solicit proposals for administrative services related to the HHRP.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

On January 1, 2014, the HHRP was centralized and is now administered directly by the CDA. Under the new system, the CDA performs client intake and participant eligibility determinations, but solicits proposals for assistance with the following construction management services: developing a scope of work, competitively selecting contractors, and monitoring construction work. As with all other subrecipients funded by the CDA, organizations that wish to apply for funding to provide HHRP construction management services must apply through our standard, competitive application process on an annual basis.

Contact Person: Bill Rataj
Contact Phone Number: (314) 657-3845



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Community Development Administration Healthy Home Repair Program

Finding Number: 3.B.

Finding: It did not appear the city adequately allocated the monies to wards based on the areas of greatest need. The annual city appropriation amount was usually divided equally between the wards regardless of the previous years' unspent balances and waiting lists for the program.

Recommendation: The CDA work with the BOA to review the allocation of HHRP monies and maintain documentation to support how the monies are allocated. Consideration should be given to allocating the monies to the areas of the city with the greatest need.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

As of January 1, 2014, the HHRP is no longer funded on a ward basis, and the waiting list is now administered on a first-come, first-served basis. All funding is issued on a citywide basis, and there are no more ward pools.

Contact Person: Bill Rataj
Contact Phone Number: (314) 657-3845



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Community Development Administration Receipt Procedures

Finding Number: 4.A.

Finding: Numerous employees in the CDA collected or received checks and money orders. In accordance with CDA receipt-handling policies and procedures, receipts were transmitted to other employees for additional processing prior to being recorded by the CDA Fiscal Management Section and transmitted to the Comptroller's office.

Recommendation: The CDA limit the number of employees who receive or process monies prior to recording and transmitting monies.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The CDA implemented written cash receipt procedures that require section personnel to immediately transmit all checks and money orders received to the designated person responsible for maintaining the section's cash receipt log. After the receipt is recorded in the log, it is transmitted to the CDA Fiscal Section for recording in the Cash Receipt Log and is then transmitted to the Treasurer's office for deposit.

Contact Person: Brian Yochum
Contact Phone Number: (314) 657-3843



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Community Development Administration Receipt Procedures

Finding Number: 4.B.

Finding: Checks and money orders received by the Residential Development Section were not always recorded immediately upon receipt on either official prenumbered receipt slips or a receipt log. Monies for open housing projects were initially received by the Housing Analyst but were not recorded until transmittal to the Asset Manager. In addition, receipt records were not reconciled to amounts transmitted to the Fiscal Management Section. As a result, receipts for the Residential Development Section were not always transmitted to the Comptroller's office in a timely manner. Also, checks and money orders were not restrictively endorsed upon receipt.

Recommendation: The CDA ensure all receipts are immediately recorded on official prenumbered receipt slips or receipts logs, and the original receipt records are reconciled to transmittals to the Fiscal Management Section by someone independent of the receipting or collection functions. In addition, all monies should be transmitted to the Comptroller's office on a timely basis, and checks and money orders should be restrictively endorsed immediately upon receipt.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The CDA implemented written cash receipt procedures that mandate the Asset Manager maintain an electronic copy of the Residential Development Check Receipt Log. All checks received in the mail or hand delivered to the Asset Manager are recorded immediately upon receipt and transmitted to the Fiscal Section. Checks received by other Residential Development staff members are forwarded immediately to the Asset Manager for recording and transmittal to the Fiscal Section. The Fiscal Section has a designated staff person that records receipts received from all sections in the Fiscal Cash Receipt Log and stamps all checks and money orders with a restrictive endorsement. The cash receipts are then transmitted to the Treasurer's office on a weekly basis for deposit. A designated staff person in the Fiscal Section, not involved with the recording or transmittal of cash receipts, reconciles all CDA section cash receipt logs with the CDA Fiscal Cash Receipt Log and the city's general ledger on a monthly basis.

Contact Person: Brian Yochum
Contact Phone Number: (314) 657-3843



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Affordable Housing Commission Controls and Procedures

Finding Number: 5.A.

Finding: The Affordable Housing Commission (AHC) did not summarize the results of the evaluation process when selecting applications for funding awards. As a result, reasons for funding the various proposals were not adequately documented. The application forms included criteria which AHC personnel indicated were considered when evaluating the applications. The AHC normally documented and summarized some information for each application; however, this information did not always agree with the stated criteria.

Recommendation: The AHC develop a standard analysis for evaluating funding applications and ensure the reasons for funding the various proposals are adequately documented.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

In response to the previous audit recommendations, the AHC returned to a six-point coding system to explain and/or document the reasons for staff recommendations for the grant proposals received in fall 2008. Since 2010, grant evaluations have been updated to include the reason on the evaluation form instead of only writing the code on the form. The staff recommendation sheets, including the written reasons, are provided to AHC members before projects are selected for funding.

In addition, staff prepare evaluations that are provided to the AHC for both grants and loans. These documents denote whether a project meets explicitly stated funding priorities that are clearly stated in news releases, advertisements for proposals, and the NOFA. The NOFA is mailed to applicants that respond to the news releases and advertisements.

For projects that involve the new construction or rehabilitation of housing, AHC staff prepare the following analysis for each construction proposal. The following documents are distributed to AHC members in advance of funding decisions:

- **Proposal Analysis** - This multi-page document details all project costs allowing for comprehensive scrutiny of each project's financial outlay. The analysis is an objective comparison of each project's financial data. It allows comparative project strengths and weaknesses to be observed.
- **Proposal Summary** - The proposal summary provides a narrative description of each proposal. It organizes and describes the proposal's subjective qualities, and it incorporates and explains the financial data derived from the analysis. In response to feedback received throughout the State Auditor's previous audit, the AHC included a section in the 2008 development proposal summaries that documented concerns in which proposal weaknesses and unresolved issues were detailed.



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

- **Proposal Evaluation** - This one-page summary recaps significant elements from both the analysis and the summary in order to provide commissioners with a succinct project synopsis. Additionally, it reiterates the AHC's concerns about the project, and includes the AHC's funding recommendations and funding terms/stipulations, and serves as the AHC's funding determination document of record.

All AHC development projects approved for funding by the AHC are additionally reviewed by the CDA. This added layer of review produces an additional evaluation form prepared by CDA housing analysts. The CDA evaluation summarizes the proposal, and indicates in a check-box table how the proposal meets various development criteria, using a scale of good, fair, or poor. During the AHC's exit conference with the State Auditor's office, audit staff referenced the CDA evaluation tool, and suggested that AHC staff consider using this form as well. The AHC now uses a rating sheet with a scale of good, fair, or poor for each development.

Contact Person: April Ford Griffin
Contact Phone Number: (314) 657-3880



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Affordable Housing Commission Controls and Procedures
Finding Number:	5.B.1.
Finding:	The AHC did not have a formal plan for the selection of recipients chosen for fiscal monitoring.
Recommendation:	The AHC work with the Internal Audit Section to develop a formal plan for fiscal monitoring to ensure recipient awards are reviewed on a timely basis.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The AHC worked with the Comptroller's Internal Audit Section to develop a fiscal monitoring plan, and contracted with that office to perform some audits of the grantees. We have since created a position (Community Development Specialist II) that has the responsibility of monitoring, auditing, and contract compliance and works with the Comptroller's internal auditors.

Social Service Agencies:

Social service recipients identified as Contracting Grant Agencies (CGAs) are monitored on an annual basis. This monitoring list is comprised of agencies that were not monitored/audited during the previous year and is also based upon the current compliance status of any existing contracts.

The previous monitoring list is reviewed by the Secretary II, Accounting Clerk, and Community Development Specialist II before a new monitoring list is created. During reviews, staff check for outstanding findings and any additional concerns related to current contracts (i.e., program management, reimbursement issues, etc.).

If there are no outstanding findings listed and all concerns were resolved, no further action is necessary. If current findings have not been addressed, those CGAs are then placed on the monitoring/auditing list for the current year in addition to the remaining CGAs that were not previously monitored/audited.

See finding 5.B.2. for the process of how CGAs are notified and monitoring visits are executed.

Development/Housing Projects:

All housing development projects are monitored/audited upon completion. When development projects are finalized, files are then placed in the "Servicing" phase to be monitored annually. These compliance efforts take place throughout the duration of time listed on each housing project loan agreement.

On an annual basis, the AHC sends correspondence requesting each housing project's audited financial statements from the previous year, Tenant Income Certification sheets (TICs), HOME Compliance Reports, and the most recent copy of the certificate of insurance for each property.

See finding 5.B.3. for detail on this process.

Contact Person: April Ford Griffin
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City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Affordable Housing Commission Controls and Procedures

Finding Number: 5.B.2.

Finding: The AHC did not have formal procedures for tracking recommendations made as a result of the Internal Audit Section's fiscal monitoring reviews. As a result, there was no documentation that AHC staff performed follow-up procedures on these recommendations.

Recommendation: The AHC ensure follow-up on fiscal monitoring recommendations is performed and documented on a timely basis.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Plan of Action:

The AHC has developed an outline for fiscal monitoring follow up. The procedures relating to CGAs are as follows:

Step One: The CGA is notified by mail of upcoming auditing/monitoring visits with specific dates for each agency to choose. The CGA is then asked to respond via email or phone with their desired date and time of choice.

Step Two: Desired dates are noted and monitoring visits are conducted.

Step Three: During monitoring visits, any findings, concerns, and/or recommendations are documented on the AHC "Programmatic Monitoring Checklist" for hardcopy files.

Step Four: The AHC then sends the contracting agency a "Monitoring Review Letter" that lists recommendations and/or findings with a deadline date included. If the CGA does not respond by the deadline given, a "Noncompliance Letter" is mailed for follow-up purposes with another deadline.

Step Five: Once the CGA has addressed all recommendations and/or findings and specified tasks are complete, AHC staff review the documentation for accuracy and AHC compliance standards. Staff then communicate with agencies via email regarding additional requests until all concerns listed have been resolved.

Step Six: The AHC then sends the CGA a "Monitoring Conclusion Letter" stating the monitoring review has now concluded and no further action is necessary.

Contact Person: April Ford Griffin

Contact Phone Number: (314) 657-3880



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Affordable Housing Commission Controls and Procedures

Finding Number: 5.B.3.

Finding: The AHC had not established adequate policies or procedures for on-site monitoring of recipients. Site visits were not conducted for social service recipients. For housing projects which were also subsidized by federal, state, or other city monies, the AHC relied on the federal, state, or other city agency or office to monitor these projects. However, the AHC did not obtain monitoring reports from these other offices. The AHC did not ensure some housing projects were monitored and complied with the contract requirements.

Recommendation: The AHC establish formal policies and procedures to ensure on-site monitoring is performed for award recipients to ensure recipients are complying with contractual requirements.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The AHC established an on-site monitoring system for all grants. In 2011, the AHC hired a full-time Community Development Specialist II who performs these duties. A standardized form has been developed for monitoring purposes. This form documents performance, issues, and goals established for resolution of issues noted during the visit. Please see finding 5.B.2. for the step-by-step monitoring process for all CGAs.

Each agency is also reviewed by the AHC Account Clerk II whenever a reimbursement request is made. Expenditures identified on the request are checked against the contract line item budget, and any expenditure that does not match a line item is disallowed. The agency is notified by email of the adjustment to its request and the reason an item is disallowed. Concurrently, the project's goal achievement is assessed by comparing goals stated in the contract with accomplishment data submitted by the agency. An agency is denied payment if it has not filed its quarterly programmatic report, which is mandated by contract.

Development/Housing Projects Monitoring Process:

Step One: During the last month of the first quarter of every calendar year all AHC housing/development project points of contact are mailed "Annual Submission" letters. Points of contact are asked to submit copies of the previous year audited financial statements, TICs, the HOME Compliance Report related to the units listed on the AHC loan agreement, and the most recent copy of the property certificate of insurance.

Step Two: Requested documentation will be reviewed by an AHC staff member who verifies income eligibility, household size, and the affordability provision for funded projects for monitoring purposes.

Step Three: Any concerns related to requested documentation are addressed via email strictly for follow-up purposes until requests have been completed.

Step Four: Repayable Loans - If the loan agreement states the loan is repayable and financial statements submitted were reviewed and demonstrate an agency's ability to submit payment due to surplus cash listed, the AHC sends



City of St. Louis - Community and Economic Development Offices
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correspondence to remind the agency of the upcoming payment due before year-end. This ensures repayable loans remain in compliance and adhere to the loan term listed in the file.

Step Five: Once payment is received, checks are cleared with the department's Accounting Clerk and tracked on the "Loan Portfolio Balance Sheet" for internal tracking purposes. A copy of the check is then placed in the Community Development Specialist II box for hardcopy files and no further action is necessary.

AHC Now Requires Inspection Reports

After the State Auditor recommended that the AHC improve its monitoring of development projects while they are under construction, the AHC, which does not have its own construction inspector, has begun requiring receipt of inspection reports throughout construction. When the project is receiving Missouri Housing Development Commission (MHDC) funding, the AHC requires and receives MHDC site observation reports prior to disbursing any funds. When the project is receiving city Community Development funding, the AHC requires and receives CDA inspection reports prior to disbursing any funds. When the project is not receiving funds from other agencies, the AHC requires either 1) the title company provide an inspection report (prior to the AHC disbursing funds) or, 2) the developer pay for a minimum of three inspections by a qualified architect throughout construction.

In addition, the AHC also visits/requests presentations from selected service grantees, and makes site visits to development projects that are of interest or concern.

Contact Person: April Ford Griffin
Contact Phone Number: (314) 657-3880



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Affordable Housing Commission Controls and Procedures

Finding Number: 5.C.

Finding: The AHC did not have adequate procedures to ensure loans to housing developers were repaid in compliance with loan agreements.

Recommendation: The AHC establish procedures to adequately follow up on developer loans to ensure loans are repaid in a timely manner.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Since 2011, a full-time Community Development Specialist monitors and oversees rental housing compliance requirements, and created tools to track loan payments and the submission of financial statements, tenant income, and insurance policies.

The AHC has also focused on improving its rental housing loan compliance, repayment, and tracking system. As the construction of each rental housing complex closes out and shifts to servicing, the AHC creates a repayment or forgiveness schedule for each project and advises the owner/developer/property manager of the loan terms and the annual submission requirements.

The repayment or forgiveness schedules amortize the loans, identify annual payments due if cash flow allows (or annual payments forgiven for forgivable projects), and link each project's balance to the AHC Loan Portfolio Balance Sheet.

Contact Person: April Ford Griffin

Contact Phone Number: (314) 657-3880



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Land Reutilization Authority Controls and Procedures

Finding Number: 6.A.

Finding: When the Land Reutilization Authority (LRA) sold properties, the sales records were not reconciled to inventory disposition records. Some properties were recorded more than once in the inventory records. The LRA did not periodically review the availability status of properties, as recorded on the inventory records.

Recommendation: The LRA establish procedures to ensure inventory records are complete and accurate. In addition, the LRA should routinely review the status of tracts of land to ensure the availability status of each tract is up-to-date.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The LRA conducts bi-weekly reconciliations between the Real Estate Closer database (used by individuals that close all real estate transactions and record the deeds) and the Administrative Assistant's database. The statuses checked are available, offer, accepted offer, option, and closed.

Contact Person: Laura Costello
Contact Phone Number: (314) 657-3725



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Land Reutilization Authority Controls and Procedures

Finding Number: 6.B.

Finding: The LRA did not have contracts related to costs incurred for property maintenance and upkeep. In addition, there was no documentation to support why amounts paid to the Forestry Division were less than the incurred charges for LRA properties.

Recommendation: The LRA enter into contracts for property maintenance and upkeep and ensure contracts contain adequate details and protections for the LRA.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The LRA issued an RFP for property maintenance in 2015. The LRA has contracted with the Forestry Division since 2016.

Contact Person: Laura Costello
Contact Phone Number: (314) 657-3725



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Land Reutilization Authority Controls and Procedures
Finding Number:	6.C.
Finding:	Expenses incurred for maintenance and upkeep were not allocated to the individual properties.
Recommendation:	The LRA maintain records accounting for the operation, management, or other expenses related to each parcel of real estate as required by state law.
Status of Finding:	No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The LRA maintains individual records for all properties for status, maintenance calls, and all aspects associated with title and LRA board activities. The LRA incurs both property intake and maintenance costs that far exceed any revenue generated. Section 92.910, RSMo, authorizes that "individual tracts may be consolidated and grouped or regrouped for economy or convenience" which includes accounting. Accordingly, although the LRA does not expend its limited resources tracking costs and income by individual parcel for each of its 12,000 parcels we believe the LRA accounting and record keeping is in compliance with state law. The state legislation intended the LRA to have the latitude to maintain its accounting in order not to bankrupt the land bank and allow it to provide the public benefits enumerated in Section 92.875.2, RSMo. Accordingly, the LRA will continue to keep its records in the format it has used since 1971.

Contact Person: Laura Costello
Contact Phone Number: (314) 657-3725



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Land Reutilization Authority Controls and Procedures

Finding Number: 6.D.

Finding: LRA policies for land sale pricing were outdated or not adequately documented. The LRA's standard sales prices for properties were based on an analysis of land sales prior to 2002 and had not been updated since 2002. The LRA did not maintain documentation of how the prices were calculated. The LRA did not maintain supporting documentation for exceptions to the standard sales prices. Although LRA staff indicated appraisals were obtained for all commercial property prior to sale, the standard pricing policy indicated an appraisal was only required for commercial property located east of Broadway.

Recommendation: The LRA periodically update standard land sales prices to ensure the prices reflect the fair value of the property. Any exceptions to the standard pricing should be documented in writing or supported by a property appraisal.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The LRA continues to periodically update its pricing policy based on the land values established by the City Assessor on an ongoing basis. The LRA pricing policy is intended to be used as a guide and the policy itself states "prices may vary according to location and condition of property." Exceptions to standard prices are documented by resolution, in the individual property record, and in meeting minutes.

Contact Person: Laura Costello
Contact Phone Number: (314) 657-3725



City of St. Louis - Community and Economic Development Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Lead Remediation

Finding Number: 2.C.

Finding: Our review of lead remediation project files noted 26 of 75 (35 percent) were missing at least one required piece of documentation. Department of Public Safety, Building Division (BD) and CDA policy required documentation for proof of ownership, tax compliance, signed agreements, and proof of insurance be maintained in the project files.

Recommendation: The BD and the CDA ensure required documentation is obtained and maintained in remediation project files.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The BD has tailored its web-based database to make sure that all elements of a lead inspection/risk assessment (LIRA) are incorporated into the report so that the report produced is fully compliant with HUD and Environmental Protection Agency guidelines. In addition, management staff at the BD review each HUD project file to make sure all requirements of the grant are met. They have developed an Inspection Checklist so that each file can be reviewed to insure all components are included in the LIRA. They also utilize a Project Designer Close Out Checklist for each file so that they can confirm that all compliance requirements have been met.

The CDA developed a checklist after the last audit for the intake staff to use to make sure each project meets the program requirements. The checklist includes all items that a client needs to qualify for the program. The two intake staff members conduct peer reviews of each file so that there are two reviews of each file before it is determined to be eligible. CDA management periodically review these peer reviewed files as well.

The program was monitored by the HUD Office of Healthy Homes and Lead Hazard Control within the past year. There were no findings or concerns noted during the monitoring visit and the HUD stated that "the city's grant operation is exemplary and may be of benefit to other grantees."

Contact Person: Bill Rataj
Contact Phone Number: (314) 657-3845



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Department of Public Utilities

Report No. 2018-107
October 2018

auditor.mo.gov

City of St. Louis - Department of Public Utilities

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Director of the Department of Public Utilities
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2010-34, *City of St. Louis, Department of Public Utilities*, issued in March 2010, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Department of Public Utilities. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Department of Public Utilities that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Department of Public Utilities

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Water Division Administration

Finding Number: 1.A.

Finding: The city did not pay the division for water use at city owned facilities. In addition, water was also consumed, but not paid for, by the city for other purposes including fighting fires and watering right-of-way property.

Recommendation: The Water Division meter city water use or develop other water use estimates for city owned buildings, facilities, and other water-using features, and work with the city to ensure payment is received from the city for water used by the city.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city does not agree with this finding for the reasons stated in our response to the original audit. The city has installed meters for any new city connections and, as possible, for current city connections for tracking of water usage.

Contact Person: Curtis Skouby
Contact Phone Number: (314) 633-9012



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Water Division Administration

Finding Number: 1.B.

Finding: Large water rate increases had historically been implemented infrequently, rather than smaller, more frequent increases, which potentially created financial stress on individuals and families with low and fixed incomes. The division adequately projected system costs and was aware of the need to increase rates on a more timely basis; however, rate increases had not been submitted to the Board of Aldermen (Board) for approval. Discussions with division management indicated that, historically, rate increase requests to the Board had not been made until the increases were required to remain in compliance with revenue requirements of the division's bond covenants, cover increases in operating costs, and provide capital for system expansion and improvement.

Recommendation: The Water Division work with the city to ensure water rates are more evenly increased to allow customers to more easily absorb rate increases.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Water rates are set by city ordinance. The Water Division will continue to confer with the proper executive and rulemaking authorities on the proper frequency and amount of rate increases.

Contact Person: Curtis Skouby

Contact Phone Number: (314) 633-9012



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Water Division Administration

Finding Number: 1.C.

Finding: The division had not prioritized its list of system improvement projects to be funded with expected bond proceeds.

Recommendation: The Water Division prioritize the list of needed system improvement projects by critical need, cost, desirability of the effect on water production or delivery, and other relevant criteria.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division is in agreement with tracking the needs of system improvements, but does not agree with how the list is to be structured. The Water Division compiles and maintains a list of critical projects amounting to tens of millions of dollars. These projects are not rated or prioritized. Rather, all are important projects that should be completed at some point. Projects are matched to available funding and evaluated when additional funding is sought. Each project's need, benefit, and costs are center to the project selection process and funding.

Contact Person: Curtis Skouby
Contact Phone Number: (314) 633-9012



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Water Division Administration

Finding Number: 1.D.

Finding: The division had not obtained and reviewed the Collector of Revenue's settlement of fees to ensure excess water division fees had been returned to the division.

Recommendation: The Water Division obtain and review the Collector of Revenue's annual settlement to monitor the use and retention of the 4 percent collection fee retained from water bill collections.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division has asked for this and has not received it.

Contact Person: Curtis Skouby

Contact Phone Number: (314) 633-9012



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Collection and Billing Adjustment Procedures

Finding Number: 2.A.

Finding: Monies received by the Water Division were not logged or receipted to allow reconciliation of monies received to monies transmitted to the Collector of Revenue, and checks were not restrictively endorsed upon receipt.

Recommendation: The Water Division receipt or log all monies received and reconcile the receipt slips or log to transmittals and to payments recorded by the Collector of Revenue in the subsidiary accounts receivable ledgers. In addition, checks and money orders should be restrictively endorsed at the time of receipt.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division has taken steps to address this finding. All payments that are received at the Water Division's customer service window are restrictively endorsed immediately. In addition, these payments are scanned front and back and the images are stored in our database in lieu of keeping a receipt log. A daily reconciliation is performed by the finance section between the transmittals received by the Collector of Revenue and payments posted to the Water Division's general ledger.

Contact Person: Perla Burk
Contact Phone Number: (314) 633-9090



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Collection and Billing Adjustment Procedures

Finding Number: 2.B.

Finding: The duties of reviewing and approving customer account adjustments were not adequately segregated from the duties of collecting and receiving customer payments.

Recommendation: The Water Division segregate the duties of receiving customer payments and making customer account adjustments and ensure water customer account adjustment reports are reviewed by persons independent of the transaction, the reviews are documented, and the adjustment reports are organized and retained for future reference.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division has taken steps to address this finding. Segregation of duties for receiving customer payments and making customer account adjustments has been implemented. All adjustments are reviewed and approved by the respective employee's supervisor.

Contact Person: Perla Burk
Contact Phone Number: (314) 633-9090



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Collection and Billing Adjustment Procedures

Finding Number: 2.C.

Finding: Accounting duties and responsibilities for managing non-customer accounts receivable and water customer deposits were not adequately segregated.

Recommendation: The Water Division adequately segregate accounting duties.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division has taken steps to address this finding. Segregation of accounting duties has been implemented. All refunds that are processed by the Account Clerk II are reviewed by the Accountant I and approved by the Accounting Manager prior to processing the refund.

Contact Person: Perla Burk
Contact Phone Number: (314) 633-9090



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Collection and Billing Adjustment Procedures

Finding Number: 2.D.

Finding: Collections were not adequately safeguarded when they were transmitted to the Collector of Revenue's office. Receipt records were not prepared for water bill collections received by the division. In addition, the monies transmitted were not verified and signed by the Collector of Revenue's office at the time of transmittal, and monies were not secured in a locked bank bag during transmittal.

Recommendation: The Water Division obtain receipt slips from the Collector of Revenue's office to document monies transmitted and ensure collections are transmitted in a secured container.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division has taken steps to address this finding. All payments that are received at the Water Division's customer service window are scanned (front and back) upon receipt. We do not accept cash at the window. A transmittal form is included with the transmittal that contains a listing of the check or money order amount of each individual payment. This form shows the total number of payments and total amount of payments. The Collector of Revenue's office returns the transmittal form with a signature the next day after verifying that the transmittal form, the contents of the transmittal pouch, and the payment postings agree.

Contact Person: Perla Burk
Contact Phone Number: (314) 633-9090



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Inventory Controls and Procedures

Finding Number: 3.A.

Finding: Procedures were not adequate to ensure inventory balances and reorder quantities were maintained to provide only for current needs and prevent overstocking or stocking of obsolete items. The division's inventory records indicated a number of items with large quantities in stock relative to annual use information. Division personnel indicated the inventory management system had the capability to define reorder quantities and required stock levels based on inventory quantity data and order information parameters for the items; however, this information had not been effectively utilized to make inventory decisions. Finally, division personnel indicated periodic reviews of inventory balances were not performed to identify items on hand which were overstocked or obsolete and needed to be offered for sale at the city's surplus auction.

Recommendation: The Water Division utilize the inventory system management features to monitor inventory item order quantities and stock on hand. In addition, the division should review inventory on hand for overstocked or obsolete items which should be offered for sale at the city's surplus auction.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Storeroom personnel review inventory on hand to avoid overstocking and ensure that they have the stock needed to support our operations. In a rare case in which obsolescence occurs because of a procedure or engineering change, obsolete items are taken out of inventory and sold as scrap or sold through the city's surplus system. Because of our aging infrastructure, slow-moving items are kept in the event that they are needed during repairs.

Contact Person: Perla Burk
Contact Phone Number: (314) 633-9090



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Inventory Controls and Procedures

Finding Number: 3.B.

Finding: Documentation was not maintained to show inventory balance adjustments were adequately investigated to determine the possible reasons for any inaccurate inventory balances. Discrepancies between annual physical counts and the accounting system's quantity were initially investigated by performing a recount. After the recount verified the actual balance, the accounting system's quantity was adjusted without any documented attempt to identify the reasons for the discrepancy.

Recommendation: The Water Division improve the documentation of any investigation of significant inventory discrepancies and implement procedures to prevent similar issues in the future.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division has taken steps to address this finding. The storeroom and finance section continuously work together to investigate inventory discrepancies. The Water Division's perpetual inventory system does not allow negative inventory. Therefore, discrepancies are investigated to allow our finance section to post storeroom issues (variances) within the subsidiary ledger. Additionally, a full physical inventory count is performed annually.

Contact Person: Perla Burk
Contact Phone Number: (314) 633-9090



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Inventory Controls and Procedures

Finding Number: 3.C.

Finding: Procedures to monitor the pipeyard's fuel inventory and use reports were not adequate. There were no procedures to reconcile the beginning and ending fuel balances to records of purchases and uses. Although the pipeyard fuel storage tanks provided readings on demand, inventory balances were not periodically reconciled to records of fuel deliveries and fuel dispensed to division vehicles and equipment. In addition, although a fuel use report was obtained from the city's Equipment Services Division and reviewed by the water distribution superintendent, the review procedures and objectives were not clearly defined and the review was not documented.

Recommendation: The Water Division implement procedures to periodically reconcile fuel inventory balances to records of fuel deliveries and fuel dispensed. In addition, procedures and objectives should be developed for the review of fuel use reports and supervisory reviews should be documented.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division is now connected to the city's Equipment Service Division's (ESD) fuel monitoring system. To get fuel, a Water Division employee must scan his/her identification badge and the vehicle's fob before fuel can be dispensed. This is recorded by the system along with date, time, and quantity of fuel dispensed. A problem has developed in the communication link between the fueling station in our distribution yard and the monitoring system at ESD, requiring employees to manually record this information. Resolution of the problem has been further delayed due to construction activity around the fueling station. We are currently recording the information manually. The two fuel stations at the two treatment plants are in a similar situation where monitoring stations have been installed, but there are connectivity issues between the stations and the monitoring system. The information is currently being recorded manually at these two locations.

The fuel purchases are recorded as direct period expenditures within the Water Division's general ledger.

Contact Person: Perla Burk
Contact Phone Number: (314) 633-9090



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicle Controls and Procedures

Finding Number: 4.

Finding: The Water Division did not actively monitor the usage of the division's 180 vehicle fleet (including heavy equipment) and, as a result, the fleet may have been larger than necessary. According to division officials, usage information was tracked at one time, but issues existed with the new system implemented by the city which did not allow all vehicle information tracked by the city's service department to be readily communicated to the division. The division did not request the information from the city's service department, but attempted to keep a separate log of vehicle usage. However, our review of this log showed it was not complete, contained various inaccuracies, and was not updated in a timely manner.

Recommendation: The Water Division study vehicle utilization and develop justification for the number of transportation and water distribution service vehicles required to conduct division activities. The Water Division should reduce the fleet size if underutilized or unneeded vehicles are identified.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division does not understand the basis for this finding. The industry trend is to use fewer people to accomplish a given task. This leads to a higher vehicle-to-employee ratio. The Water Division has and is taking steps toward a better record system that will allow us to better track vehicles.

Contact Person: Curtis Skouby
Contact Phone Number: (314) 633-9012



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Information System Controls and Procedures

Finding Number: 5.A.

Finding: Password controls of the general ledger system did not require active users to change passwords periodically. In addition, system access security violation logs were produced by the system but were not monitored or reviewed for attempts at unauthorized data access.

Recommendation: The Water Division ensure all user passwords expire and users are prompted to change passwords periodically. In addition, security violation logs should be monitored or reviewed for attempts at unauthorized data access.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division has taken steps to address this finding. System passwords automatically expire on a set schedule requiring employees to change passwords. Violation logs are reviewed for attempts at unauthorized data access.

Contact Person: Keith Moore

Contact Phone Number: (314) 633-9048



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Information System Controls and Procedures

Finding Number: 5.B.

Finding: Backup tapes for the non-financial system were not stored at an offsite location.

Recommendation: The Water Division store all system back up tapes at an offsite location.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division is backing up systems at offsite locations.

Contact Person: Keith Moore

Contact Phone Number: (314) 633-9048



City of St. Louis - Department of Public Utilities
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Overtime Pay Controls and Procedures

Finding Number: 6.

Finding: The Water Division paid approximately \$1.7 million in overtime during fiscal year 2008, and had not performed a study to determine the optimum use of overtime versus hiring additional employees.

Recommendation: The Water Division perform an analysis to determine if additional staffing would help reduce the amount of overtime paid.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Water Division is in the process of having a study of its overtime performed as recommended.

Contact Person: Curtis Skouby

Contact Phone Number: (314) 633-9012



Office of Missouri State Auditor
Nicole Galloway, CPA

Sex Offender Registration



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Audit of Sex Offender Registration

Weaknesses Exist in the Enforcement of Registry Requirements

Chief Law Enforcement Officials (CLEOs) have not adequately pursued noncompliant offenders, resulting in CLEOs being unable to locate more than 1,200 noncompliant sex offenders. In addition, the CLEOs have not adequately updated the next registration dates for sex offenders in accordance with state law.

Missouri State Highway Patrol (MSHP) Procedures

MSHP procedures for maintaining the sex offender registration (SOR) database and supporting CLEO's efforts to enforce SOR requirements need improvement. The MSHP does not always update the compliance status of offenders within the SOR management system in accordance with internal policies. The MSHP has not established agreements with other state agencies to perform batch data matches in order to assist CLEO's enforcement of SOR requirements. The SOR management system does not utilize adequate edit checks to identify inaccurate or inappropriate information entered by the CLEOs.

Weakness in State Laws

Revision to state law is necessary regarding the SAO's access to certain court records. Information requested from the Office of State Court Administrators to evaluate the completeness of the SOR was denied. In addition, state law does not require background checks for school volunteers.

Due to the nature of this report no rating is provided.

Sex Offender Registration

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Anne L. Precythe, Director
Department of Corrections
and
Julie Kempker, Chief State Supervisor
Division of Probation and Parole
and
Sandra K. Karsten, Director
Department of Public Safety
and
Lieutenant Colonel Eric T. Olson, Acting Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

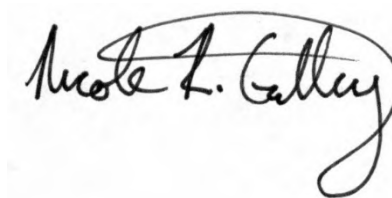
We have audited certain operations of Missouri's sex offender registration (SOR) program. Due to the importance of public safety and the nature of the offenses committed, the state's SOR program is a significant issue for Missouri residents. The program was established under Sections 589.400 through 589.425, RSMo. Offenders who have committed sexual offenses and certain other offenses are required to register as sexual offenders with the chief law enforcement officer in their county of residence. The objectives of our audit were to:

1. Evaluate the effectiveness of law enforcement in enforcing sex offender registration requirements.
2. Evaluate the economy and efficiency of certain management practices and operations related to sex offender registration.
3. Evaluate compliance with certain legal provisions related to sex offender registration.
4. Compare Missouri's sex offender registration laws with those of other states.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Since there is no central agency charged with oversight of the SOR program, we were unable to obtain views of responsible officials for the findings, conclusions, and recommendations outlined in findings 1 and 3 of the Management Advisory Report. The views of responsible law enforcement officials were obtained and included where appropriate.

The accompanying Management Advisory Report presents our findings arising from our audit of the state's sex offender registration program.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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	Joel Stuckey

Sex Offender Registration

Introduction

Background

The federal Violent Crime Control and Law Enforcement Act of 1994 established the sexual offender registration program. That act set forth minimum requirements states must meet regarding sexual offender registration or face the loss of some federal funding. Subsequently, the state of Missouri passed legislation in 1994 creating the Missouri Sex Offender Registry, which was implemented in January 1995. All convictions/pleas related to sexual offenses under Chapter 566 RSMo, dating from January 1, 1979, were offenses requiring registration.

The purpose of the sexual offender registration law is to require persons found guilty of sexual and certain other offenses to register their name, address, and other information with local law enforcement officials and to make a listing of those offenders available to the public. This information can then be utilized by citizens to monitor offenders and make informed decisions towards the protection of their families.

Sex offender registration in Missouri is primarily managed by the Criminal Justice Information Services Division of the Missouri State Highway Patrol (MSHP) at the state level and by the chief law enforcement officials (CLEOs) at the local level. The CLEOs represent county sheriffs and the St. Louis Metropolitan Police Department. These law enforcement agencies are assisted by the criminal court system, and the Department of Corrections (DOC) and its Division of Probation and Parole (DPP).

Sex offender registration provisions

Missouri's sex offender registration law requires all individuals who have been convicted of, pleaded guilty to, or conspired to commit crimes of a sexual nature along with certain non-sexual crimes, to register with the CLEO within the offender's county of residence every 6 months.¹ In addition, certain offenses such as those involving victims under the age of 18 require offenders to register every 90 days. Registration information obtained from offenders includes their name, Social Security Number (SSN), phone number, residence address, place of employment, vehicle information, any online identifiers, and crime specific information including the victim's age and gender.²

After initial registration, subsequent registrations with CLEOs consist of offenders verifying the accuracy of their reported information. If an offender changes his or her residence within the county of registration, the offender is required to notify the CLEO within 3 business days. If an offender changes their residence to another county, the offender is required to notify the CLEO of last registration and the CLEO of the new residence within 3 business days.

¹ Sections 589.400 to 589.425, RSMo. State statute references refer to state laws prior to the passage of Senate Bill (SB) 655 in 2018, unless otherwise noted. A summary of changes to sex offender registration requirements as a result of the bill is discussed on page 8.

² Per Section 43.651.1(4), RSMo, online identifiers include email addresses, screen names, user identifications, cell phone numbers, and other similar identifiers.



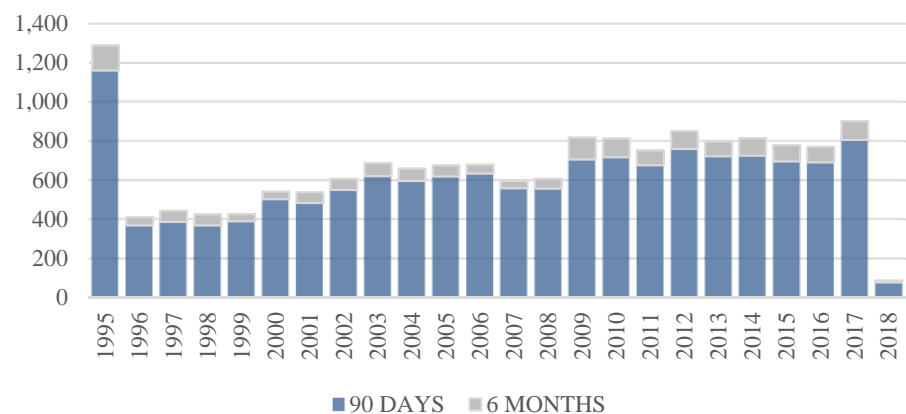
Sex Offender Registration Introduction

The failure to meet all registration requirements is a felony offense and state law mandates that a third conviction of noncompliance with registration requirements is punishable by a minimum of 10 years imprisonment.³

The MSHP maintains a central database of sex offenders required to register and an Internet website available to the public. CLEOs are responsible for maintaining sex offender registry information for their jurisdictions, ensuring offenders register or verify their information at the appropriate intervals, and providing updated registration and offender status change information to the MSHP. When courts place sexual offenders on probation for offenses committed, they are notified of their responsibility to register at that time and/or by a DPP officer. The DOC is responsible for notifying all applicable offenders of their duty to register as sex offenders upon release from incarceration from a correctional facility.⁴ When releasing an offender, the DOC is also responsible for completing the initial registration and notifying the MSHP and the CLEO of the county where the offender will be residing by forwarding the initial registration to the CLEO. If the offenders are under DPP supervision after release from prison, the supervising parole officers are responsible for ensuring they comply with the terms of their parole, including meeting the sex offender registration and verification requirements.

Figure 1 depicts the number of offenders actively registered as of February 14, 2018, by the offender's initial registration year, and their statutorily required registration interval of 6 months or 90 days. Approximately 90 percent of all registered offenders are required to register every 90 days.

Figure 1: Number of offenders registered per calendar year, by registration interval, 1995 to 2018



Source: MSHP's SOR database

³ Section 589.425, RSMo.

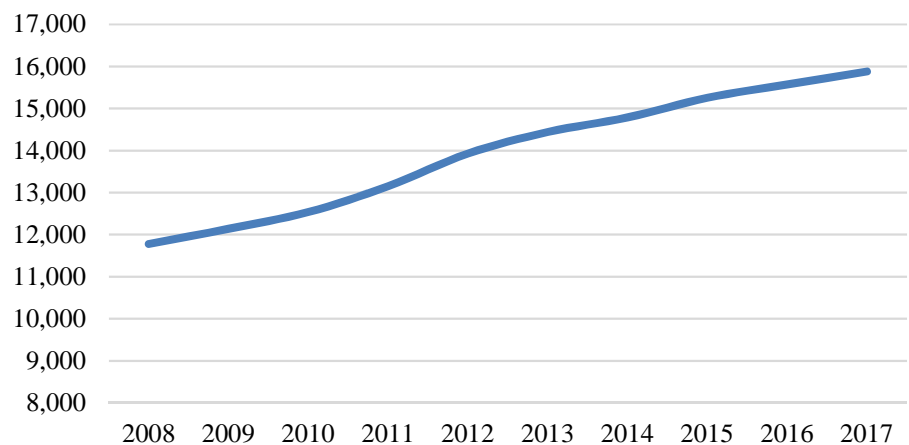
⁴ Section 589.403, RSMo.



Sex Offender Registration Introduction

Figure 2 depicts the number of registered sex offenders as of December 31 for the last 10 years according to statistics maintained by the MSHP. The number of registered offenders has increased from 11,779 as of December 31, 2008, to 15,882 as of December 31, 2017. This represents a total increase of 34.8 percent. The average annual growth rate has been 3.4 percent over this 10-year period and 2.7 percent for the most recent 5 year period. In addition to new Missouri convictions requiring registry, the total number of registered sex offenders is also impacted by sex offenders moving either into or out of the state.

Figure 2: Total offenders registered as of December 31, 2008 to 2017



Source: MSHP records

Prior audits

The State Auditor's Office (SAO) issued an audit report of this program and compliance with its requirements in 2002.⁵ That audit reported, based on a review of records in certain counties, approximately 36 percent of sexual offenders in Missouri had failed to meet their most recent registration/verification requirement. There were about 8,000 known sexual offenders at that time. The audit recommended the General Assembly revise or establish various state laws to help improve the effectiveness of the sexual offender registration program. In addition, recommendations were made to the DOC and the MSHP for improving the registration program. We issued a follow-up audit of the program in 2010.⁶ That audit reported significant improvement had been made, but additional improvements, such as the need to obtain compliance with the federal Sex Offender Registration and Notification Act (SORNA) and improvements to data matching capabilities, were necessary to help improve the effectiveness of the program.

⁵ SAO, Report No. 2002-41, *Missouri Sexual Offender Registration Program*, issued in May 2002.

⁶ SAO, Report No. 2010-094, *Missouri Sexual Offender Registration Program Follow-Up*, issued in August 2010.



Sex Offender Registration Introduction

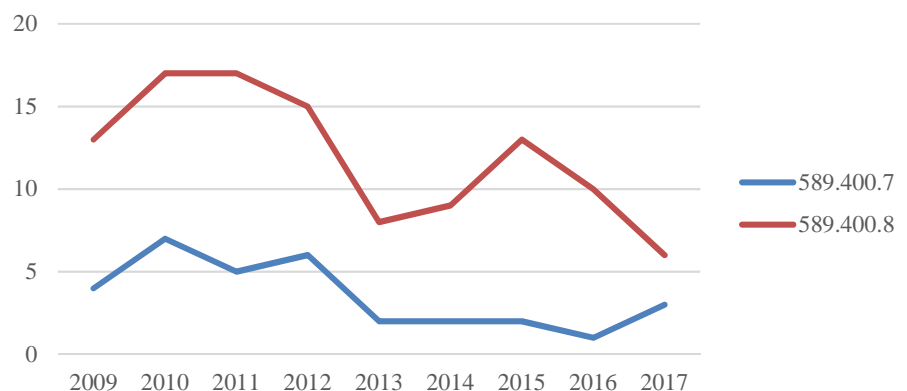
Comparison with other states

Missouri was one of 18 states that initially required lifetime registration for all sex offenders, regardless of the offense committed. The remaining 32 states have implemented laws that initially place a set number of years offenders are required to register depending on the severity of their crimes. Many of these states utilize a three-tiered approach that align with federal SORNA guidelines. These guidelines classify sex offenders into three tiers depending on the severity of the offense(s) committed and generally require minimum registration periods of 15 years for tier I offenders, 25 years for tier II offenders, and lifetime registration for tier III offenders.

Of the 18 states that initially required lifetime registration for all offenders, 16 states, including Missouri, provided a petition process allowing certain registered offenders to petition for removal from the registry. Prior to the passage of SB 655 in 2018, Missouri's petition requirements were highly restrictive and the number of petitioners that successfully petitioned to be removed from the registry was minimal. Section 589.400.7, RSMo, provided that offenders of certain crimes where no physical force or threat of physical force was used in the commission of the crime may petition for removal after 10 years. In addition, Section 589.400.8 RSMo, provided that offenders who were 19 years of age or younger and whose victims were 13 years or older and no physical force or threat of physical force was involved may petition for removal after 2 years.

Figure 3 illustrates the number of individuals removed from the registry through the petition process based on MSHP records. Missouri's legislation has undergone recent changes due to the passage of SB 655 and the number of petitioners is expected to significantly increase in the future.

Figure 3: Number of
removals by petition, by
statutory provision, by year,
2009 to 2017



Source: MSHP records

Court rulings

Since the establishment of Missouri's sex offender registration program in 1995, various legislation and court cases have impacted the program. Since our 2010 report, three significant court rulings have further clarified sex offender registration requirements. On April 26, 2011, the Missouri Western



Sex Offender Registration Introduction

District Court of Appeals heard a case regarding suspended imposition of sentences (SIS). Defendants argued their SIS did not constitute a "conviction," which triggers SORNA's registration requirements. The District Court ruled that an SIS does not exempt offenders from registration requirements.⁷ On December 6, 2011, the Missouri Western District Court of Appeals determined, the requirement for sexual offenders to report a change in employment status does not violate the constitutional prohibition against retrospective laws.⁸ On April 24, 2012, the Missouri Eastern District Court of Appeals, ruled that a sexual offender leaving a residence with no intent to return is considered a "change" in residence, regardless of having a new permanent residence.⁹

SORNA compliance

On July 26, 2011, the United States Department of Justice's (DOJ) Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART) determined that Missouri had substantially implemented the provisions of the Sex Offender Registration and Notification Act (SORNA), Title I of the Adam Walsh Child Protection and Safety Act of 2006. The report determined Missouri exceeded SORNA's registration duration requirements of 15 years, 25 years, or the offender's lifetime depending on the offense committed due to Missouri requiring lifetime registration for all offenders.

Senate Bill 655

Senate Bill (SB) 655 was passed by the General Assembly and signed by the governor on July 13, 2018. The legislation became effective on August 28, 2018. SB 655 dramatically alters existing requirements regarding the registration of sexual offenders in Missouri. For example, the bill provides for a three-tiered system that more closely aligns with SORNA guidelines. The three tiers are based on the severity of the offense committed with Tier I sex offenders requiring a registration period of 15 years with the ability to petition the court for early removal after 10 years. Tier II offenders would require a registration period of 25 years, and Tier III offenders would continue to require lifetime registration. Tier III offenders adjudicated as a delinquent would be able to petition the court for removal from the registry after 25 years.

In addition, the bill also reduces the registration frequency for Tier I and Tier II offenders. Tier I offenders would be required to register with CLEOs annually while Tier II offenders would register every 6 months. The registration frequency for Tier III offenders remains unchanged from current requirements of every 90 days. The bill also removes registration requirements for some offenses that previously required registry as a sex offender.

⁷ *Doe v. Replogle*, 344 S.W.3d 757 (Mo. App. W.D. 2011)

⁸ *State v. Guyer*, 353 S.W.3d 458 (Mo. App. W.D. 2011)

⁹ *State v. Kelly*, 367 S.W.3d 629 (Mo. App. E.D. 2012)



Sex Offender Registration Introduction

Scope and Methodology

The scope of our audit included, but was not limited to, the year ended December 31, 2017. Our methodology included obtaining the sex offender database maintained by the MSHP. Due to system limitations, the MSHP could not provide the complete database as of December 31, 2017; therefore, we obtained the database as of February 14, 2018. We then analyzed the data and performed tests to determine if certain elements were accurate and in accordance with statutory requirements. We also obtained subsequent registry data as of May 23, 2018 for analysis purposes. Data on the number of registered offenders, noncompliant offenders, and the percent of noncompliant offenders are included at Appendix A, and are depicted in map form at Appendix B, C, and D.

To gain an understanding of the legal requirements governing Missouri's sex offender registration program, we reviewed relevant state statutes. We then compared Missouri's sex offender registration requirements with those of other states by reviewing relevant websites and applicable statutes pertaining to sex offender registries in other states. To gain an understanding of Missouri's laws in comparison to SORNA guidelines, we reviewed documentation from the DOJ's most recent SORNA compliance review.

To gain an understanding of the MSHP's and the DOC's policies and procedures regarding sex offender registration, we met with applicable officials from those agencies and reviewed each agency's relevant written policies and procedures. We then performed tests to determine compliance with certain policies and procedures.

To gain an understanding of certain enforcement and prosecution issues, we discussed with officials from six CLEO offices and six prosecuting attorney offices¹⁰ representing political subdivisions with both large and small sex offender registry populations. We also requested input from the Missouri Sheriff's Association regarding the issues noted in our report; however, the association declined to provide any responses.

To determine whether local law enforcement officials could use available wage information to pursue noncompliant offenders, we matched available state wage information for the first quarter of 2018 and the previous 3 quarters with noncompliant offender information from the MSHP database for all noncompliant offenders. Similarly, we also matched noncompliant offenders with driver license records maintained by the Department of Revenue.

We also obtained a listing of deaths recorded in the state for the period of 1995 to 2017 from the Missouri Department of Health and Senior Services

¹⁰ We interviewed personnel in the offices of the Sheriff and Prosecuting Attorney from Butler, Cedar, Jackson, St. Francois, and Stoddard counties and the City of St. Louis, including the Prosecuting Attorney for Butler and Stoddard counties.



Sex Offender Registration Introduction

(DHSS). We matched these records to SOR database records to determine if any registered sex offenders were deceased.¹¹ Although we used computer-processed data from other state agencies for our audit work, we did not rely on the results of any processes performed by these agencies in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

The General Assembly and applicable law enforcement agencies have generally implemented the recommendations in the prior report and the state has implemented the federal SORNA requirements.

¹¹ Acknowledgement: The data used in this document/presentation was acquired from the Missouri DHSS. The contents of this document including data analysis, interpretation or conclusions are solely the responsibility of the authors and do not represent the official views of the DHSS. This acknowledgement is a requirement of the data sharing MOU between the SAO and DHSS.

Sex Offender Registration Management Advisory Report State Auditor's Findings

1. Weaknesses Exist in the Enforcement of Registry Requirements

Chief Law Enforcement Officials (CLEOs) have not adequately pursued noncompliant offenders.¹² As a result, approximately 1,300 sex offenders, including approximately 800 of the most dangerous classification of sex offenders, are currently not in compliance with SOR reporting requirements and their locations are unknown. Arrest warrants have not been issued for the majority of these noncompliant sex offenders. In addition, CLEOs do not always require sex offenders to register in intervals required by state law and CLEOs do not always properly update the SOR registration system to identify absconding offenders. These issues have resulted in some sex offenders being incorrectly identified as compliant within the SOR management system and the MSHP's public website.

1.1 Inadequate enforcement of sex offender requirements

The enforcement of sex offender registration requirements by CLEOs is not adequate. According to the SOR database maintained by the MSHP, 1,259 (7.9 percent) registered sex offenders were noncompliant with SOR requirements as of February 14, 2018.¹³ This rate is based on information recorded in the SOR management system and does not take into account noncompliant offenders who were determined by auditors to be improperly identified as compliant (see MAR finding number 2.1).

The noncompliance rate of 7.9 percent is higher than the 7.1 percent noncompliance rate reported in our 2010 audit report.¹⁴ Our review determined many noncompliant sex offenders have been noncompliant for several years without adequate enforcement actions being taken by local law enforcement officials. Of the 1,259 sex offenders identified as noncompliant, 678 offenders (54 percent) have exceeded their scheduled registration dates by more than a year.

Noncompliant Tier III offenders

As noted in the background section, Senate Bill (SB) 655 dramatically revises the state law pertaining to the registration of sexual offenders. These changes include the use of three tiers to classify offenders based on the severity of the offenses committed. Tier III offenders have committed the most serious offenses such as rape, sodomy, child molestation, sexual trafficking, incest, and the use or promotion of a child in a sexual performance. Other offenses can also lead to a Tier III classification depending upon specific case information such as the age of the victim, whether the offense was of a sexual nature, or the length of the offender's imprisonment term. These offenses include sexual abuse, promoting prostitution, child molestation in third and

¹² This audit report uses the term "compliant" to refer to offenders who register with CLEOs at the intervals established by state law.

¹³ The MSHP SOR database is updated daily. Most CLEOs enter updated sex offender information directly into the SOR database while others submit paper registration forms to be entered into the SOR database by the MSHP.

¹⁴ SAO, Report No. 2010-94, *Missouri Sexual Offender Registration Program Follow-Up*, issued in August 2010.



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fourth degrees, sexual misconduct, and child abuse of a sexual nature. Tier III offenders must register with CLEOs every 90 days for their lifetime.

Based on our analysis of noncompliant offenders in the SOR, at least 794 of the 1,259 noncompliant offenders (63 percent) met the criteria for Tier III classification (see Appendix E).¹⁵ Of these 794 offenders, 568 (72 percent) had committed the offenses of rape, sodomy, and/or child molestation in the first or second degree.¹⁶ Given the substantial number of noncompliant offenders who meet the SB 655 criteria for Tier III classification, the passage of SB 655 will not significantly reduce the obligation of CLEOs to pursue offenders who were identified as noncompliant with SOR requirements prior to the bill's implementation.

CLEOs are responsible for the enforcement of SOR requirements and enforcement actions are conducted at their discretion. According to law enforcement officials interviewed, if offenders do not register on their scheduled registration dates, CLEOs will typically try to follow up with the offenders to notify them of the need to register. Follow-up actions may include contacting an offender by telephone or letter and/or sending an officer to an offender's registered address in an attempt to locate him/her. After any follow-up actions are conducted, CLEOs may decide to forward evidence of noncompliance to county prosecutors for the consideration of filing criminal charges and obtaining arrest warrants from the court.

Arrest warrants not being issued

Approximately 91 percent of noncompliant sex offenders do not have warrants outstanding for their arrest due to noncompliance with registry requirements. We obtained a listing of outstanding warrants in April 2018 from the MSHP's Missouri Uniform Law Enforcement System (MULES) and noted that only approximately 9 percent of offenders identified as noncompliant as of the data extraction date had an active arrest warrant for noncompliance with registry requirements.¹⁷

According to law enforcement officials interviewed, various reasons can contribute to warrants not being obtained for noncompliant sex offenders. Such reasons can include the prioritization of other law enforcement concerns, jail overcrowding, prosecutorial discretion to not pursue charges, and concerns

¹⁵ The number of estimated Tier III offenders is determined from offense and victim data within the SOR management system and the Tier III criteria established by SB 655. The figure presented is a minimum amount because classification for some offenders could not be determined without a review of case-specific details.

¹⁶ Offender count includes the statutory rape and statutory sodomy offenses.

¹⁷ MSHP officials indicated warrant data in MULES might not be complete because some warrants may not be correctly entered and/or updated timely by local law enforcement agencies. MULES data indicated 255 individuals with active warrants for failure to register regardless of whether the individuals could be matched with SOR records.



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regarding the proper jurisdiction when offenders move to other counties without properly notifying law enforcement officials. We also inquired with the Missouri Sheriff's Association regarding factors that could influence the low totals of outstanding warrants for noncompliant sex offenders. However, the association declined to provide a response.

The failure to obtain arrest warrants prevents other law enforcement agencies from taking enforcement actions when interacting with noncompliant sex offenders. Data for how many of the noncompliant offenders were in contact with local law enforcement officers after being deemed noncompliant cannot be determined. However, we obtained MSHP issued traffic citation information and determined that during the 2016 and 2017 calendar years the MSHP issued 27 traffic tickets to noncompliant sex offenders who were listed as noncompliant with registry requirements and remained noncompliant with registration requirements through our data collection date of February 14, 2018. Of these 27 individuals, 11 were listed as absconders in the SOR database, indicating the CLEO had confirmed the individual no longer resided at his or her registered address. For 26 out of the 27 individuals, no arrest warrants were outstanding at the time the citations were issued by MSHP officers. For one offender, an arrest warrant had been recently issued and was outstanding; however, the local law enforcement agency had not entered it into MULES to inform the MSHP and other law enforcement agencies. If arrest warrants had been obtained by CLEOs and properly entered into MULES, these sex offenders could have been arrested and charged with noncompliance with registration requirements.

When CLEOs do not obtain arrest warrants for noncompliant sex offenders after appropriate follow-up actions have been taken, sex offenders who commit the felony offense of noncompliance with registry requirements are able to reside in locations unknown to law enforcement officials and the public, sometimes for several years, with little risk they will be apprehended and prosecuted for their noncompliance.

Absconder status

CLEOs do not adequately update the status of noncompliant offenders as absconders in the SOR management system. Of the 1,259 noncompliant offenders, only 239 (19 percent) are classified as absconders. However, many of these offenders have been listed as noncompliant for an extended period of time without their status being updated to absconder and/or an arrest warrant being obtained for their arrest. We noted that of the 1,020 noncompliant offenders not classified as an absconder, the average length of time indicated by local law enforcement officials since the offender's most recent registration date was 3.12 years and 202 offenders (20 percent) had not registered with a CLEO in more than 5 years.

In some cases, an offender may not report to the CLEO on the scheduled registration date but remain at his or her registered residence. In these



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circumstances, the offender is considered noncompliant with registry requirements but not an absconder. In other cases, an offender may miss the scheduled registration date because the offender has changed residences without properly notifying the CLEO within 3 business days, as required by state law.¹⁸ After confirming the location of the offender is unknown, CLEOs are to update the offender's status in the SOR management system to "absconder." This classification notifies other law enforcement officials and the public, through the MSHP's notification website, that the location of these offenders is unknown and the previously registered address cannot be relied upon. In accordance with SORNA guidelines, the MSHP also notifies the US Marshals Service when CLEOs identify an offender as an absconder in the SOR management system. Local law enforcement officials we spoke with indicated this delay in updating the absconder status was due to inadequate resources necessary to effectively verify whether noncompliant offenders remain at their registered addresses.

SORNA guidelines states that if information is received indicating a sex offender may have absconded, an effort to determine whether the sex offender actually absconded must be made. If follow-up actions indicate the offender has absconded or cannot be located, the registry is to be updated to reflect this status. In addition, a warrant must be sought for the sex offender's arrest, if the legal requirements for doing so are satisfied.

While all law enforcement officials must balance available resources with a wide variety of law enforcement obligations, local law enforcement officials should work to ensure SOR requirements are effectively enforced. If sex offenders laws are not effectively enforced, law enforcement is unable to track the location of registered sex offenders and citizens are not able to effectively use the sex offender registry when making decisions to protect themselves and their families.

1.2 Registration dates

CLEOs do not always schedule the next registration dates for sex offenders in accordance with state law. In addition, due to errors entered by CLEOs in the next registration date field, some sex offenders have avoided registration requirements while being identified as compliant within the SOR management system and the MSHP's public notification website.

Data entry errors

The next scheduled registration date for each offender is entered in the SOR management system by CLEOs during each offender's registration. While the MSHP reviews and accepts data submitted by CLEOs as part of maintaining the SOR management system, MSHP officials indicated their reviews of information submitted by CLEOs are limited to fields that are made public through the MSHP's sex offender website such as offender addresses, vehicle

¹⁸ Section 589.414, RSMo.



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information, and offenses committed by offenders and they do not review other database fields such as the offender's most recent registration date and the next scheduled registration date.

We reviewed the next scheduled registration dates and the most recent registration dates for offenders identified as compliant within the SOR management system and noted 266 offenders had a scheduled next registration date 30 days greater than the applicable 6 month or 90 day interval required by state law. We discussed this issue with local law enforcement agencies and no consensus as to why the next scheduled registration date would exceed the statutorily mandated intervals could be identified. Some officials indicated that law enforcement personnel at CLEOs might be aware of future local incarceration or hospitalization dates that would prompt officials to extend the registration dates of some offenders. We noted that for some offenders, either the most recent registration date or the next scheduled registration date were erroneously entered by local law enforcement officials. However, in other cases, an explanation regarding why the scheduled date exceeded the interval required by state law was not readily apparent.

The MSHP's normal procedures for maintaining the SOR management system include running a system process once per day that changes the compliance status of offenders from compliant to noncompliant if the CLEO has not reported their registration within 7 days of the offender's next registration date. However, this system process is only effective if the next scheduled registration dates are accurate and in accordance with statutory requirements. For instance, we noted 18 offenders whose next registration dates were in calendar years 2019 or later as of the data extraction date of February 14, 2018. Given that registration intervals are either every 6 months or 90 days, no offender should have had a next scheduled registration date in year 2019 or later. Table 1 identifies 3 of the 18 offenders with a 'next registration' date in 2019 or later.

Table 1: Sample of Offenders with 'Next Registration' Date of 2019 or Later

Example Number	Last Registration Date	Required Registration Interval	Next Scheduled Registration Date	Published Compliance Status	Actual Compliant Status	Days Noncompliant as of 2/14/18
1	07/01/2015	90 days	09/28/ 2105	Compliant	Noncompliant	869
2	06/23/2017	90 days	09/20/ 2107	Compliant	Noncompliant	146
3	11/10/2017	90 days	02/09/ 2019	Compliant	Noncompliant	6

For these examples, the CLEOs likely mistyped the year when entering the next scheduled registration field. These errors were not identified by the CLEO or the MSHP and resulted in the offender being improperly classified as compliant within the SOR management system and the MSHP's public notification website. For example 1, the offender was able to not register with the CLEO for approximately 2.5 years while still being classified as compliant



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within the SOR management system and the MSHP's public notification website. For example 3, the offender had only been noncompliant for 6 days as of the data extraction date. However, the offender continued to be improperly listed as compliant on the MSHP's public notification website until April 2018 when we notified MSHP about the problem. For all three examples, we notified the MSHP of the errors once identified. The MSHP subsequently notified the corresponding CLEOs who corrected the dates and compliance statuses within the SOR management system.

As noted in the background section, state laws requires sex offenders to register with CLEOs every 6 months or 90 days depending on the offense committed. In order to ensure sex offenders are held accountable for registry obligations and offender compliance statuses with the SOR management system are accurate, CLEOs should ensure registration dates are in accordance with statutory requirements.

Recommendations

To the Chief Law Enforcement Officials of counties and the City of St. Louis:

- 1.1 Ensure follow-up actions are taken when noncompliant sex offenders violate registration requirements and properly update the SOR management system. In addition, when follow-up actions are not successful, pursue arrest warrants to help apprehend noncompliant offenders.
- 1.2 Ensure sex offenders are scheduled for registration dates in accordance with statutorily required intervals.

Auditee's Response

Due to no central state or local entity having oversight or management responsibilities over the Sex Offender Registration program on a statewide basis, no management response can be obtained.

2. Missouri State Highway Patrol Procedures

MSHP procedures for maintaining the SOR database and supporting CLEO's efforts to enforce SOR requirements need improvement.

2.1 MSHP database not updated timely

The MSHP does not always update the compliance status of offenders within the SOR management system in accordance with internal policies. The MSHP maintains the SOR management system and MSHP procedures indicate the system is to run a batch job once per day that updates the compliance status of an offender. This change of status is to occur if the offender has not registered within 7 days of the offender's next scheduled registration date entered by CLEOs.



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After receiving the SOR database from the MSHP as of February 14, 2018, we determined the compliance statuses of offenders had not been updated in accordance with MSHP's internal policy. As a result, the database contained 342 individuals classified as compliant when they should have been listed as noncompliant. The database indicated no offenders marked as noncompliant had a registration due date after January 9, 2018. For these 342 individuals, the numbers of days each individual had been noncompliant ranged from 8 to 35 days. When these individuals are added to those already identified as noncompliant, the noncompliance rate was approximately 10 percent as of February 14, 2018.

Updating the compliance status of offenders daily in conformity with internal policy will help ensure the SOR database and public notification website accurately reflect the compliance status of offenders.

2.2 Data matches

The MSHP has not established agreements with other state agencies to perform batch data matches to assist CLEO's enforcement of SOR requirements. Such data matches would help CLEOs locate noncompliant offenders and identify deceased offenders.

State wage matches

Similar to the prior audit, the MSHP has access to perform single inquiry data matches with state wage records maintained by the Department of Labor and Industrial Relations (DLIR). These single inquiry matches are performed by MSHP personnel when requested by CLEOs; however, the MSHP's agreement with DLIR does not provide the capability to perform batch cross-matches against the entire SOR database or a list of noncompliant offenders within a particular county. As a result, such information is not readily available to the MSHP to assist CLEOs in the pursuit of noncompliant offenders.

To determine if registry cross-matches continue to be relevant to law enforcement in the pursuit of noncompliant offenders, we performed a batch cross-match between the 1,259 noncompliant/absconder offenders in the SOR management system and state wage data reported to the Department of Labor and Industrial Relations (DLIR) for the first quarter of 2018 and the last 3 quarters in 2017. The results of our data match indicated 350 of the 1,259 (27.8 percent) noncompliant offenders had earnings reported in Missouri during the 4 quarters reviewed.

Driver license matches

Similarly, the MSHP is able to perform single query data matches with driver license records maintained by the Department of Revenue (DOR) but the MSHP's agreement with DOR does not provide the capability to perform batch cross-matches. We performed a batch cross-match between the 1,259 noncompliant/absconder offenders as of February 14, 2018, and driver license records maintained by the DOR. Based on our cross-match, during the period of January 1, 2016, through February 14, 2018, approximately 200 noncompliant offenders received a new or renewed a Missouri driver license.



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For the approximately 200 offenders identified, 46 (23 percent) were classified by CLEOs as absconders whose location was unknown. For those offenders, the average time period since they had last registered with a CLEO was approximately 5 years.

Both the issuance of a new driver license or the renewal of a driver's license requires proof of a Missouri residential address and such information is recorded by the DOR.

The use of batch cross-matches of both state wage information and driver license records would assist law enforcement in identifying the location of noncompliant sex offenders. MSHP personnel indicated that in order to keep data matching results accurate and compliant with privacy laws, the MSHP only obtains and distributes data matching results when specifically requested by CLEOs. However, it is unclear what privacy laws would be violated if batch data matches were proactively sent to CLEOs if proper confidentiality agreements were obtained.

Death matches

We also performed a cross-match between the SOR database and death records reported by the Department of Health and Senior Services (DHSS) in order to determine if some sex offenders were deceased.

We determined that 122 sex offenders, not identified as deceased in the SOR management system, matched with death records maintained by the DHSS.¹⁹ This match was performed based on a match of SSNs between the two databases. For 26 of the 122 matches, we determined the names and date of births recorded between the two databases did not match, which suggests that either the SSNs had been inaccurately recorded on the death records maintained by DHSS and/or the SSNs provided by the offenders and entered by the CLEOs were inaccurate. A listing of the offenders identified was provided to the MSHP.

While the MSHP currently submits requests on an individual basis to verify the status of offenders identified by CLEOs as deceased, a match against the entire SOR database could assist CLEOs by identifying deceased offenders who no longer need to be tracked and improving the accuracy of the public database.

2.3 SOR management system edit checks

The SOR management system maintained by the MSHP does not utilize adequate edit checks to identify inaccurate or inappropriate information

¹⁹ The data used in this document/presentation was acquired from the Missouri DHSS. The contents of this document including data analysis, interpretation or conclusions are solely the responsibility of the authors and do not represent the official views of the DHSS. This acknowledgement is a requirement of the data sharing MOU between the SAO and DHSS.



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entered by the CLEOs. The lack of adequate edit checks contributed to the following errors within the SOR database:

- As identified in MAR finding number 1.2, the next required registry date entered by CLEOs can exceed intervals required by state law. For example, we identified one sex offender was able to avoid registration requirements for approximately 2.5 years while being incorrectly identified in the SOR database and the MSHP's public notification website as compliant. The CLEO mistakenly entered the offender's next registration date with the year "2105" rather than "2015". Other errors by CLEOs included the use of the following years when scheduling offenders' next registration dates: 2104, 2022, 2048, 2108, and 2107.
- The offender's most recent registration date is not always accurately entered by CLEOs. We reviewed the most recent registration date fields for 25 offenders identified as compliant in the SOR database but who appeared to be noncompliant based on the most recent registration date entered by CLEOs. Our review noted that 16 of the 25 (64 percent) registration dates reviewed were incorrect based on documentation provided by the MSHP. In some cases, the date was not updated or the CLEO entered a date using a year prior to the actual registration date. For example, a CLEO entered a registration date of February 7, 2017 when the actual registration date was February 7, 2018.
- Edit checks are not in place to prevent duplicate or invalid SSN sequences from being submitted by offenders and then entered by CLEOs into the SOR database. We noted two offenders were registered using the same SSN while six other offenders were registered with invalid SSN sequences, including two offenders registered with the invalid sequence of "999-99-9999."

In addition, prior to the current audit, MSHP officials identified deficiencies with the SOR management system's ability to accurately upload Missouri's SOR database to the National Sex Offender Registry File maintained by the FBI's National Crime Information Center. MSHP personnel correct inaccurately uploaded SOR data when such information is identified. MSHP personnel indicated the exact cause of the problem has not been identified but believe the age of the current system is a contributing factor. The MSHP requested and was provided additional funding in its fiscal year 2019 budget to replace the current system and is in the process of procuring a new system. To help ensure the integrity of the data within the SOR database, the MSHP should ensure the next SOR management system includes adequate edit checks for key fields within the database. This control is especially necessary considering the nature of the SOR system and due to the reliance on the high number of CLEO users inputting data into the system.



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Recommendations

To the Highway Patrol:

- 2.1 Ensure the SOR database is updated in accordance with internal policy to accurately reflect the compliance status of sex offenders.
- 2.2 Obtain agreements with other state agencies that allow for batch data-matching to assist CLEOs pursue noncompliant offenders.
- 2.3 Ensure the new sex offender system includes adequate edit-checks to limit the input of incorrect and/or inappropriate data.

To the Chief Law Enforcement Officials of counties and the City of St. Louis:

- 2.2 Consider requesting periodic batch data-matching reports from the MSHP to assist with the enforcement of sex offender registry requirements.

Auditee's Response

The MSHP's written response is included at Appendix G.

3. Weaknesses in State Laws

Revision to state law is necessary regarding the SAO's access to certain court records. In addition, state law does not require background checks for school volunteers.

3.1 SAO access to court records

Information requested from the Office of State Courts Administrator to evaluate the completeness of the SOR was denied. The State Judicial Records Committee (SJRC) denied the SAO access to certain closed court records including records for cases disposed as a Suspended Imposition of Sentence (SIS) after the probationary period has been completed. As noted in the background section, Missouri courts have ruled that individuals who have committed crimes requiring sex offender registration and have received a SIS must still register as a sex offender.

In order to perform audit procedures to test whether individuals who committed crimes requiring registry actually registered, we requested case information for all individuals requiring registration as a sex offender from when the last circuit court went on the Judicial Information System in 2008 through December 31, 2017 (see Appendix F). The SJRC refused to provide closed court records regarding individuals who had committed offenses requiring registry as a sex offender, closed records for individuals who had committed the offense of noncompliance with SOR requirements, and identification information necessary to match individuals from court data with individuals in the SOR database. The SJRC provided no legal basis for the denial. See all correspondence with the SJRC at Appendix F.



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Without information from the court regarding individuals committing offenses requiring registration as a sex offender, the completeness of the registry cannot be determined. A clarification in state law to clearly provide the SAO access to the information requested would allow the SAO to evaluate the completeness of the registry.

3.2 School volunteer background checks

State law does not require background checks for school volunteers. Section 168.133, RSMo, requires background checks for school employees, but does not require background checks for school volunteers. Department of Elementary and Secondary Education (DESE) officials indicated most school districts maintain policies requiring background checks for certain school volunteers based on sample policies developed by the Missouri School Board Association (MSBA).

The MSBA's sample policy regarding background checks recommends school districts perform a basic background check for school volunteers who will be left alone with students. The results from the basic background check through the MSHP's website would include results from the SOR database. The use of more thorough fingerprint background checks is left to the discretion of school superintendents. In addition, MSBA policy recommends that school sponsors, advisors, and coaches, who are not otherwise employed by a district, receive the same background checks as school employees. Sample policies from the MSBA are not required to be used and school districts may adopt either less or more stringent policies.

Within the last 5 years, other states such as Pennsylvania, Rhode Island, Nevada, and Oregon have passed legislation requiring schools to obtain background checks on certain school volunteers. Without a legal requirement, school officials may not conduct background checks for all school volunteers with contact with children and/or background checks that are performed may not include a check against the SOR database.

Recommendations

The General Assembly consider amending state law to:

- 3.1 Provide the SAO clear statutory authority to review court records.
- 3.2 Require school volunteers with access to students to receive backgrounds checks that include a check against the sex offender registry database.

Auditee's Response

Due to no central state or local entity having oversight or management responsibilities over the Sex Offender Registration program on a statewide basis, no management response can be obtained.



Appendix A
Sex Offender Registration
Sex Offender Data by County

This data is from the sex offender registry as of May 23, 2018. See Appendices B, C, and D for depictions of it in map form.

County	Number of Offenders	Number Compliant	Number Noncompliant	Percent Noncompliant
Adair	65	64	1	1.5%
Andrew	35	35	0	0.0%
Atchison	13	12	1	7.7%
Audrain	93	93	0	0.0%
Barry	121	116	5	4.1%
Barton	35	32	3	8.6%
Bates	63	61	2	3.2%
Benton	72	69	3	4.2%
Bollinger	48	47	1	2.1%
Boone	325	317	8	2.5%
Buchanan	280	270	10	3.6%
Butler	215	172	43	20.0%
Caldwell	31	31	0	0.0%
Callaway	156	151	5	3.2%
Camden	129	127	2	1.6%
Cape Girardeau	182	170	12	6.6%
Carroll	35	33	2	5.7%
Carter	24	24	0	0.0%
Cass	167	144	23	13.8%
Cedar	51	45	6	11.8%
Chariton	17	16	1	5.9%
Christian	128	122	6	4.7%
Clark	17	16	1	5.9%
Clay	356	348	8	2.2%
Clinton	58	57	1	1.7%
Cole	141	140	1	0.7%
Cooper	51	47	4	7.8%
Crawford	96	91	5	5.2%
Dade	27	26	1	3.7%
Dallas	64	56	8	12.5%
Daviess	27	25	2	7.4%
DeKalb	25	25	0	0.0%
Dent	63	61	2	3.2%
Douglas	42	35	7	16.7%
Dunklin	137	120	17	12.4%
Franklin	282	272	10	3.5%
Gasconade	38	36	2	5.3%
Gentry	13	13	0	0.0%



Appendix A
Sex Offender Registration
Sex Offender Data by County

County	Number of Offenders	Number Compliant	Number Noncompliant	Percent Noncompliant
Greene	767	747	20	2.6%
Grundy	28	25	3	10.7%
Harrison	25	25	0	0.0%
Henry	82	71	11	13.4%
Hickory	40	40	0	0.0%
Holt	15	15	0	0.0%
Howard	37	34	3	8.1%
Howell	132	129	3	2.3%
Iron	38	38	0	0.0%
Jackson	2,125	1,686	439	20.7%
Jasper	291	285	6	2.1%
Jefferson	474	459	15	3.2%
Johnson	94	93	1	1.1%
Knox	15	15	0	0.0%
Laclede	173	170	3	1.7%
Lafayette	71	70	1	1.4%
Lawrence	119	105	14	11.8%
Lewis	30	28	2	6.7%
Lincoln	179	177	2	1.1%
Linn	37	36	1	2.7%
Livingston	34	34	0	0.0%
Macon	45	45	0	0.0%
Madison	57	55	2	3.5%
Maries	20	19	1	5.0%
Marion	114	110	4	3.5%
McDonald	83	80	3	3.6%
Mercer	13	12	1	7.7%
Miller	103	98	5	4.9%
Mississippi	47	41	6	12.8%
Moniteau	33	31	2	6.1%
Monroe	36	34	2	5.6%
Montgomery	39	36	3	7.7%
Morgan	126	124	2	1.6%
New Madrid	71	70	1	1.4%
Newton	177	176	1	0.6%
Nodaway	38	37	1	2.6%
Oregon	34	33	1	2.9%
Osage	26	24	2	7.7%
Ozark	22	21	1	4.5%
Pemiscot	95	82	13	13.7%
Perry	29	29	0	0.0%
Pettis	160	146	14	8.8%
Phelps	95	94	1	1.1%



Appendix A
Sex Offender Registration
Sex Offender Data by County

County	Number of Offenders	Number Compliant	Number Noncompliant	Percent Noncompliant
Pike	41	40	1	2.4%
Platte	120	108	12	10.0%
Polk	98	96	2	2.0%
Pulaski	96	95	1	1.0%
Putnam	15	14	1	6.7%
Ralls	28	27	1	3.6%
Randolph	129	125	4	3.1%
Ray	74	67	7	9.5%
Reynolds	21	20	1	4.8%
Ripley	51	49	2	3.9%
St. Charles	377	371	6	1.6%
St. Clair	32	31	1	3.1%
St. Francois	301	292	9	3.0%
St. Louis	1,613	1,596	17	1.1%
Ste. Genevieve	48	47	1	2.1%
Saline	94	94	0	0.0%
Schuyler	15	15	0	0.0%
Scotland	6	6	0	0.0%
Scott	151	139	12	7.9%
Shannon	26	24	2	7.7%
Shelby	27	25	2	7.4%
Stoddard	115	86	29	25.2%
Stone	105	102	3	2.9%
Sullivan	26	25	1	3.8%
Taney	172	164	8	4.7%
Texas	76	69	7	9.2%
Vernon	75	72	3	4.0%
Warren	85	83	2	2.4%
Washington	104	96	8	7.7%
Wayne	51	46	5	9.8%
Webster	119	103	16	13.4%
Worth	5	5	0	0.0%
Wright	70	68	2	2.9%
St. Louis City	1,265	1,021	244	19.3%
Totals	15,622	14,419	1,203	7.7%

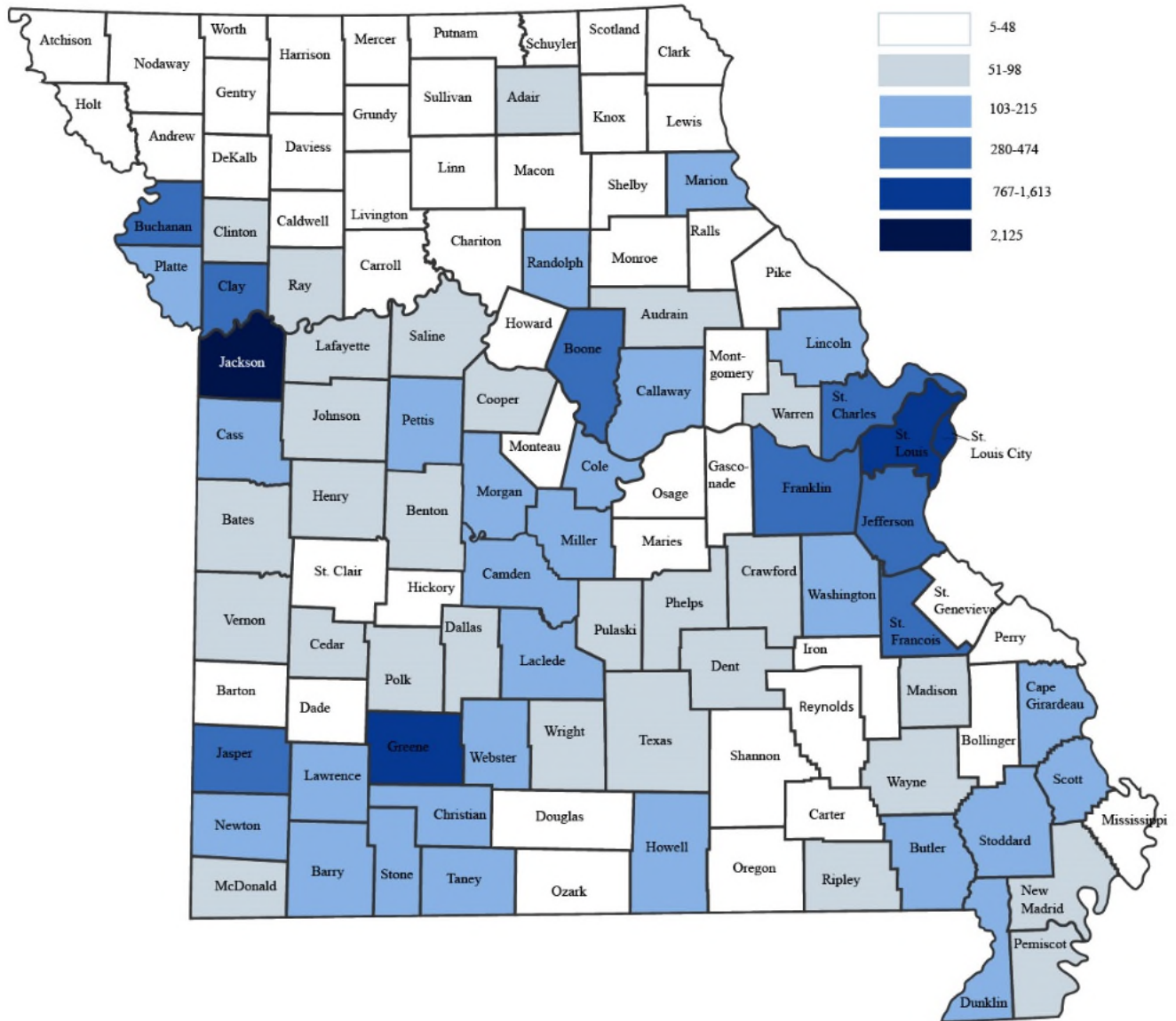


Appendix B

Sex Offender Registration

Map of Registered Offenders by County

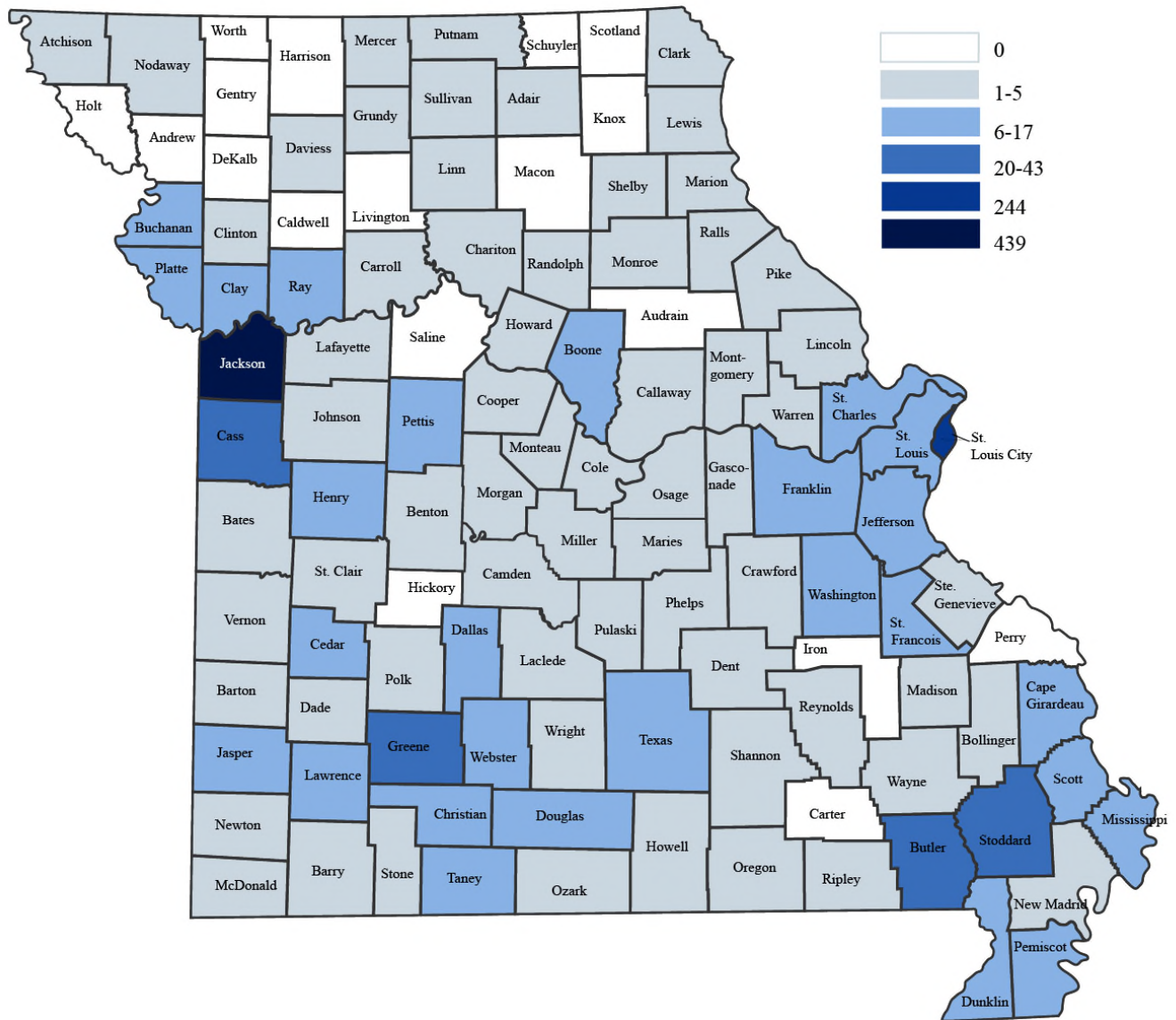
The map depicts the total number of registered sex offenders for each county and St. Louis City, based on MSHP data as of May 23, 2018.





Appendix C Sex Offender Registration Map of Noncompliant Offenders by County

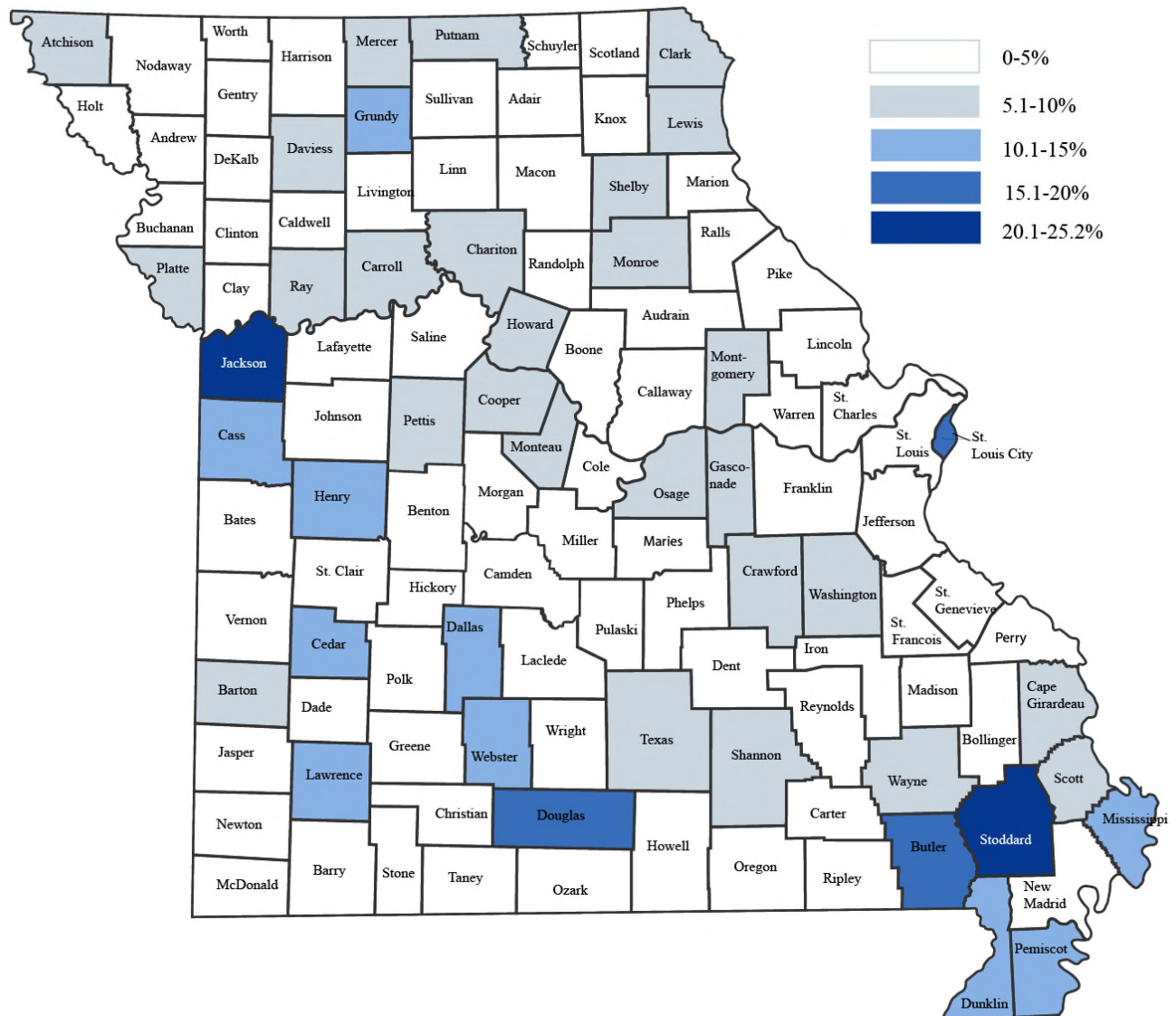
The map depicts the number of noncompliant sex offenders for each county and St. Louis City, based on MSHP data as of May 23, 2018.





Appendix D
Sex Offender Registration
Map of Noncompliant Offenders as a Percentage of Registered
Offenders by County

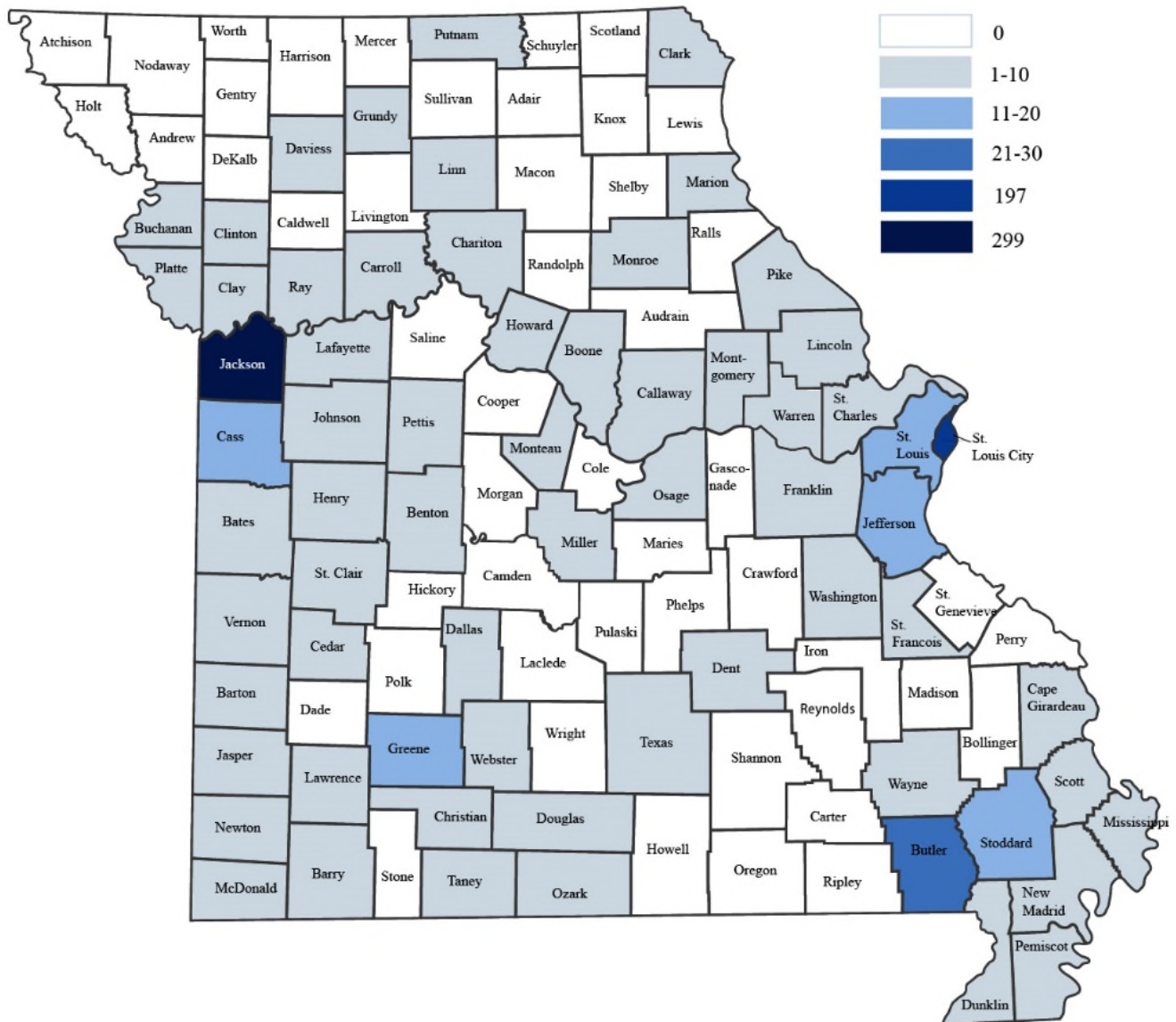
The map depicts the number of noncompliant offenders as a percentage of total registered sex offenders for each county and St. Louis City, based on MSHP data as of May 23, 2018.





Appendix E
Sex Offender Registration
Map of Estimated Noncompliant Tier III Offenders by County

The map depicts the number of estimated Tier III offenders per SB 655 identified as noncompliant based on MSHP data as of February 14, 2018.





Appendix F
Sex Offender Registration
Office of State Courts Administrator Correspondence



State Judicial Records Committee

2112 INDUSTRIAL DRIVE
P. O. BOX 104480
JEFFERSON CITY, MISSOURI
65110

PHONE - (573)751-4377
FAX - (573)522-5961

May 7, 2018

Jeff Roberts
Information Systems Senior Auditor
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102

Sent via email to: Jeff Roberts <Jeff.Roberts@auditor.mo.gov>

Dear Mr. Roberts:

The auditor's request to the State Judicial Records Committee (SJRC) for data was considered by committee at their April 20, 2018 meeting. Specifically, the auditor's office has requested:

1. All charges (all years) filed for failure to register as a sex offender (currently under RSMo 589.425) as of December 31, 2017.
2. All convictions (all years and including SIS's) for failure to register as a sex offender as of December 31, 2017.
3. All convictions (including SIS's) during the 10 years ended December 31, 2017 for offenses requiring registration as a sex offender.
4. The auditors informed me they are also interested in providing OSCA a list of people (State ID number, name, and/or SSN) to obtain a report of current outstanding warrants for each person.

The committee approved the request for a report for cases that were charged or disposed for failure to register as a sex offender (see charge codes below) for the years FY2009 -FY2017, excluding cases given an SIS. The data elements approved are listed below.

Charge Codes for Failure to Register as a Sex Offender

589.425-001Y200836__	22361__	FAIL TO REGISTER AS A SEX OFFENDER PURSUANT TO SECTIONS 589.400 - 589.425 - 1ST OFFENSE	F / D
589.425-002Y200836__0	22366__0	FAIL TO REGISTER AS A SEX OFFENDER PURSUANT TO SECTIONS 589.400 - 589.425 UNDERLYING OFFENSE IS AN UNCLASSIFIED FELONY UNDER CHAPTER 566, A OR B FELONY OR FELONY INVOLVING A CHILD UNDER THE AGE OF 14 - 1ST OFFENSE	F / C
589.425-003Y200636__0	22370__0	FAIL TO REGISTER AS A SEX OFFENDER PURSUANT TO SECTIONS 589.400-425 - 2ND OFFENSE	F / D

MEMBERS OF THE COMMITTEE

JUDGE KENNETH R. GARRETT, III, CHAIR
JUDGE KARL DEMARCE
JUDGE JOHN LEPAGE
JUDGE W. DOUGLAS THOMSON

JUDGE JEFFREY BATES
JUDGE CAROL ENGLAND
JUDGE BEN LEWIS
JUDGE JOHN WARNER JR.

JUDGE PAULA P. BRYANT
JUDGE DANIEL KELLOGG
JUDGE KURT S. ODENWALD



Appendix F
Sex Offender Registration
Office of State Courts Administrator Correspondence

Jeff Roberts
Page 2 of 2

589.425-004Y200636__0	22375__0	FAIL TO REGISTER AS A SEX OFFENDER PURSUANT TO SECTIONS 589.400-425 - UNDERLYING OFFENSE IS AN UNCLASSIFIED FELONY UNDER CHAPTER 566, A OR B FELONY OR FELONY INVOLVING A CHILD UNDER THE AGE OF 14 - 2ND OFFENSE	F / C
589.425-005Y200636__0	22380__0	FAIL TO REGISTER AS A SEX OFFENDER PURSUANT TO SECTIONS 589.400-425 - 3RD OFFENSE	F / UN
589.425-001Y201736__..		FAIL TO REGISTER AS A SEX OFFENDER PURSUANT TO 589.400-425	F / E
589.425-002Y201736__..		FAILURE TO REGISTER AS SEX OFFENDER - 589.400-425 UNDERLYING OFFENSE UNCLASSIFIED FELONY PER RSMO 566 - A/B FELONY OR FELONY INVOLVING CHILD <14	F / D
589.425-003Y201736__..		FAILURE TO REGISTER AS A SEX OFFENDER PURSUANT TO SEC 589.400-425 - 2ND OFFENSE	F / E
589.425-004Y201736__..		FAIL TO REGISTER AS SEX OFFENDER UNDER 589.400-425-UNDERLYING OFFENSE UNCLASSIFIED FELONY RSMO 566 - A/B FELONY OR FELONY INVOLVING CHILD <14 - 2ND OFFENSE	F / D

In addition, the committee approved the request for a report for offenses requiring registration as a sex offender (see charge codes listed on appendix A) for the years FY2009 –FY2017, excluding cases given an SIS. The data elements approved are listed below.

Approved Data Elements

- Case ID
- Name of defendant
- Charge code
- Offense description
- Circuit court identification
- Date of conviction (including SIS's)
- Date of filing of charges
- Type and Class of crime

The committee denied the request for a list outstanding warrants for a list of names that the auditor would submit. There is not an existing report or process in which to do the comparison that you have requested.

The Research Unit at the Office of State Courts Administrator will prepare the data that have been approved. Please contact Catherine Zacharias at 573-526-8857 if you have any further questions.

Sincerely,

Kenneth R. Garrett, III
Chair, State Judicial Records Committee

KRG/cnz
Cc: Anne Janku



Appendix F
Sex Offender Registration
Office of State Courts Administrator Correspondence



NICOLE GALLOWAY, CPA
Missouri State Auditor

May 24, 2017

Kathy S. Lloyd, State Courts Administrator
Office of State Courts Administrator
2112 Industrial Drive
P.O. Box 104480
Jefferson City, MO 65110

Dear Ms. Lloyd:

As we discussed, the State Auditor's Office (SAO) currently has four outstanding requests related to the audit of the state sex offender registry (SOR). Our requests are as follows:

First, all charges filed for failure to register as a sex offender (currently under RSMo 589.425) for the period beginning when the last judicial circuit went on JIS through the year ended December 31, 2017. This request is necessary to compare the number of charges for SOR noncompliance to the number of individuals listed as noncompliant in the SOR. Based on information available, there are a high number of offenders that are not compliant with SOR requirements, but are not being charged. Without this data the SAO has no way of verifying this information. Our understanding is that your agency has agreed to this request as long as the data requested does not cover any pre-JIS activity.

Second, all individuals found or plead guilty for failure to register as a sex offender for the period beginning when the last judicial circuit went on JIS through the year ended December 31, 2017. This request is an extension of the first, but will provide additional context on how many individuals actually have been convicted for noncompliance.

Third, all individuals found or pleaded guilty during the period beginning when the last judicial circuit went on JIS through the year ended December 31, 2017 for offenses requiring registration as a sex offender. The requirement to register is Sections 589.400 to 589.429, RSMo, includes those that have been "convicted of, been found guilty of, or pled guilty or nolo contendere." This request is to verify that all individuals who should be on the registry are actually on the registry. Because it is up to the local law enforcement agencies to populate the registry, the SAO has no assurance that all individuals who were convicted or pled guilty to crimes that should result in being put on the registry actually ended up there. We have not had this third request in the past because there was no way to obtain the information in a usable form. The 2002 SOR audit was pre-JIS; therefore, auditors at that time did not have a means of determining the completeness of the SOR, and the 2010 report was primarily a follow-up to the issues noted in the 2002 report.



Appendix F
Sex Offender Registration
Office of State Courts Administrator Correspondence

Finally, the fourth request is a list of people with current outstanding warrants for SOR noncompliance. This request is also related to #1 and #2. The SAO will provide the information for individuals who are shown as noncompliant in the SOR to determine how many of them have warrants out for their arrest. According to discussions with Highway Patrol, OSCA may have knowledge of more outstanding warrants than what we identified by looking at the MULES system.

For all requests, it is important to have identifiers such as social security or state identification numbers. OSCA has indicated they will only send a limited number of data fields. The approved data elements are not adequate to properly match individuals identified by OSCA to the sex offender registry data provided by the MSHP. Name-only matches are insufficient to determine whether the list is complete because names are not placed in the systems consistently, unlike the identification numbers.

We believe that the SAO has the legal authority to obtain this information. The SAO is performing this audit under its constitutional and statutory authority as provided by the Missouri Constitution, Article IV, Section 13, and Chapter 29, RSMo. Under Section 29.130, RSMo, the state auditor shall have free access to all offices of this state for the inspection of such books, accounts and papers as concern any of her duties. Additionally, under Section 29.235, RSMo, the auditor's authorized agents are authorized to examine all books, accounts, records, reports, vouchers of any state agency or entity subject to audit, insofar as they are necessary to conduct an audit.

These statutes are specific to the auditor and her specific duties.¹ Because of these statutory and constitutional duties, the law only limits the SAO access in specific circumstances. For example, Section 105.955.17, RSMo, limits the SAO access to Ethics Commission documents related to documents pertaining to particular investigations. And Section 32.057.4, RSMo, limits the SAO on its use of tax data. In our review, no similar provisions exist as to the court records this office is requesting as a part of the sex offender registry audit.

Furthermore, under these statutory provisions and court operating rules, the State Auditor's Office is permitted access to more access than the general public. Under Court Operating Rule 2.05, "Dissemination of social security numbers and personal information appearing in court databases shall be restricted to court personnel and to those state or federal agencies to which the court has a statutory or constitutional duty to disclose." As such, the court operating rules allow OSCA to make available social security numbers and state identification numbers to the SAO.

With regard to the information obtained, the information remains confidential and cannot be discriminated outside of the Office of the State Auditor. Section 29.080, RSMo, makes it a

¹ The well-settled principle of statutory construction that a more specific statute controls over a general one should be noted here. *E.g., Dieser v. St. Anthony's Med. Ctr.*, 498 S.W.3d 419, 431 n.5 (Mo. banc 2016); *State ex rel. Taylor v. Russell*, 449 S.W.3d 380, 382 (Mo. banc 2014); *Turner v. Sch. Dist. of Clayton*, 318 S.W.3d 660, 668 (Mo. banc 2010). The State Auditor's authority is specific to her office and should control over general provisions related to other offices.



Appendix F
Sex Offender Registration
Office of State Courts Administrator Correspondence

felony for any examiner to disclose information they obtain during an audit to anyone other than the State Auditor. Only the final audit report is an open record. As provided by Section 29.200.17, all audit workpapers and other related supportive material are confidential and the SAO is only permitting to release information in the final report.

Sincerely,

A handwritten signature in black ink, which appears to read "R. Showers CPA", is positioned above the printed name.

Robert E. Showers, CPA, CGAP
State Audit Director

BS/dd



Appendix F
Sex Offender Registration
Office of State Courts Administrator Correspondence



State Judicial Records Committee

2112 INDUSTRIAL DRIVE
P. O. BOX 104480
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65110

PHONE - (573)751-4377
FAX - (573)522-5961

August 3, 2018

Robert E. Showers, CPA, CGAP
State Audit Director
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Showers:

The auditor's request to the State Judicial Records Committee (SJRC) to reconsider the committee's denial of release of confidential cases information was considered by committee at their July 27, 2018 meeting.

After careful consideration of your letter, the committee did not find the arguments persuasive. The decision to deny confidential cases still stands.

Please contact Catherine Zacharias at 573-526-8857 if you have any further questions.

Sincerely,


Kenneth R. Garrett, III
Chair, State Judicial Records Committee

KRG/cnz
Cc: Rick McElfresh

MEMBERS OF THE COMMITTEE

JUDGE KENNETH R. GARRETT, III, CHAIR
JUDGE KARL DEMARCE
JUDGE JOHN LEPAGE
JUDGE W. DOUGLAS THOMSON

JUDGE JEFFREY BATES
JUDGE CAROL ENGLAND
JUDGE BEN LEWIS
JUDGE JOHN WARNER JR.

JUDGE PAULA P. BRYANT
JUDGE DANIEL KELLOGG
JUDGE KURT S. ODENWALD



Appendix G
Sex Offender Registration
Missouri State Highway Patrol Response



Department of Public Safety
MISSOURI STATE HIGHWAY PATROL
Lt. Colonel Eric T. Olson, Acting Superintendent



An
Internationally
Accredited
Agency

Michael L. Parson
Governor

Sandra K. Karsten
Acting Director

September 5, 2018

Honorable Nicole R. Galloway
Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Auditor Galloway:

The Patrol submits the following responses to the Sex Offender Registry (SOR) audit:

2.1 Ensure the SOR database is updated in accordance with internal policy to accurately reflect the compliance status of sex offenders.

Response:

2.1 The overall scope of this audit was focused mainly on the compliance of the registered offenders with the in-person registration requirements; more specifically, whether the offender reported to the Chief Law Enforcement Officer (CLEO) on the date scheduled to meet the statutorily required reporting timeframes. This is only one piece of the compliance requirements found in sections 589.400 to 589.425. An offender is technically non-compliant if a change occurs and the offender fails to report in-person within three days to the CLEO for any of the required reporting fields found in these statutory sections. Some of the examples that require this in-person reporting are change in residence, vehicles, employment, school, online identifiers, etc.

Current procedures provide for an automatic update of compliance status based on two separate registering provisions:

- For those offenders that are reported to the Missouri State Highway Patrol (MSHP) electronically, the automated process allows seven days past their regularly scheduled registration date before the compliance flag is switched to non-compliant to allow the CLEO to meet with the offender, review and submit the documents.
- For those offenders that are reported to the MSHP with manual reporting, the process allows thirty days past their regularly scheduled registration date before the compliance flag is switched to non-compliant to allow the CLEO to meet with the offender and review and submit the documents. Since it takes additional time for the MSHP to receive the records through the mail, the grace period is extended. This procedure prevents offenders from being labeled as non-compliant unfairly when they have met their statutory obligations. The Patrol realizes this process is not up-to-date in its procedure manual, but it is currently being updated.

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P.O. Box 568, Jefferson City, MO 65102-0568
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Dedicated to Service and Protection
www.mshp.dps.missouri.gov • V/TDD: 573-751-3313



Appendix G

Sex Offender Registration

Missouri State Highway Patrol Response

September 5, 2018
Honorable Nicole R. Galloway
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The process of systematically updating the compliance status remains a high priority, as well as a requirement of any new software procurement. This recommendation falls in line with the Patrol's ongoing goal of consistency in maintaining accurate information.

2.2 Obtain agreements with other state agencies that allow for batch data-matching to assist CLEOs to pursue noncompliant offenders.

Response:

2.2 The MSHP has established agreements with DLIR, DOR, and DHSS to utilize their data in a safe and secure manner as provided by statute and applicable security policies. As the data from any of these sources is only accurate for the time it is obtained, the usefulness of the information passed on to the CLEO without it being requested quickly dwindles. The need to ensure the protection of an individual's personal identifying information is a primary focus of the Patrol. Creating and sending batch files without a specific need or request would be a concern, but the Patrol is able and willing to respond to any requests that are made.

The Patrol worked diligently on securing an agreement with DHSS to allow batch data matches against the death records file which was approved on June 22, 2018. This batch file process is only utilized internally by MSHP staff to see if death certificates exist for those offenders who have been reported as deceased. While this batch process provides a faster response for potential matches against the registry, the true comparison must be completed manually by MSHP personnel to ensure exact matches.

Batch data matches may appear to be a useful tool, but there are limitations to their usefulness in the criminal justice field. The MSHP provides information to the CLEOs, upon request, on non-compliant and/or absconder offenders from DLIR and DOR, along with several other sources. If a CLEO requests the information on one or all of their offenders, it is promptly provided.

2.3 Ensure the new sex offender system is capable of providing data edit checks to limit the input of incorrect and/or inappropriate data.

Response:

The audit report indicated a lack of "adequate edit checks" with the current SOR database. The current software system does have edits that will not allow an incorrect date format or a non-numeric social security number (SSN). It should be noted that current procedures require the CLEO and offender to review the registration information before submission to the MSHP. The registration requires an offender to verify the information by way of a signature (electronic or manual reporting). Missouri statute requires a timeline for submission to the MSHP, some of which is still a manual process by a number of CLEOs. Until the manual information is received and entered electronically by MSHP staff, no edits can be applied.

The MSHP will ensure the technical requirements included in the procurement process for the new SOR system have the highest level of edit checks possible for all entry fields based on currently available commercial off-the-shelf software. Specifically related to this recommendation:



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Sex Offender Registration
Missouri State Highway Patrol Response

September 5, 2018
Honorable Nicole R. Galloway
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- The MSHP will request specific edits to ensure a properly formatted SSN on electronic submissions.
- The MSHP will require specific edits on the electronic submission of future registration dates. These edits will limit the entry of dates exceeding thirty days outside the statutory registration intervals.

The addition of these automated edits will help reduce but may never be able to identify all the "human error" entries, either by the registering offender or the CLEO. Therefore, an emphasis on the identified accuracy issues will be addressed in future training sessions for personnel responsible for registering offenders.

Sincerely,

ERIC T. OLSON, Lieutenant Colonel
Acting Superintendent



Appendix G
Sex Offender Registration
Missouri State Highway Patrol Response

Auditor's Comment

- 2.1 The MSHP's response states the discrepancies in compliance status are due to current procedures not being aligned with internal policy. However, our analysis of registry data shows the difference in policy does not account for all deviations identified.



Office of Missouri State Auditor
Nicole Galloway, CPA

Temporary Assistance for Needy Families
(TANF) Data Analytics



CITIZENS SUMMARY

Findings in the audit of Temporary Assistance for Needy Families (TANF) Data Analytics

Out-of-State Transactions	The Department of Social Services (DSS) did not timely implement reviews of out-of-state TANF transactions, and could improve the effectiveness of such reviews. The DSS did not implement until January 2018 a recurring data analytic review to detect and investigate recipients whose out-of-state transactions approach or exceed 90 consecutive days. The DSS is not complying with state laws requiring the department to temporarily suspend benefit payments (pending a department investigation of the recipient's residency status) to the account of any recipient who does not make a TANF transaction in-state at least once every 90 days, and send a warning to any recipient who has gone 60 days without making an in-state transaction about possible suspension of benefits.
Timeliness of Prohibited Venues Reviews	The DSS's reviews of TANF spending at prohibited venues were not always completed timely during the audit period.
Establishment of Overpayment Claims	Upon detecting an incarcerated recipient and closing his/her case, the DSS did not always timely establish claims for known overpayments.
Vendor Contract	As discussed in the Supplemental Nutrition Assistance Program (SNAP) Data Analytics audit report (No. 2018-032), the DSS has not ensured services obtained from a key contract provide sufficient benefits to justify the amount paid for the services. The contract covers administration of the TANF and SNAP programs for the state.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

TANF Data Analytics

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Dr. Steve Corsi, Psy.D., Director
Department of Social Services
Jefferson City, Missouri

We have audited certain operations of the Department of Social Services, Temporary Assistance for Needy Families (TANF) program. This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

1. Evaluate the use and effectiveness of data analytic techniques for preventing or detecting potential TANF program abuse or misuse.
2. Evaluate the department's efforts for complying with certain requirements of federal and state laws related to the TANF program.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) the need for improvement of data analytic techniques utilized by the department to prevent and detect potential program abuse or misuse within the TANF program and (2) noncompliance with state laws.

The accompanying Management Advisory Report presents our findings arising from our audit of TANF Data Analytics.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Jeffrey Thelen, CPA, CISA
In-Charge Auditor:	Alex R. Prenger, M.S.Acct., CPA
Audit Staff:	Tyler Luebbert

TANF Data Analytics

Introduction

Background

On August 1, 1996, the United States Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to create the Temporary Assistance for Needy Families (TANF) program. The TANF program is designed to provide cash benefits to eligible low-income families for the household's children such as clothing, utilities and other services. Goals of the TANF program are to provide assistance to needy families so children can be cared for at home; reduce dependency of needy parents by promoting job preparation, work, and marriage; prevent and reduce the incidence of out-of-wedlock pregnancies; and encourage the formation and maintenance of two-parent families.

The U.S. Department of Health and Human Services (HHS) provides TANF funding to the states through a block grant. In Missouri, the Department of Social Services (DSS) Family Support Division (FSD) administers the TANF program, with the assistance of the Division of Legal Services (DLS), Division of Finance and Administrative Services (DFAS), and other DSS divisions. The FSD accepts applications, determines recipient eligibility, sets the amount of the monthly benefit, and monitors to ensure recipients are meeting program requirements. The DLS investigates allegations of public benefit fraud and misuse. The DLS and DFAS both receive and review monthly reports of TANF transaction data.

In calendar years 2016 and 2017, the state provided more than \$73.7 million in benefits to Missouri residents through the TANF program. The potential for abuse and fraud may be greater in such a large program unless appropriate agency controls are in place to help minimize these risks. The TANF program has been identified as susceptible to significant improper payments,¹ but is subject to statutory limitations that prohibit the HHS from requiring states to participate in a TANF improper payment measure.² As a result, the TANF program has not reported an improper payment error rate.

Both the state and federal government share responsibility for addressing TANF recipient fraud. The DSS is responsible for detecting, investigating, and prosecuting fraud, while the HHS is responsible for guiding and monitoring state activity.

According to the U.S. Government Accountability Office (GAO), reducing improper payments, including those that are the result of fraud, is critical to safeguarding funds and helping to achieve potential cost savings. As a result,

¹ Improper payments represent benefits distributed in error due to administrative as well as recipient errors, not all of which can be attributed to fraud.

² U.S. Department of Health & Human Services, Fiscal Year 2017 Annual Performance Plan and Report, February 2016, < https://www.hhs.gov/sites/default/files/fy2017-performance-plan_remediated.pdf>, accessed September 4, 2018.



TANF Data Analytics Introduction

leading practices highlighted by the GAO³ have increasingly focused on the need for program officials to take a strategic approach to managing improper payments and risks that include abuse and fraud. These leading practices can provide a guide for program managers to use when developing or enhancing efforts to combat fraud in a strategic, risk-based manner.

A critical strategic approach component involves implementing preventive and detective controls, including data analytics. Data analytics is a rapidly evolving field of information science that involves a variety of techniques to examine, analyze, and interpret large volumes of data, according to the GAO and other leading practitioners. Data analytics helps facilitate decision making by identifying patterns or trends, determining whether problems are widespread and systemic in nature, and evaluating program performance and outcomes.

Recent trends in data development and advanced analysis are creating innovation possibilities that carry the promise of far-reaching economic and societal benefits, according to the GAO. Areas such as health care and public benefit systems, may be improved or even transformed by innovations derived from new data analytics. Advanced analytics includes new tools for examining large amounts of data to uncover subtle or hidden patterns, correlations, and other insights, such as anomalies, trends, or potential abuse. The use of analytic results to improve actions or decisions is being transformed - improving decisions or actions and thereby extracting new economic and societal benefits, according to the GAO.

Eligibility

Initial eligibility and periodic recertifications are regulated by a number of complex factors that are beyond the scope of this audit. However, certain basic factors facilitate understanding the topics discussed in this report.

After a household is approved for benefits, it is required to complete an annual eligibility review (recertification). Neither initial applications nor recertifications require an in person interview.

New and recertifying households must meet certain criteria. Federal law requires a needy family must contain, at a minimum, a minor child living with a parent or caretaker relative (who acts as payee). State law requires the payees and children to be Missouri residents and U.S. citizens or qualified aliens. The DSS cannot provide assistance for a minor child who has been, or is expected by a parent or other caretaker relative, to be absent from the home for a period exceeding 90 consecutive days.

³ GAO, Report GAO-17-339SP, *Data Analytics to Address Fraud and Improper Payments*, March 2017, <<https://www.gao.gov/assets/690/683859.pdf>>, accessed September 4, 2018.



TANF Data Analytics Introduction

State law also establishes financial eligibility guidelines and participation requirements. Households must have gross income under 185 percent of a TANF-specific consolidated standard (for example, \$1,832 per month for a 4-person household). The TANF limit is consistently lower than the equivalent Supplemental Nutrition Assistance Program (SNAP) limit of 130 percent of the federal poverty level (for example, \$2,665 per month for a 4-person household). As a result, households eligible for TANF benefits are often also eligible for SNAP benefits.

DSS regulations require the benefit amount be based on financial need, subject to monthly maximums based on family size. For example, the maximum monthly benefit amount for a family of four is \$342.

Since program inception, federal law generally precluded TANF recipients from receiving benefits for more than 60 total months, whether consecutive or not. Federal law also allows states to have laws reducing the number of total months. Effective January 1, 2016, Section 208.040, RSMo, reduced the limit for Missouri recipients from 60 to 45 months. As a result, in 2016, many recipients lost eligibility. Recipients meeting certain conditions such as hardship can remain eligible and receive benefits for months that are excluded from the 45-month limit.

Recipients are required to report changes in their circumstances (such as residency, income, employment, household composition, and other factors) to the DSS within 10 days. However, as observed during audit test work and explained by DSS personnel, most recipients do not report such changes to the DSS, or do not do it timely. This weakness emphasizes the importance that the DSS use data analytics to detect and prevent program abuse or misuse.

Participation

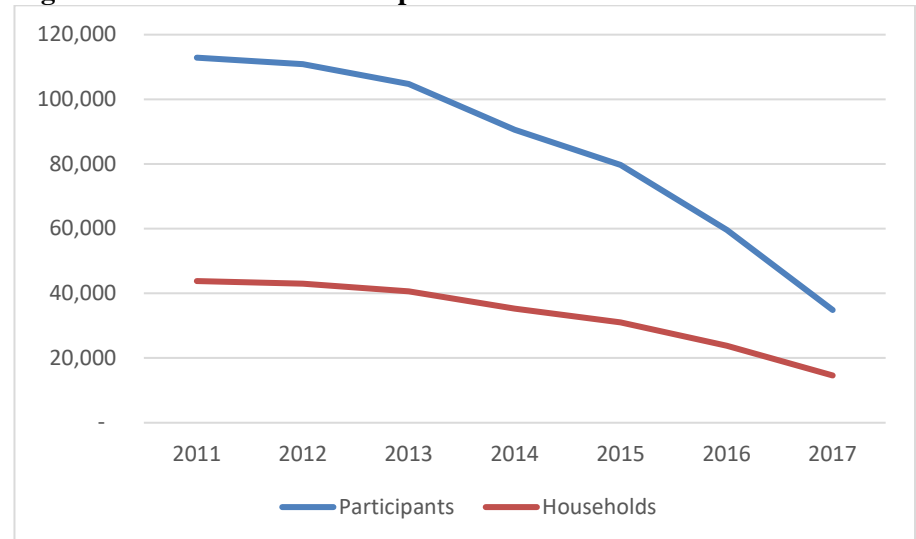
The 185 percent consolidated standard used for TANF gross income eligibility determinations is also consistently lower than 100 percent of the federal poverty level. Therefore, all TANF recipients are living below the federal poverty line.



TANF Data Analytics Introduction

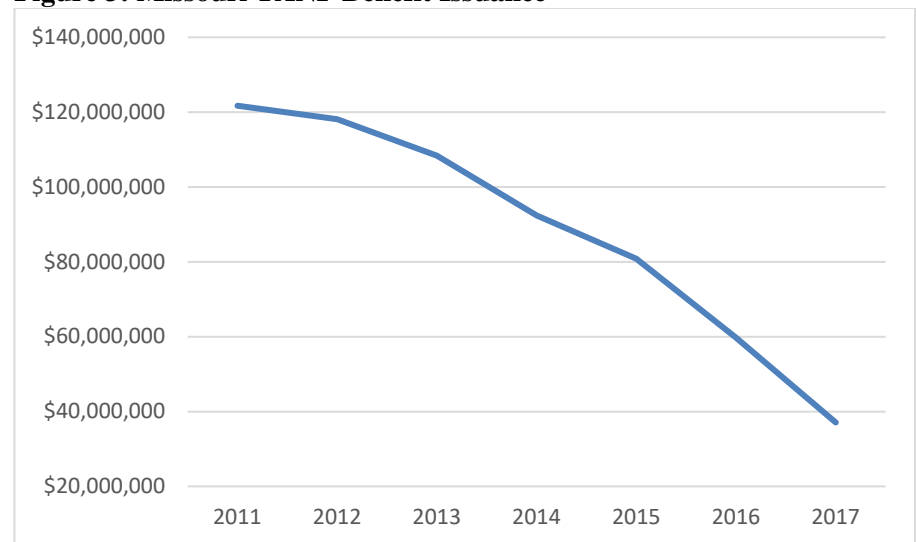
As shown in Figures 2 and 3, approximately 14,000 Missouri households, with 35,000 persons, participated in the TANF program during state fiscal year 2017, spending \$37 million in benefits.

Figure 2: Missouri TANF Recipients



Source: SAO analysis of DSS-FSD annual data reports

Figure 3: Missouri TANF Benefit Issuance



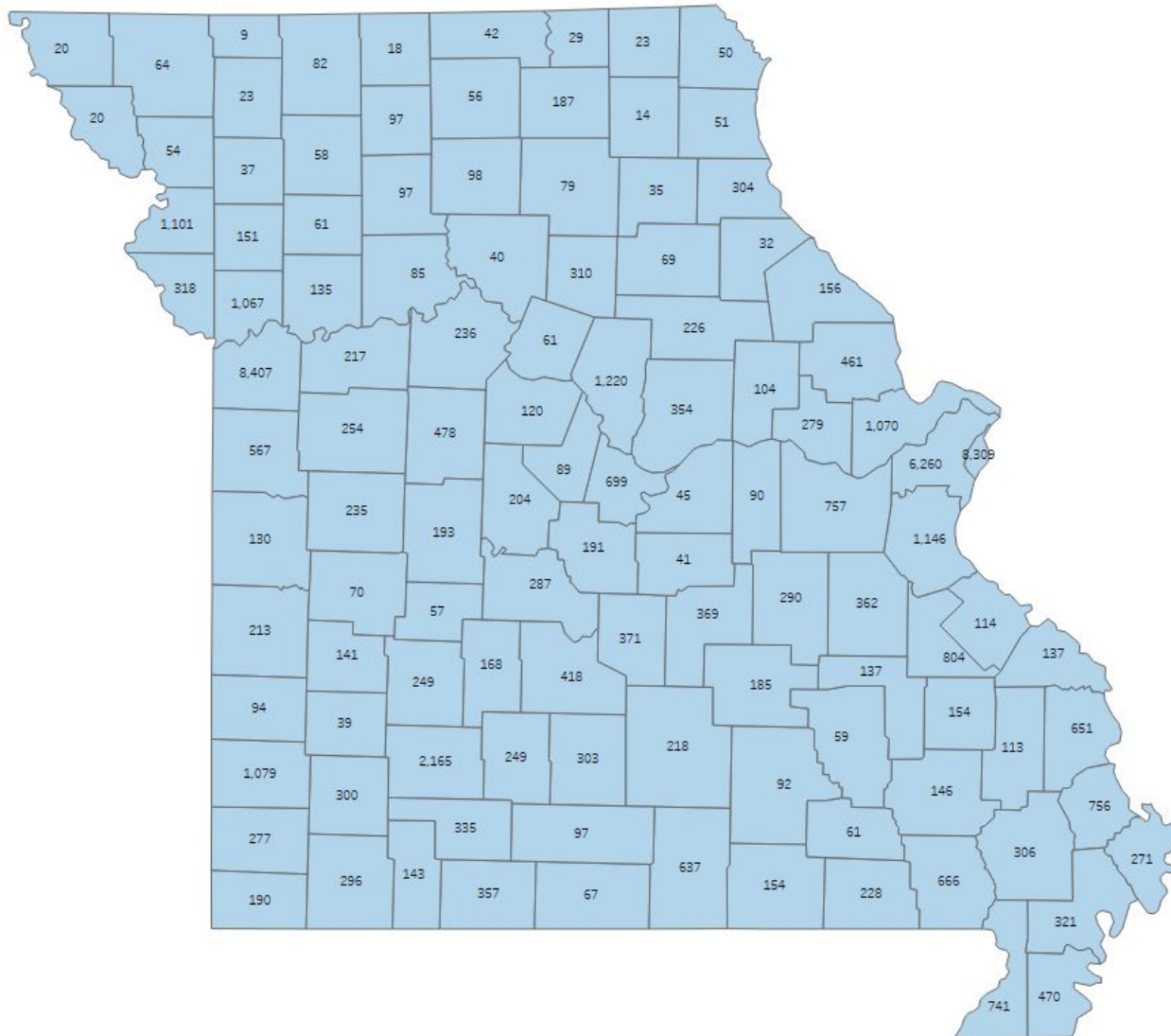
Source: SAO analysis of DSS-FSD annual data reports



TANF Data Analytics Introduction

The number of TANF recipients per Missouri county in 2016 and 2017⁵ is shown in Figure 4.

Figure 4: Missouri TANF Recipients by County in 2016 and 2017



Source: SAO analysis of TANF recipient data

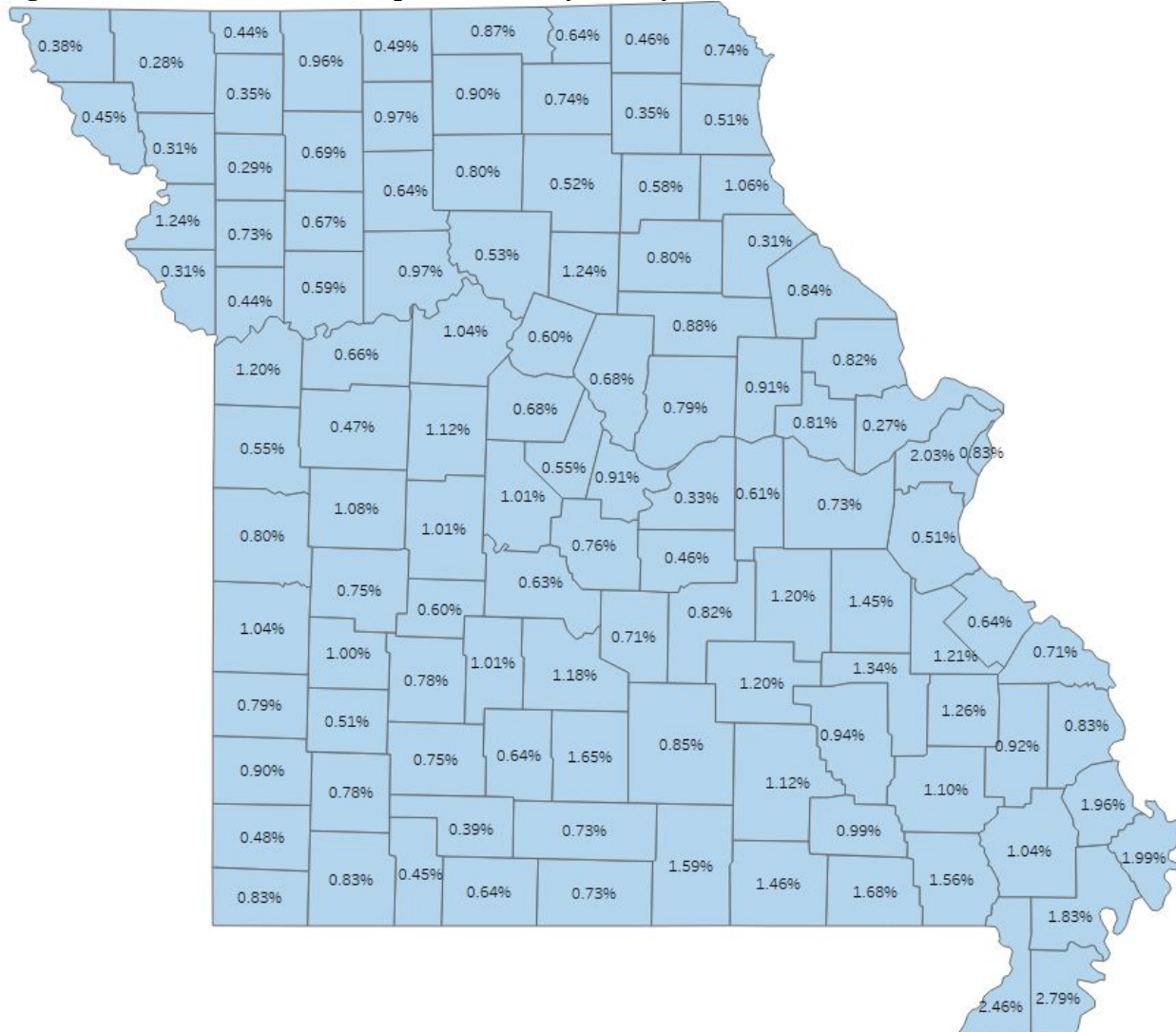
⁵ The recipient numbers and participation rates are a compilation of recipients who participated in TANF at any time during all or part of 2016 and 2017.



TANF Data Analytics Introduction

In 2017, about one-half of one percent of Missouri residents participated in the TANF program. Figure 5 presents the percentage of TANF recipients, by county, for 2016 and 2017.

Figure 5: Missouri TANF Participation Rates by County in 2016 and 2017



Source: SAO analysis of TANF recipient data and U.S. census data



TANF Data Analytics Introduction

The average benefit per Missouri recipient and household each state fiscal year from 2011 to 2017 is shown in Table 1.

Table 1: Missouri TANF Average Monthly Benefits

Year	Average Monthly Benefit per Recipient	Average Monthly Benefit per Household
2011	\$ 89.85	231.54
2012	88.80	229.12
2013	86.22	222.20
2014	84.95	218.23
2015	84.55	216.97
2016	83.54	209.09
2017	86.63	211.39

Source: SAO analysis of DSS-FSD annual data reports

Inappropriate transactions

Effective August 28, 2013, Section 208.024, RSMo, implemented federal requirements to prevent TANF assistance from being used in any electronic benefits transfer (EBT) transaction at any liquor store, casino, gambling casino, gaming establishment, or adult entertainment venue in which performers disrobe or perform in an unclothed state. The section further prohibited use of TANF assistance in any place for the purchase of alcoholic beverages, lottery tickets, tobacco products, or for any items primarily marketed for or used by adults 18 or older and are not in the best interests of the child or household. These changes generally reinforced existing state laws requiring TANF benefits be used for the benefit of the children in the household.

The August 28, 2013, effective date of Section 208.024, RSMo, was prior to both the December 2013 issuance of SAO Report No. 2013-143, *Temporary Assistance for Needy Families, Electronic Benefit Transfers* and a February 22, 2014, federal deadline to implement policies and practices to prevent inappropriate transactions. Near the conclusion of the previous SAO audit, the DSS was still in an early phase of developing measures to detect and prevent inappropriate transactions. Measures have since been established. By September 2013, the DSS created a recurring review to detect and follow up on inappropriate transactions. By January 2014, the DSS's contracted EBT vendor implemented a system control to preemptively block inappropriate transactions.



TANF Data Analytics Introduction

Measures established by the DSS have been effective at reducing inappropriate transactions. Shown in Table 2 are the amounts and counts of inappropriate transactions detected and followed up on by the DSS each year, since the review began in September 2013.

Table 2: Unallowable Activity Detected by DSS

Year	Amount of Inappropriate Transactions	Count of Inappropriate Transactions
2013*	\$ 84,936	1,032
2014	118,436	1,609
2015	61,016	685
2016	8,149	108
2017	3,363	39

*September 2013 through December 2013 activity only.

Source: SAO analysis of DSS reviews of inappropriate transactions

The amounts and counts listed in Table 2 declined with each passing year. This trend supports the long-term success of the review, which seeks to both detect inappropriate transactions and block them from reoccurring in the future. However, this trend should not be interpreted to mean that nearly all forms of inappropriate transactions have been blocked as of 2018. This is because factors outside of the DSS's control affect department personnel's ability to reasonably detect and review inappropriate spending. The most significant factor concerns cash withdrawals.

The majority of TANF recipients receive benefits on an EBT card, which allows access to benefits by purchasing items via a point-of-sale (POS) terminal at a merchant's location or by withdrawing cash at automated teller machines (ATMs) or POS terminals. Use of the EBT card generates transaction data; however, the data only includes the total amount of the cash withdrawn. It cannot be determined where the withdrawn cash was spent, or what was purchased. For example, cash could be obtained from POS terminals or ATMs in banks or other appropriate businesses, but ultimately be used to make purchases of inappropriate products or services in other locations. Once the benefits are converted to cash, tracking usage is not possible.



TANF Data Analytics Introduction

TANF benefits spending by source during the 2 years ended December 31, 2017, is shown in Table 3. Cash withdrawals at ATMs and POS terminals represent roughly 25 percent of transactions, but 60 percent of benefits spent. These percentages would likely be higher if POS cash purchases with cash back were included; however, the data for this transaction type cannot be split between cash purchase and cash back portions.

Table 3: TANF Benefits Spending by Source

Source	Type	Amount of Transactions	Count of Transactions
ATM	Cash withdrawal	\$ 45,351,406	341,201
POS	Cash purchase	13,494,062	736,575
POS	Cash purchase with cash back	15,876,507	212,530
POS	Cash withdrawal	1,424,683	15,633
FEE	Service fee	104,273	122,725
	Total	\$ 76,250,931	1,428,664

Source: SAO analysis of TANF transaction data

Regarding service fees, the DSS contracts with a vendor for EBT transaction purchasing. The EBT vendor charges each TANF recipient service fees of \$.85 (or the remaining balance if less than \$.85) per ATM withdrawal after the first ATM withdrawal of the month, and per POS cash withdrawal only transaction.

In addition, TANF recipients may choose to have benefits directly deposited into a personal bank account instead of using an EBT card. During the audit period, less than one percent of recipients received benefits totaling roughly \$949,000 via bank deposit. However, bank deposit usage does not generate transaction data, thus the DSS cannot review for inappropriate transactions (or any other potential purpose).

Out-of-state transactions

Out-of-state transactions covering an extended period of time may indicate the recipients are no longer Missouri residents. If the DSS proves non-residency, the recipients are ineligible to continue receiving TANF benefits. However, proving non-residency requires case-by-case research. A DSS report titled *Overview of Temporary Assistance for Needy Families*⁶ includes the following information regarding out-of-state usage of TANF benefits:

⁶ *Overview of Temporary Assistance for Needy Families*, August 2015, <<https://mydss.mo.gov/sites/mydss/files/temporary-assistance-overview.pdf>>, accessed January 18, 2018.



TANF Data Analytics Introduction

Benefits may be used out of state; however, there are restrictions on the length of time a [Temporary Assistance] participant may be out of state using their EBT card. . . . There are possible reasons a household may be using benefits in another state: it is more convenient and/or cost effective to shop in a bordering state; military families are receiving benefits in Missouri are transferred to another state; there are events such as natural disasters, domestic violence, divorce, etc. which make it necessary to seek shelter from out-of-state family members or friends; the family moved to find employment opportunities; the family is seeking medical care or in-home care from family members, or a household member is providing temporary care for aging parents or sick family members.

While reviewing out-of-state transactions, we found several situations indicative of reasonable border state activity. Such situations featured recipients who were Missouri residents living near the border and transacting in a border state within 30 miles of their homes. Such situations are an example of how additional data analytics considerations are necessary to successfully distinguish proper and improper activity.

In January 2018, the DSS implemented a recurring data analytic review to detect and follow up on recipients whose out-of-state transactions approach or exceed 90 consecutive days.

Investigations

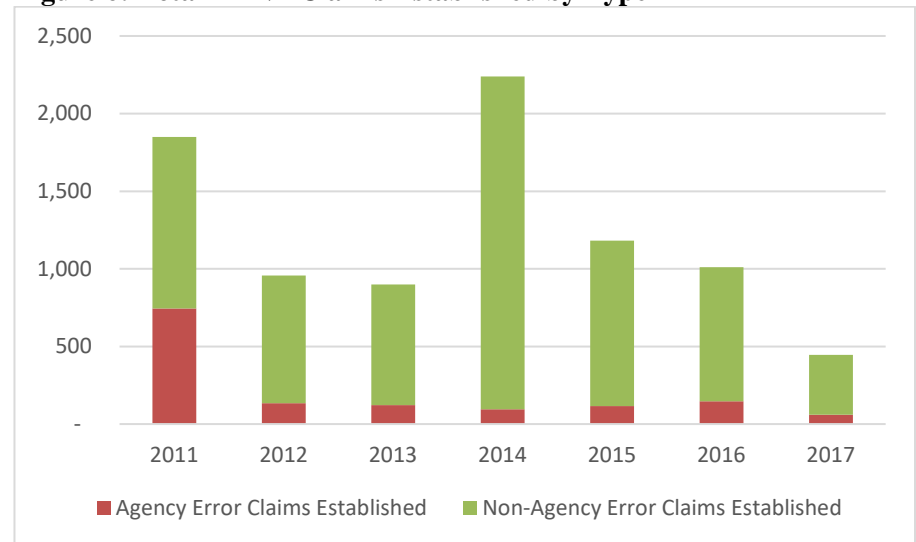
The DSS-DLS Welfare Investigation Unit (WIU) investigates fraud and abuse committed by public assistance recipients. The WIU consists of approximately 18 investigators tasked with investigating alleged program violations for all welfare programs, including potential TANF benefit fraud, waste, and abuse. After investigation, claims can be established against the recipients involved. Claims are generally categorized as either agency errors or non-agency errors (which may be intentional violations or unintentional errors on the recipient's part).



TANF Data Analytics Introduction

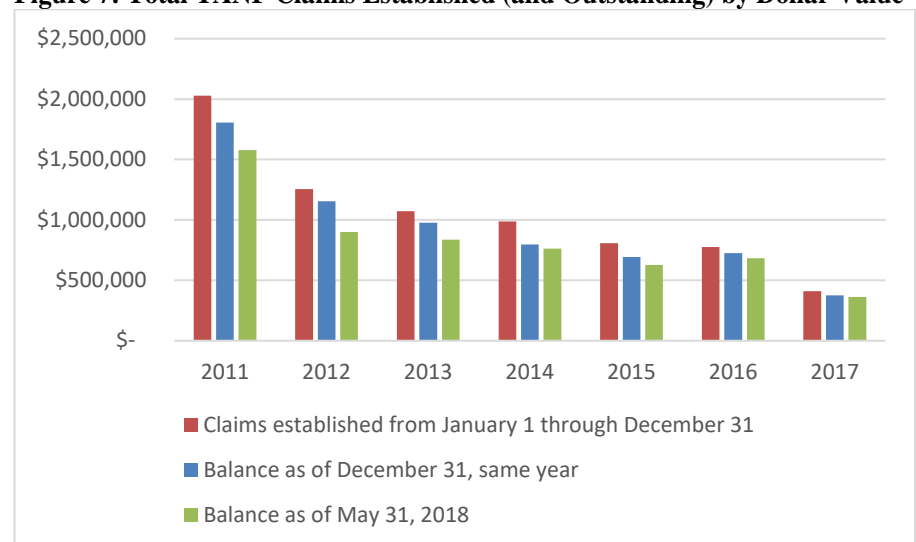
The number of TANF claims established each year between 2011 and 2017, and the dollar values of those claims, are presented in Figures 6 and 7.

Figure 6: Total TANF Claims Established by Type



Source: SAO analysis of DSS claims accounting restitution system data

Figure 7: Total TANF Claims Established (and Outstanding) by Dollar Value



Source: SAO analysis of DSS claims accounting restitution system data



TANF Data Analytics Introduction

Scope and Methodology

The scope of our audit included evaluating (1) DSS management's approach to data analytics for preventing and detecting potential TANF program abuse, (2) policies and procedures, and (3) other management functions and compliance requirements in place during the period January 2016 to December 2017.

Our methodology included reviewing written policies and procedures, and interviewing various DSS personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained data files containing TANF transactions and recipient records⁷ for the period January 2016 through December 2017 from the DSS and the Office of Administration - Information Technology Services Division (ITSD). While the DSS owns this data, it is collected and managed by the contractor that operates the TANF program for the state. The contractor provides archived transaction data to the ITSD, and additional transaction data to the DSS. In addition, we obtained from the DSS other TANF data extracted from the Family Assistance Management Information System to assess other recipient and household details. To determine the reliability of TANF data, we evaluated the materiality of the data to our audit objective and assessed the data by various means, including (1) interviewing knowledgeable DSS officials, (2) reviewing existing information about the data and the system that produced them, (3) performing certain analytic techniques, and (4) reviewing internal controls. We concluded the data were sufficiently reliable for the purposes of our audit work.

We obtained a listing of deaths recorded in the state for the period 1995 to 2017 from the Missouri Department of Health and Senior Services (DHSS). We matched these records to TANF recipient records to determine if any deceased recipient cases continued to receive and spend program benefits after the recipient's death.⁸ Although we used computer-processed data from

⁷ The recipient records included records for Electronic Benefits Transfer (EBT) cardholders and did not include records for household members who do not have an EBT card.

⁸ Acknowledgement: The data used in this document/presentation was acquired from the Missouri DHSS. The contents of this document including data analysis, interpretation or



TANF Data Analytics Introduction

the DHSS for our audit work, we did not rely on the results of any processes performed by the DHSS system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We obtained a listing of individuals incarcerated by the state during the period January 2016 through December 2017 from the Missouri Department of Corrections (DOC). We matched those records to TANF recipient records to determine if incarcerated recipient cases continued to receive and spend benefits during the recipient's incarceration. Although we used computer-processed data from the DOC for our audit work, we did not rely on the results of any processes performed by the DOC system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- National Institute of Standards and Technology (NIST)
- U.S. Government Accountability Office (GAO)
- ISACA (previously known as the Information Systems Audit and Control Association)

conclusions are solely the responsibility of the authors and do not represent the official views of DHSS.

TANF Data Analytics

Management Advisory Report

State Auditor's Findings

1. Out-of-State Transactions

The Department of Social Services (DSS) did not timely implement reviews of out-of-state transactions, and could improve the effectiveness of such reviews. In addition, the DSS is not complying with state laws to suspend recipient benefits following consistent prolonged out-of-state activity.

1.1 Out-of-state transaction reviews

State law⁹ effective August 28, 2014, requires the DSS to temporarily suspend a recipient's participation in the Temporary Assistance for Needy Families (TANF) program if the recipient spends TANF benefits exclusively outside the state for a period of 90 consecutive days. However, the DSS did not implement until January 2018 a recurring data analytic review to detect and investigate recipients whose out-of-state transactions approach or exceed 90 consecutive days. The DSS's first review in January 2018 covered transactions occurring from October 2017 through December 2017.

Consistent or exclusive purchase patterns outside the state of Missouri may be indicative of program abuse or misuse, if investigations determine recipients no longer meet residency requirements. Similar situations were identified in SAO Report No. 2013-143, *Temporary Assistance for Needy Families, Electronic Benefit Transfers*.

We reviewed all recipient transaction records for the audit period and found 595 recipients who, at some point during the audit period, transacted exclusively outside the state for a period of more than 90 consecutive days. Of the 595 recipient cases detected, we judgmentally selected 30 for a detailed review. We identified \$10,730 in preventable payments related to 9 cases as shown in Table 4. These payments represent situations where each recipient's circumstances indicated he/she was no longer residing in Missouri by the 91st consecutive day of out-of-state activity, but the DSS did not detect such instances and continued providing benefits.

⁹ Section 208.024.3, RSMo, amendment effective August 28, 2014.



TANF Data Analytics
Management Advisory Report - State Auditor's Findings

Table 4: Preventable Payments

Recipient	Preventable Payments	Preventable Months Paid
01	\$ 5,275	20
02	1,314	5
03	702	3
04	388	1
05	936	4
06	1,088	8
07	584	3
08	171	1
09	272	2

Source: SAO analysis of TANF transaction data

All 9 cases were closed by the time of our review, and relate to transaction activity prior to October 2017. We found 5 of 9 cases were closed through reactive controls related to out-of-state activity, such as undeliverable mail and an interstate data match. While these are crucial tools, these cases could have been detected more timely, and associated payments could have been prevented, if the DSS had implemented its review earlier. Following our review, the DSS took initial steps to establish claims for all 9 cases.

The DSS's January 2018 review covered transactions occurring from October 2017 through December 2017. This review successfully detected and investigated 24 recipients. However, certain aspects of the DSS's implemented review could be improved to increase effectiveness. For example, to detect potential recipients for further review, the DSS must first manually arrange and analyze transactions, and only a limited period of data is used. This manual process could be automated to enable more effective analyses under an expanded period.

While federal regulations allow TANF recipients to use their EBT cards out-of-state, state law requires the payees and children to be Missouri residents. To help prevent TANF abuse and misuse and to target cases to review, the DSS should continue improving the effectiveness of data analytics for identifying cases where TANF recipients appear to no longer be state residents.

1.2 Not complying with state laws

The DSS is not complying with state laws¹⁰ requiring the department to temporarily suspend benefit payments (pending a department investigation of

¹⁰ Sections 208.024.3 and 208.024.4, RSMo, amendments effective August 28, 2014.



TANF Data Analytics Management Advisory Report - State Auditor's Findings

the recipient's residency status) to the account of any recipient who does not make a TANF transaction in-state at least once every 90 days, and to send a warning to any recipient who has gone 60 days without making an in-state transaction about possible suspension of benefits.

The DSS is not complying due to department officials' interpretations of these laws. The laws cover both the TANF program and Supplemental Nutrition Assistance Program (SNAP), and the officials indicated they believe if the department is to comply with the laws, that must occur for both programs. As discussed in the SAO's audit of the SNAP program,¹¹ the DSS cannot temporarily suspend SNAP benefits, because doing so conflicts with the program's federal regulations. As a result, DSS officials indicated they are not attempting compliance for either program. In addition, existing EBT card controls only allow the DSS to suspend a recipient's card, and subsequently all TANF and SNAP benefits on the card. The DSS cannot limit suspensions to TANF or SNAP benefits only.

We contacted program officials with the U.S. Department of Health and Human Services (HHS) who explained they were not aware of any states suspending TANF benefits. They indicated the HHS does not prohibit suspending benefits, but expressed concern that depending on how the state implemented the suspensions there could be concerns with overall federal compliance. They also indicated the state laws are not clear regarding how suspensions of benefits are to be implemented.

Revising the state laws regarding temporary suspension of benefits is needed to eliminate any provisions that conflict with federal regulations and clarify issues that are unclear. This could potentially be done by requiring redetermination of a recipient's benefit eligibility when established criteria occurs.

Recommendations

The DSS:

- 1.1 Continue improving data analytic processes to more effectively identify and review recipients who spend the majority of their TANF benefits exclusively outside of the state to ensure appropriate use of TANF benefits.
- 1.2 Work with the General Assembly to revise Section 208.024, RSMo, to accomplish the intent of the law while complying with federal regulations.

¹¹ SAO, Report No. 2018-032, *Supplemental Nutrition Assistance Program (SNAP) Data Analytics Program*, issued June 2018.



TANF Data Analytics
Management Advisory Report - State Auditor's Findings

Auditee's Response

1.1 *The DSS will implement a process for identifying and taking action on cases with exclusive usage out of state by sending the recipient a request for contact (RFC) and will take action to either close the case or verify the recipient is still residing within the state of Missouri. If the household does not respond to the RFC or responds but refuses to provide sufficient information to clarify its circumstances, the state agency will issue a notice of adverse action as described in 45 CFR Section 205.10(4)(i)(A). If the household responds to the RFC with sufficient information, the DSS will act on the changes.*

1.2 *The DSS continues to review processes and institute appropriate program improvements. The DSS has recently developed in-house data analytic queries and processes designed to capture EBT transaction patterns indicative of misuse.*

In addition, the DSS will review the state statute to determine if changes are needed to align the statute with the federal regulation.

2. Timeliness of Prohibited Venue Reviews

The DSS's reviews of TANF spending at prohibited venues were not always completed timely during the audit period. As a result, some venues were not blocked timely to prevent continued TANF spending.

Effective August 28, 2013, Section 208.024, RSMo, provides that TANF benefits cannot be used in certain prohibited stores including, for example, liquor stores, casinos, or gaming establishments, or in any place for the purchase of alcoholic beverages, lottery tickets, or tobacco products or for any item the DSS determines is not in the best interests of the child or household.

From September 2013 to September 2016, DSS personnel performed monthly reviews to detect and block TANF spending at prohibited venues. Venues included both stores and certain automated teller machines (ATMs).

In October 2016, the DSS suspended the reviews due to significant staff turnover and also to reassess the efficiency and effectiveness of the reviews. At that time, the DSS's goal was to complete the reviews on a quarterly basis. However, DSS personnel did not complete reviews for the four quarters from October 2016 through October 2017 until early 2018.

The reviews for those quarters detected approximately 100 prohibited venues (mostly ATMs). However, because these venues were not blocked until early 2018, TANF transactions continued at those locations.

From October 1, 2016, through December 31, 2017, approximately 1,400 transactions totaling approximately \$62,400 occurred at these venues. Some of these transactions would have been blocked, if the review process had not been suspended. For example, the DSS used October 2016 transaction data to



TANF Data Analytics Management Advisory Report - State Auditor's Findings

identify an ATM to block in early 2018. If the DSS had timely implemented the quarterly reviews, the ATM would likely have been blocked by January 2017. However, due to the reviews being suspended, 114 transactions totaling \$7,635 occurred at this ATM from February 2017 through December 2017.

Without timely review, the effectiveness of the DSS's established controls to detect and block TANF spending at prohibited venues are diminished.

Recommendation

The DSS ensure reviews of TANF spending at prohibited venues, and resulting updates to block venues, are completed timely.

Auditee's Response

These reviews are currently being conducted quarterly.

3. Establishment of Overpayment Claims

Upon detecting an incarcerated recipient and closing his/her case, the DSS did not always timely establish claims for known overpayments. This weakness reduces opportunities to recover overpayments if the recipient's case is later reopened.

We compared records of recipients receiving TANF benefits to records of individuals in the custody of the Missouri Department of Corrections (DOC). We found 98 individuals who received TANF benefits but were incarcerated during a portion of the January 2016 to December 2017 period. We judgmentally selected 10 of these cases for a detailed review. Of these 10 cases, claims totaling \$7,020 were not entered for 8 cases. DSS personnel had established claims prior to our review for the other 2 cases. Following our review, the DSS took initial steps to establish claims for the 8 cases.

The DSS detects incarcerated recipients through a data match run quarterly for all recipients and daily for new and recertifying households. The data match's success is dependent on whether external entities timely make available the underlying incarceration data used to run the data match. Delays in notification about a recipient's incarceration status will result in payment of potentially ineligible benefits. Per DSS policy and guidance, DSS personnel establish claims to recover benefits from households due to ineligibility (possibly due to the household's failure to report changes to circumstances such as residency, income, employment, household composition, and other factors), and also due to inappropriate use of benefits, or DSS error.

An active (outstanding) claim for a given recipient does not affect his/her future eligibility under the TANF program, or prevent a case from being reopened. However, it automatically reduces future monthly benefit payments for the household by 10 percent, to gradually recover and satisfy the claim. For one of the cases reviewed where a claim had not been established, the recipient was incarcerated, and received ineligible benefits before the DSS could identify the incarceration and close the case. Sometime



TANF Data Analytics Management Advisory Report - State Auditor's Findings

after the recipient was released, the DSS reopened the case; however, because no claim was established, no payments made since the case was reopened were subject to the 10 percent recovery.

Our review found that once DSS personnel detected an incarcerated recipient, they acted timely to close the case and prevent new payments. However, by not establishing claims timely, the department has reduced opportunities to recover overpayments occurring between the client's incarceration and the department's identification of this status.

Recommendation

The DSS ensure that applicable claims are established timely upon detecting an incarcerated recipient and closing the case, in compliance with DSS policy and guidance.

Auditee's Response

The DSS continues to review processes and institute appropriate program improvements. The DSS will issue a memo reminding staff of the process to enter a claim and the importance of correct and timely entries of claims.

4. Vendor Contract

As discussed in the SNAP audit report,¹² the DSS has not ensured services obtained from a key contract provide sufficient benefits to justify the amount paid for the services. In addition, DSS investigators did not review, on behalf of the TANF program, any system alerts associated with the obtained services.

The DSS entered into a contract with a third-party provider in June 2011 to administer the TANF and SNAP programs for the state. The vendor's responsibilities include producing and distributing EBT cards, processing (adding) benefit authorizations to the cards, reimbursing retailers for benefits redeemed upon completion of transactions, and providing related support.

To implement requirements established under Section 208.024, RSMo, to prevent TANF activity at prohibited venues (see Management Advisory Report finding number 2), the DSS amended its contract with the vendor to add an additional system that allows prohibited purchases to be blocked.

In addition to blocking purchases at certain locations, the system allowed the DSS to add functionality capable of notifying DSS investigators of potentially suspicious benefit usage activity. Each time a specific activity pattern is detected, the system generates an "alert" that is sent to DSS investigators for determination if the activity might indicate TANF and SNAP abuse or fraud, requiring additional investigation.

¹² SAO, Report No. 2018-032, *Supplemental Nutrition Assistance Program (SNAP) Data Analytics Program*, issued June 2018.



TANF Data Analytics Management Advisory Report - State Auditor's Findings

According to the January 2014 contract amendment adding this additional functionality, the DSS pays the contractor \$0.001 (one-tenth of one cent) per transaction processed in the system, plus an additional charge ranging from \$1.00 to \$5.00 per "alert" generated (varies based on the criteria the alert triggered on). The DSS also agreed to a minimum charge, regardless of actual activity, of \$10,000 each month for these services. The state averages approximately 90,000 TANF transactions and 4.5 million SNAP transactions, or \$4,590, per month in per-transaction fees against this \$10,000 minimum payment. The remaining \$5,410 is available to pay the per-alert charges or other associated costs of the contract amendment.

DSS officials could not quantify or provide support indicating what benefits the DSS receives for the contracted services. They did not provide documentation reflecting the actual amount of services received, including the number of monthly transactions assessed the per-transaction charge or the number and dollar value of the per-alert charges. According to a DSS official, the contractor invoices the department \$10,000 a month for the contracted services but the official could not provide any documentation to support benefits or services received. DSS staff indicated the contractor has never billed the DSS an amount greater than \$10,000. As a result, the DSS has not used the full allotment of services for which it is paying. The contract, as amended, was renewed in its entirety without changes to this service in May 2016, June 2017, and June 2018.

During the 2 years ended December 31, 2017, the contractor's system recorded about 151,010 alerts. The majority of these alerts concern out-of-state activity or inappropriate transactions for the TANF and SNAP programs. DSS investigators did not review and investigate any of the alerts associated with the TANF program. They indicated the alerts are not reviewed due to a shortage of resources, and also because the alerts are not in an easy-to-use format and require significant manual processing to review. In addition, the DSS has established separate TANF data analytic procedures to detect situations covered by the alerts.

Without actively monitoring the contract terms to verify usage and benefits received, the DSS is at risk of contracting for more services than needed and not using taxpayer dollars in an effective manner.

Recommendation

The DSS formally evaluate the contract terms for system services to ensure the costs are appropriate for the benefits received.

Auditee's Response

The DSS is in the process of developing an RFP to be issued in 2020 that will include data improvements. The DSS continues to review processes and institute appropriate program improvements.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
August 2018**

Monthly Report on Political Subdivision Filings

August 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 11 political subdivisions required to file a financial report by August 31, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in August 2018, after their filing deadline. The filing status for these 117 entities is presented in summary on page 3 and by individual entity in Appendix B-D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

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Monthly Report on Political Subdivision Filings

August 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 11 political subdivisions, other than cities, towns, and villages, with a fiscal year end of February 28, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 11 political subdivisions, 7 filed an annual financial report by August 31, 2018.

This report also includes the filing status for 117 political subdivisions, other than cities, towns, and villages, that filed their financial report in August 2018, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due August 31, 2018

Fiscal Year Ended February 28, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Mill Creek Dyke Drainage District	Yes	March 26, 2018
	Nishnabotna Drainage District	Yes	March 26, 2018
Audrain	Van-Far Ambulance District	No	
Carroll	Dewitt Drainage & Levee District	No	
	Egypt-Prairie Drainage District	Yes	April 17, 2018
	Norborne Land Drainage District	Yes	February 22, 2018
	PWSD 1 Carroll County	Yes	August 14, 2018
	Riverside Levee District	Yes	July 25, 2018
Marion	Drainage District Marion County	No	
	Fabius River Drainage District	No	
Ozark	Ozark County Ambulance District	Yes	August 1, 2018
Total Filed		7	
Total Not Filed		4	

Acronyms:

PWSD Public Water Supply District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2017
 Filed in August 2018

Fiscal Year Ended June 30, 2017

<u>Primary County</u>	<u>Reporting Entity</u>	<u>Filed Annual Financial Report</u>	<u>Date Filed</u>
St. Louis City	Grand Center Area CID	Yes	August 20, 2018
	Grand Center Area Two CID	Yes	August 6, 2018
	Riverside CID	Yes	August 2, 2018
Total Filed		3	

Acronyms:

CID Community Improvement District

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2018

Filed in August 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Chariton River Drainage District	Yes	August 8, 2018
Atchison	Atchison-Holt Ambulance District	Yes	August 7, 2018
Audrain	Martinsburg Area FPD	Yes	August 8, 2018
Barry	Monett SRD Barry County	Yes	August 30, 2018
	Washburn SRD 4 Barry County	Yes	August 8, 2018
Bates	Cornland SRD Bates County	Yes	August 20, 2018
Bollinger	Zalma FPD	Yes	August 16, 2018
Buchanan	Tuscany Village TDD	Yes	August 21, 2018
Butler	PWSD 2 Butler County	Yes	August 1, 2018
Callaway	Central Callaway FPD	Yes	August 2, 2018
	South Callaway FPD	Yes	August 3, 2018
Camden	Horseshoe Bend Pedestrian Corridor TDD	Yes	August 8, 2018
	Northwest FPD Camden County	Yes	August 8, 2018
	Osage Beach SRD Camden County	Yes	August 14, 2018
Cape Girardeau	PWSD 4 Cape Girardeau County	Yes	August 1, 2018
	Whitewater FPD	Yes	August 12, 2018
Carroll	Miles Point Levee District	Yes	August 7, 2018
Carter	PWSD 1 Carter County	Yes	August 17, 2018
Cass	Creighton FPD	Yes	August 30, 2018
Christian	Christian County EMS Board	Yes	August 14, 2018
	Clever FPD	Yes	August 20, 2018
	Highlandville CID	Yes	August 17, 2018
	Highlandville Rural FPD	Yes	August 16, 2018
Clay	Fishing River FPD	Yes	August 10, 2018
	PWSD 5 Clay County	Yes	August 31, 2018
Clinton	Gower FPD	Yes	August 15, 2018
Cole	PWSD 5 Cole County	Yes	August 10, 2018
Cooper	Blackwater Volunteer Rural FPD	Yes	August 9, 2018
Daviess	Coffey FPD	Yes	August 10, 2018
DeKalb	Clarksdale FPD	Yes	August 4, 2018
	Osborn FPD	Yes	August 9, 2018
Dent	PWSD 1 Dent County	Yes	August 6, 2018
Gasconade	Bland FPD	Yes	August 3, 2018
	Gasconade County 911 Board	Yes	August 6, 2018
Greene	PWSD 6 Greene County	Yes	August 7, 2018
Grundy	Grundy County Rural FPD	Yes	August 17, 2018
Holt	Bigelow Independent SRD Holt County	Yes	August 17, 2018
	Drainage District 2 Holt County	Yes	August 17, 2018
	Levee District 4 Holt County	Yes	August 19, 2018
Howard	Levee District 7 Howard County	Yes	August 27, 2018
Howell	Howell County Health Department	Yes	August 17, 2018
Iron	Pilot Knob FPD	Yes	August 6, 2018
Jackson	Bi-State Commission	Yes	August 1, 2018
	Watts Mill CID	Yes	August 7, 2018
Jasper	Asbury FPD	Yes	August 6, 2018
	Central Jasper County FPD	Yes	August 3, 2018

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in August 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jasper	Duenweg Volunteer FPD	Yes	August 21, 2018
	Jasper Volunteer FPD	Yes	August 20, 2018
	PWSD 2 Jasper County	Yes	August 21, 2018
Jefferson	Biltmore East CID	Yes	August 13, 2018
Laclede	Competition Volunteer FPD	Yes	August 14, 2018
	Nebo Falcon FPD	Yes	August 23, 2018
Lawrence	Red Oak Benefit SRD Lawrence County	Yes	August 20, 2018
	Vineyard Benefit SRD Lawrence	Yes	August 20, 2018
Lewis	Ewing-Maywood R-4 FPD	Yes	August 15, 2018
	Lewis County Ambulance District	Yes	August 10, 2018
Lincoln	Old Monroe FPD	Yes	August 2, 2018
Linn	Purdin SRD Linn County	Yes	August 23, 2018
Macon	La Plata Community FPD	Yes	August 4, 2018
	Macon County Ambulance District	Yes	August 13, 2018
Maries	Ozark Central Ambulance District	Yes	August 1, 2018
Mercer	PWSD 1 Mercer County	Yes	August 14, 2018
Miller	Kaiser SRD Miller County	Yes	August 23, 2018
Mississippi	Mississippi Ambulance District	Yes	August 8, 2018
Moniteau	PWSD 1 Moniteau County	Yes	August 6, 2018
Montgomery	Bellflower FPD	Yes	August 17, 2018
	Montgomery Volunteer FPD	Yes	August 27, 2018
New Madrid	PWSD 4 New Madrid County	Yes	August 10, 2018
Newton	Midway FPD	Yes	August 17, 2018
	Midway SRD Newton County	Yes	August 30, 2018
	Neosho SRD Newton County	Yes	August 6, 2018
Nodaway	Clearmont FPD	Yes	August 14, 2018
	Parnell FPD	Yes	August 12, 2018
	Polk Rural FPD	Yes	August 8, 2018
Phelps	Duke Rural FPD	Yes	August 11, 2018
Pike	Louisiana SRD 3 Pike County	Yes	August 7, 2018
Platte	9 Highway Corridor CID	Yes	August 20, 2018
	Edgerton-Trimble FPD	Yes	August 17, 2018
	PWSD 7 Platte County	Yes	August 17, 2018
	Smithville Area FPD	Yes	August 20, 2018
	Morrisville FPD	Yes	August 9, 2018
Polk	Prairie Heights Area Common SwrD	Yes	August 1, 2018
	Bowman TDD	Yes	August 3, 2018
Pulaski	Dixon Rural FPD	Yes	August 20, 2018
	Farris Family TDD	Yes	August 31, 2018
	Waynesville Rural FPD	Yes	August 15, 2018
	City of Crystal Lakes SRD Ray County	Yes	August 16, 2018
	Levee District 1 Ray County	Yes	August 16, 2018
Ray	Richmond FPD	Yes	August 13, 2018
	NBC FPD	Yes	August 18, 2018
	Oran FPD	Yes	August 17, 2018
Scott	PWSD 1 Scott County	Yes	August 21, 2018

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2018

Filed in August 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Shannon	Shannon County Ambulance District	Yes	August 7, 2018
St. Charles	Hutchings Farm Plaza TDD	Yes	August 8, 2018
St. Clair	Collins SRD St. Clair County	Yes	August 14, 2018
	Hillsdale SRD St. Clair County	Yes	August 1, 2018
	Vista SRD St. Clair County	Yes	August 15, 2018
St. Louis	Kinloch FPD	Yes	August 1, 2018
	Missouri Bottom Road CID	Yes	August 15, 2018
	Missouri Bottom Road TDD	Yes	August 15, 2018
	Northeast Ambulance & FPD	Yes	August 1, 2018
	Robinwood West CID	Yes	August 31, 2018
	Upper West End Park CID	Yes	August 3, 2018
St. Louis City	Bottle District TDD	Yes	August 30, 2018
	Broadway Carrie TDD	Yes	August 15, 2018
Stoddard	PWSD 5 Stoddard County	Yes	August 31, 2018
Taney	Cedarcreek FPD	Yes	August 10, 2018
Texas	PWSD 2 Texas County	Yes	August 23, 2018
	Texas County EMS Board	Yes	August 15, 2018
Wayne	PWSD 4 Butler-Wayne County	Yes	August 9, 2018
Webster	Niangua FPD	Yes	August 14, 2018
	Southern Webster County FPD	Yes	August 9, 2018
Total Filed		112	

Acronyms:

CID	Community Improvement District
EMS	Emergency Medical Service
FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District
SwrD	Sewer District
TDD	Transportation Development District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due July 31, 2018
 Filed in August 2018

Fiscal Year Ended January 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cedar	Cedar County Memorial Hospital	Yes	August 13, 2018
Scott	North Scott Ambulance District	Yes	August 2, 2018
Total Filed		2	



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
August 2018**

Monthly Report on Municipal Court and Revenue Filings

August 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by August 31, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 5 cities and 4 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in August 2018, after their filing deadline. The filing status for these 24 cities, 1 town, and 18 villages is presented in summary on pages 4 and by individual entity in Appendixes B to C.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

August 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 5 cities and 4 villages with a fiscal year end of February 28, 2018, whose financial reports, addendums, or certifications were due by August 31, 2018. Of the 9 cities and villages required to file an annual financial report, 6 filed the annual financial report timely. Of the 3 cities and villages required to file an addendum and certification, 2 filed an addendum and none filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
August 2018
Executive Summary

This report includes the filing status for 24 cities, 1 town, and 18 villages that filed at least one of the items (financial report, addendum, or certification) in August 2018, after their filing deadline. Of these entities, 40 filed an annual financial report, 4 filed an addendum, and 1 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due August 31, 2018

Fiscal Year Ended February 28, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	City of Fillmore	Yes	May 30, 2018	n/a	n/a
Audrain	City of Vandalia	Yes	August 13, 2018	Yes	No
Clay	Village of Oaks	No		n/a	n/a
Grundy	City of Tindall	Yes	June 21, 2018	n/a	n/a
Knox	City of Knox City	Yes	August 8, 2018	n/a	n/a
Lincoln	Village of Chain of Rocks	Yes	July 30, 2018	n/a	n/a
Osage	Village of Freeburg	No		n/a	n/a
St. Louis	City of Pasadena Hills	Yes	August 23, 2018	Yes	No
	Village of Uplands Park	No		No	No
Total Filed		6		2	0
Total Not Filed		3		1	3
Total n/a		0		6	6

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in August 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Bates	City of Adrian	Yes	August 1, 2018	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in August 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Adair	City of Brashear	Yes	August 23, 2018	n/a	n/a
Andrew	Village of Rea	Yes	August 10, 2018	n/a	n/a
Barton	Village of Lamar Heights	Yes	August 1, 2018	n/a	n/a
Bates	City of Hume	Yes	August 29, 2018	n/a	n/a
	City of Rockville	Yes	August 2, 2018	n/a	n/a
	Village of Passaic	Yes	August 7, 2018	n/a	n/a
Bollinger	Village of Sedgewickville	Yes	August 22, 2018	n/a	n/a
Callaway	City of Holts Summit	Yes	August 3, 2018	No	No
	City of New Bloomfield	Yes	August 7, 2018	n/a	n/a
Cape Girardeau	Town of Allenville	Yes	August 3, 2018	n/a	n/a
Cass	City of Strasburg	Yes	August 30, 2018	n/a	n/a
	Village of Gunn City	Yes	August 9, 2018	n/a	n/a
	Village of Rothville	Yes	August 17, 2018	n/a	n/a
Clinton	City of Trimble	Yes	August 2, 2018	**	**
Daviess	Village of Lock Springs	Yes	August 13, 2018	n/a	n/a
Greene	City of Walnut Grove	Yes	August 17, 2018	Yes	No
Grundy	City of Laredo	Yes	August 21, 2018	n/a	n/a
Harrison	City of Ridgeway	Yes	August 17, 2018	No	n/a
Howell	City of Willow Springs	***	July 18, 2018	Yes	No
Iron	Village of Des Arc	Yes	August 3, 2018	n/a	n/a
Jasper	City of Carytown	Yes	August 7, 2018	n/a	n/a
	City of Sarcoxie	Yes	August 17, 2018	n/a	n/a
	Village of Peaceful Village	Yes	August 7, 2018	n/a	n/a
Knox	Village of Novelty	Yes	August 8, 2018	n/a	n/a
Lewis	Village of East Fenway	Yes	August 11, 2018	n/a	n/a
Livingston	Village of Ludlow	Yes	August 13, 2018	n/a	n/a
Macon	City of Elmer	Yes	August 14, 2018	n/a	n/a
	City of New Cambria	Yes	August 16, 2018	n/a	n/a
Mississippi	City of Wyatt	Yes	August 2, 2018	n/a	n/a
	Village of Pinhook	Yes	August 28, 2018	n/a	n/a
Moniteau	City of Jamestown	Yes	August 3, 2018	n/a	n/a
Monroe	Village of Stoutsville	Yes	August 13, 2018	n/a	n/a
New Madrid	Village of Tallapoosa	Yes	August 7, 2018	n/a	n/a
Newton	Village of Shoal Creek Drive	Yes	August 15, 2018	n/a	n/a
Nodaway	City of Conception Junction	Yes	August 3, 2018	n/a	n/a
Pemiscot	City of Bragg City	Yes	August 7, 2018	n/a	n/a
Platte	City of Dearborn	Yes	August 29, 2018	**	**
Reynolds	City of Centerville	Yes	August 13, 2018	n/a	n/a
Stoddard	Village of Pennermon	Yes	August 24, 2018	n/a	n/a
Stone	City of Galena	***	July 30, 2018	Yes	**
	City of Reeds Spring	No		Yes	Yes
Warren	Village of Pendleton	Yes	August 21, 2018	n/a	n/a
Total Filed		39		4	1

** Filed by June 30, 2018.

*** Filed after June 30, 2018, but before August 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Clinton County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Clinton County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-102

ANNUAL FINANCIAL REPORT

CLINTON COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

CLINTON COUNTY, MISSOURI

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INTRODUCTORY SECTION

CLINTON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Wade Wilken, Jr.

1st District Commissioner – Gary McCrea

2nd District Commissioner – Larry King

Other Elected Officials

Assessor – Cindy Carter

Circuit Clerk-Recorder – Molly Livingston

Collector – Michele Wells

Coroner – Lee Hanks

County Clerk – Mary Blanton

Prosecuting Attorney – Joe Gagnon

Public Administrator – Nancy Wingate

Sheriff – Larry Fish

Treasurer – Leann Gump

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
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McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Clinton County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Clinton County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Clinton County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Clinton County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position, or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Clinton County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 13, 2018, on our consideration of Clinton County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
August 13, 2018

CLINTON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Investments January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Investments December 31, 2016	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017
General Revenue	\$ 211,929	\$ 2,716,740	\$ 2,416,412	\$ 512,257	\$ 2,198,530	\$ 2,701,070	\$ 9,717
Special Road & Bridge	332,441	2,746,889	2,310,901	768,429	1,566,180	2,049,371	285,238
Assessment	863,341	398,259	247,427	1,014,173	261,623	291,249	984,547
Capital Improvement	351,235	719,023	668,468	401,790	169,560	301,545	269,805
Law Enforcement Training	257	4,210	2,344	2,123	4,371	726	5,768
P.O.S.T.	145	1,870	1,891	124	1,929	709	1,344
Sheriff's Civil Fees	3,690	19,621	9,721	13,590	61,577	60,989	14,178
Sheriff's Revolving Fund	23,762	46,757	41,122	29,397	20,534	49,780	151
Sheriff's Supplemental Grant Fund	5,780	58,215	58,895	5,100	94,145	92,595	6,650
Prosecuting Attorney Training	4,993	1,083	1,341	4,735	1,116	1,161	4,690
Prosecuting Attorney Victim Advocate	-	12,716	12,716	-	51,755	48,351	3,404
Local Emergency Planning Commission	94	9,726	5,067	4,753	20	2,976	1,797
Emergency Management	100,595	161,096	125,907	135,784	82,535	119,629	98,690
Health Reimbursement Fund	-	22,764	14,768	7,996	328,118	295,775	40,339
Law Enforcement Restitution	9,286	4,312	2,519	11,079	11,409	9,456	13,032
General Purpose Law Enforcement	893	504	657	740	8,372	4,336	4,776
Inmate Prisoner Debt	7,506	12,137	7,877	11,766	32,165	29,921	14,010
Election Service	49,920	9,846	51,347	8,419	3,492	7	11,904
Road & Bridge Escrow	111,259	552	3,000	108,811	452,040	525,000	35,851
Recorder User Fee	-	11,911	11,253	658	12,504	13,007	155
Prosecuting Attorney Delinquent Tax	2,879	18	7	2,890	17	7	2,900
Prosecuting Attorney Administrative Handling	5,119	3,047	5,264	2,902	3,316	4,108	2,110
Special Election	2,880	50,094	50,260	2,714	21,678	22,583	1,809
Collector's Tax Maintenance	8,401	32,759	6,683	34,477	37,086	25,677	45,886
Senate Bill 40 Board	542,008	646,422	401,685	786,745	348,917	396,126	739,536
A.R. and Eleanor Alexander Memorial	16,383	125	-	16,508	94	-	16,602
Clinton County Great Northwest Days	66	2,520	2,041	545	2,210	1,050	1,705
Local Law Enforcement Block Grant	-	-	-	-	3,443	-	3,443
Total	<u>\$ 2,654,862</u>	<u>\$ 7,693,216</u>	<u>\$ 6,459,573</u>	<u>\$ 3,888,505</u>	<u>\$ 5,778,736</u>	<u>\$ 7,047,204</u>	<u>\$ 2,620,037</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 761,000	\$ 1,044,005	\$ 757,697	\$ 562,054
Sales taxes	735,000	754,337	690,000	734,944
Intergovernmental	241,950	327,761	234,450	304,085
Charges for services	456,500	497,057	412,144	377,923
Interest	1,600	2,476	2,000	2,168
Other	47,250	9,068	30,488	3,983
Transfers in	140,000	82,036	90,000	213,373
Total Receipts	<u>\$ 2,383,300</u>	<u>\$ 2,716,740</u>	<u>\$ 2,216,779</u>	<u>\$ 2,198,530</u>
DISBURSEMENTS				
County Commission	\$ 90,538	\$ 89,599	\$ 92,538	\$ 91,254
County Clerk	70,010	68,959	71,510	69,808
Elections	65,525	56,680	31,100	29,945
Buildings and grounds	158,100	155,302	181,000	165,516
Employee fringe benefits	363,300	300,431	146,650	167,711
County Treasurer	53,010	52,558	53,010	52,519
County Collector	87,073	77,189	87,073	79,161
Recorder of Deeds	36,190	35,604	36,190	35,889
Circuit Clerk	19,900	11,228	20,200	12,557
Court administration	10,650	4,143	10,250	5,331
Public Administrator	62,160	61,585	61,660	62,626
Sheriff	605,764	568,562	662,384	705,969
Jail	447,000	407,764	447,401	534,274
Prosecuting Attorney	123,174	116,685	124,790	116,072
Juvenile Officer	45,377	48,210	51,597	50,931
Coroner	43,898	51,630	51,898	46,607
Other County government	242,295	225,488	266,181	222,989
Transfers out	66,900	84,795	274,370	251,911
Total Disbursements	<u>\$ 2,590,864</u>	<u>\$ 2,416,412</u>	<u>\$ 2,669,802</u>	<u>\$ 2,701,070</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (207,564)	\$ 300,328	\$ (453,023)	\$ (502,540)
CASH AND INVESTMENTS, JANUARY 1	<u>211,929</u>	<u>211,929</u>	<u>512,257</u>	<u>512,257</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 4,365</u>	<u>\$ 512,257</u>	<u>\$ 59,234</u>	<u>\$ 9,717</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 1,276,800	\$ 1,501,539	\$ 1,392,651	\$ 793,094	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	778,830	1,051,727	652,150	727,320	329,000	392,178	324,000	253,141
Charges for services	-	-	-	-	-	-	-	-
Interest	2,500	3,546	3,000	4,428	4,500	5,988	4,500	6,245
Other	20,000	20,077	15,000	17,330	500	93	100	2,237
Transfers in	150,000	170,000	110,000	24,008	-	-	-	-
Total Receipts	<u>\$ 2,228,130</u>	<u>\$ 2,746,889</u>	<u>\$ 2,172,801</u>	<u>\$ 1,566,180</u>	<u>\$ 334,000</u>	<u>\$ 398,259</u>	<u>\$ 328,600</u>	<u>\$ 261,623</u>
DISBURSEMENTS								
Salaries	\$ 646,000	\$ 600,042	\$ 650,000	\$ 585,154	\$ 142,208	\$ 140,620	\$ 144,022	\$ 135,076
Employee fringe benefits	229,700	182,806	100,150	92,845	53,561	44,023	52,300	17,002
Materials and supplies	1,109,500	1,049,821	1,176,500	863,728	21,800	231	25,000	3,806
Services and other	247,600	257,126	248,400	259,089	802,998	42,312	257,500	91,355
Capital outlay	185,000	157,207	185,000	57,888	47,100	18,005	50,000	21,647
Construction	-	-	-	712	-	-	-	-
Transfers out	110,000	63,899	257,840	189,955	-	2,236	-	22,363
Total Disbursements	<u>\$ 2,527,800</u>	<u>\$ 2,310,901</u>	<u>\$ 2,617,890</u>	<u>\$ 2,049,371</u>	<u>\$ 1,067,667</u>	<u>\$ 247,427</u>	<u>\$ 528,822</u>	<u>\$ 291,249</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (299,670)	\$ 435,988	\$ (445,089)	\$ (483,191)	\$ (733,667)	\$ 150,832	\$ (200,222)	\$ (29,626)
CASH AND INVESTMENTS, JANUARY 1	<u>332,441</u>	<u>332,441</u>	<u>768,429</u>	<u>768,429</u>	<u>863,341</u>	<u>863,341</u>	<u>1,014,173</u>	<u>1,014,173</u>
CASH AND INVESTMENTS, DECEMBER	<u>\$ 32,771</u>	<u>\$ 768,429</u>	<u>\$ 323,340</u>	<u>\$ 285,238</u>	<u>\$ 129,674</u>	<u>\$ 1,014,173</u>	<u>\$ 813,951</u>	<u>\$ 984,547</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CAPITAL IMPROVEMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	615,000	615,784	307,800	167,563	-	-	-	-
Intergovernmental	315,000	99,992	-	-	-	-	-	-
Charges for services	-	-	-	-	3,500	4,202	3,700	4,350
Interest	4,000	2,827	1,500	1,997	10	8	6	21
Other	-	420	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 934,000</u>	<u>\$ 719,023</u>	<u>\$ 309,300</u>	<u>\$ 169,560</u>	<u>\$ 3,510</u>	<u>\$ 4,210</u>	<u>\$ 3,706</u>	<u>\$ 4,371</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	10,000	54,298	7,000	105,538	-	-	-	-
Services and other	90,000	238,568	61,000	69,202	3,700	2,344	4,000	726
Capital outlay	100,000	-	70,000	73,875	-	-	-	-
Construction	500,000	178,566	410,000	37,401	-	-	-	-
Transfers out	469,750	197,036	153,120	15,529	-	-	-	-
Total Disbursements	<u>\$ 1,169,750</u>	<u>\$ 668,468</u>	<u>\$ 701,120</u>	<u>\$ 301,545</u>	<u>\$ 3,700</u>	<u>\$ 2,344</u>	<u>\$ 4,000</u>	<u>\$ 726</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (235,750)	\$ 50,555	\$ (391,820)	\$ (131,985)	\$ (190)	\$ 1,866	\$ (294)	\$ 3,645
CASH AND INVESTMENTS, JANUARY 1	<u>351,235</u>	<u>351,235</u>	<u>401,790</u>	<u>401,790</u>	<u>257</u>	<u>257</u>	<u>2,123</u>	<u>2,123</u>
CASH AND INVESTMENTS, DECEMBER	<u>\$ 115,485</u>	<u>\$ 401,790</u>	<u>\$ 9,970</u>	<u>\$ 269,805</u>	<u>\$ 67</u>	<u>\$ 2,123</u>	<u>\$ 1,829</u>	<u>\$ 5,768</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	P.O.S.T. FUND				SHERIFF'S CIVIL FEES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,500	1,869	1,800	1,924	-	-	-	-
Charges for services	-	-	-	-	18,000	19,585	19,000	26,329
Interest	1	1	-	2	15	36	43	44
Other	-	-	-	3	-	-	15,510	30,004
Transfers in	-	-	-	-	-	-	11,085	5,200
Total Receipts	\$ 1,501	\$ 1,870	\$ 1,800	\$ 1,929	\$ 18,015	\$ 19,621	\$ 45,638	\$ 61,577
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,600	1,891	1,801	709	1,000	7,679	5,450	41,378
Capital outlay	-	-	-	-	20,000	2,042	53,740	19,611
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,600	\$ 1,891	\$ 1,801	\$ 709	\$ 21,000	\$ 9,721	\$ 59,190	\$ 60,989
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (99)	\$ (21)	\$ (1)	\$ 1,220	\$ (2,985)	\$ 9,900	\$ (13,552)	\$ 588
CASH AND INVESTMENTS, JANUARY 1	145	145	124	124	3,690	3,690	13,590	13,590
CASH AND INVESTMENTS, DECEMBER 31	\$ 46	\$ 124	\$ 123	\$ 1,344	\$ 705	\$ 13,590	\$ 38	\$ 14,178

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CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				SHERIFF'S SUPPLEMENTAL GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	5,919	7,898	54,000	58,215	64,930	94,115
Charges for services	20,000	46,570	3,133	4,430	-	-	-	-
Interest	200	187	51	52	-	-	-	-
Other	3,500	-	-	954	2,000	-	13,900	30
Transfers in	-	-	13,996	7,200	-	-	15,141	-
Total Receipts	<u>\$ 23,700</u>	<u>\$ 46,757</u>	<u>\$ 23,099</u>	<u>\$ 20,534</u>	<u>\$ 56,000</u>	<u>\$ 58,215</u>	<u>\$ 93,971</u>	<u>\$ 94,145</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 50,940	\$ 52,188	\$ 62,000	\$ 60,657
Employee fringe benefits	-	-	-	-	7,673	6,670	8,927	8,452
Materials and supplies	700	263	-	-	-	-	-	-
Services and other	29,000	31,624	33,045	37,867	2,997	37	23,485	11,086
Capital outlay	15,000	9,235	11,915	11,913	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	2,000	-	6,796	-	-	-	-	12,400
Total Disbursements	<u>\$ 46,700</u>	<u>\$ 41,122</u>	<u>\$ 51,756</u>	<u>\$ 49,780</u>	<u>\$ 61,610</u>	<u>\$ 58,895</u>	<u>\$ 94,412</u>	<u>\$ 92,595</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (23,000)	\$ 5,635	\$ (28,657)	\$ (29,246)	\$ (5,610)	\$ (680)	\$ (441)	\$ 1,550
CASH AND INVESTMENTS, JANUARY 1	<u>23,762</u>	<u>23,762</u>	<u>29,397</u>	<u>29,397</u>	<u>5,780</u>	<u>5,780</u>	<u>5,100</u>	<u>5,100</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 762</u>	<u>\$ 29,397</u>	<u>\$ 740</u>	<u>\$ 151</u>	<u>\$ 170</u>	<u>\$ 5,100</u>	<u>\$ 4,659</u>	<u>\$ 6,650</u>

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CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY VICTIM ADVOCATE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	23,899	-	55,309	42,119
Charges for services	850	1,055	1,000	1,088	-	-	-	-
Interest	30	28	25	28	-	3	-	24
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	12,713	-	9,612
Total Receipts	<u>\$ 880</u>	<u>\$ 1,083</u>	<u>\$ 1,025</u>	<u>\$ 1,116</u>	<u>\$ 23,899</u>	<u>\$ 12,716</u>	<u>\$ 55,309</u>	<u>\$ 51,755</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 13,333	\$ 9,226	\$ 32,000	\$ 32,336
Employee fringe benefits	-	-	-	-	4,805	1,240	8,920	3,143
Materials and supplies	-	-	-	-	750	1,630	500	1,007
Services and other	3,000	1,341	3,000	1,161	5,010	173	1,175	498
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	447	12,714	11,367
Total Disbursements	<u>\$ 3,000</u>	<u>\$ 1,341</u>	<u>\$ 3,000</u>	<u>\$ 1,161</u>	<u>\$ 23,899</u>	<u>\$ 12,716</u>	<u>\$ 55,309</u>	<u>\$ 48,351</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,120)	\$ (258)	\$ (1,975)	\$ (45)	\$ -	\$ -	\$ -	\$ 3,404
CASH AND INVESTMENTS, JANUARY 1	<u>4,993</u>	<u>4,993</u>	<u>4,735</u>	<u>4,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER	<u>\$ 2,873</u>	<u>\$ 4,735</u>	<u>\$ 2,760</u>	<u>\$ 4,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,404</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMISSION FUND				EMERGENCY MANAGEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,100	9,711	3,100	-	-	-	-	16,360
Charges for services	-	-	-	-	-	-	-	-
Interest	-	15	5	20	500	539	530	805
Other	-	-	-	-	-	93,657	-	-
Transfers in	-	-	-	-	7,000	66,900	59,370	65,370
Total Receipts	<u>\$ 4,100</u>	<u>\$ 9,726</u>	<u>\$ 3,105</u>	<u>\$ 20</u>	<u>\$ 7,500</u>	<u>\$ 161,096</u>	<u>\$ 59,900</u>	<u>\$ 82,535</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,100	5,067	3,100	2,976	-	-	-	16,360
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	119,907	-	-
Transfers out	-	-	-	-	100,000	6,000	160,000	103,269
Total Disbursements	<u>\$ 4,100</u>	<u>\$ 5,067</u>	<u>\$ 3,100</u>	<u>\$ 2,976</u>	<u>\$ 100,000</u>	<u>\$ 125,907</u>	<u>\$ 160,000</u>	<u>\$ 119,629</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 4,659	\$ 5	\$ (2,956)	\$ (92,500)	\$ 35,189	\$ (100,100)	\$ (37,094)
CASH AND INVESTMENTS, JANUARY 1	<u>94</u>	<u>94</u>	<u>4,753</u>	<u>4,753</u>	<u>100,595</u>	<u>100,595</u>	<u>135,784</u>	<u>135,784</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 94</u>	<u>\$ 4,753</u>	<u>\$ 4,758</u>	<u>\$ 1,797</u>	<u>\$ 8,095</u>	<u>\$ 135,784</u>	<u>\$ 35,684</u>	<u>\$ 98,690</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HEALTH REIMBURSEMENT FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	24,314	4,480	4,245	4,500	11,332
Interest	-	-	94	114	20	67	55	77
Other	-	-	-	-	-	-	-	-
Transfers in	-	22,764	297,496	303,690	-	-	-	-
Total Receipts	\$ -	\$ 22,764	\$ 297,590	\$ 328,118	\$ 4,500	\$ 4,312	\$ 4,555	\$ 11,409
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	14,768	297,590	295,775	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	2,670
Services and other	-	-	-	-	13,500	2,519	14,000	6,786
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ 14,768	\$ 297,590	\$ 295,775	\$ 13,500	\$ 2,519	\$ 14,000	\$ 9,456
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 7,996	\$ -	\$ 32,343	\$ (9,000)	\$ 1,793	\$ (9,445)	\$ 1,953
CASH AND INVESTMENTS, JANUARY 1	-	-	7,996	7,996	9,286	9,286	11,079	11,079
CASH AND INVESTMENTS, DECEMBER 31	\$ -	\$ 7,996	\$ 7,996	\$ 40,339	\$ 286	\$ 11,079	\$ 1,634	\$ 13,032

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL PURPOSE LAW ENFORCEMENT FUND				INMATE PRISONER DEBT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	10,000	12,074	24,530	28,640
Interest	-	4	3	22	50	63	52	66
Other	250	500	500	8,350	-	-	-	3,459
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 250	\$ 504	\$ 503	\$ 8,372	\$ 10,050	\$ 12,137	\$ 24,582	\$ 32,165
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	260	-	1,470	-	-
Services and other	1,145	657	1,000	4,076	17,500	6,407	29,000	29,921
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,145	\$ 657	\$ 1,000	\$ 4,336	\$ 17,500	\$ 7,877	\$ 29,000	\$ 29,921
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (895)	\$ (153)	\$ (497)	\$ 4,036	\$ (7,450)	\$ 4,260	\$ (4,418)	\$ 2,244
CASH AND INVESTMENTS, JANUARY 1	893	893	740	740	7,506	7,506	11,766	11,766
CASH AND INVESTMENTS, DECEMBER 31	\$ (2)	\$ 740	\$ 243	\$ 4,776	\$ 56	\$ 11,766	\$ 7,348	\$ 14,010

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICE FUND				ROAD & BRIDGE ESCROW FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	9,435	9,774	2,000	3,429	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	30	72	50	57	200	552	500	1,040
Other	-	-	-	6	-	-	2,000	451,000
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 9,465	\$ 9,846	\$ 2,050	\$ 3,492	\$ 200	\$ 552	\$ 2,500	\$ 452,040
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	9,607	1,591	9,563	7	37,342	3,000	109,810	503,341
Capital outlay	49,757	49,756	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	74,116	-	-	21,659
Total Disbursements	\$ 59,364	\$ 51,347	\$ 9,563	\$ 7	\$ 111,458	\$ 3,000	\$ 109,810	\$ 525,000
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (49,899)	\$ (41,501)	\$ (7,513)	\$ 3,485	\$ (111,258)	\$ (2,448)	\$ (107,310)	\$ (72,960)
CASH AND INVESTMENTS, JANUARY 1	49,920	49,920	8,419	8,419	111,259	111,259	108,811	108,811
CASH AND INVESTMENTS, DECEMBER	\$ 21	\$ 8,419	\$ 906	\$ 11,904	\$ 1	\$ 108,811	\$ 1,501	\$ 35,851

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FEE FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	12,000	11,908	11,908	12,501	-	-	-	-
Interest	-	3	1	3	20	18	15	17
Other	-	-	-	-	980	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 12,000</u>	<u>\$ 11,911</u>	<u>\$ 11,909</u>	<u>\$ 12,504</u>	<u>\$ 1,000</u>	<u>\$ 18</u>	<u>\$ 15</u>	<u>\$ 17</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	12,000	11,253	12,000	13,007	3,000	7	2,500	7
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 12,000</u>	<u>\$ 11,253</u>	<u>\$ 12,000</u>	<u>\$ 13,007</u>	<u>\$ 3,000</u>	<u>\$ 7</u>	<u>\$ 2,500</u>	<u>\$ 7</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 658	\$ (91)	\$ (503)	\$ (2,000)	\$ 11	\$ (2,485)	\$ 10
CASH AND INVESTMENTS, JANUARY 1	-	-	658	658	2,879	2,879	2,890	2,890
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 658</u>	<u>\$ 567</u>	<u>\$ 155</u>	<u>\$ 879</u>	<u>\$ 2,890</u>	<u>\$ 405</u>	<u>\$ 2,900</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING FUND				SPECIAL ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	56,542	50,088	25,000	21,675
Charges for services	4,485	3,022	3,000	3,295	-	-	-	-
Interest	15	25	20	21	1	6	2	3
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,500</u>	<u>\$ 3,047</u>	<u>\$ 3,020</u>	<u>\$ 3,316</u>	<u>\$ 56,543</u>	<u>\$ 50,094</u>	<u>\$ 25,002</u>	<u>\$ 21,678</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	6,000	5,264	3,000	4,108	54,042	50,260	25,000	22,583
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 6,000</u>	<u>\$ 5,264</u>	<u>\$ 3,000</u>	<u>\$ 4,108</u>	<u>\$ 54,042</u>	<u>\$ 50,260</u>	<u>\$ 25,000</u>	<u>\$ 22,583</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,500)	\$ (2,217)	\$ 20	\$ (792)	\$ 2,501	\$ (166)	\$ 2	\$ (905)
CASH AND INVESTMENTS, JANUARY	<u>5,119</u>	<u>5,119</u>	<u>2,902</u>	<u>2,902</u>	<u>2,880</u>	<u>2,880</u>	<u>2,714</u>	<u>2,714</u>
CASH AND INVESTMENTS,	<u>\$ 3,619</u>	<u>\$ 2,902</u>	<u>\$ 2,922</u>	<u>\$ 2,110</u>	<u>\$ 5,381</u>	<u>\$ 2,714</u>	<u>\$ 2,716</u>	<u>\$ 1,809</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR'S TAX MAINTENANCE FUND				SENATE BILL 40 BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 256,292	\$ 369,049	\$ 261,124	\$ 158,368
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	275,800	266,250	287,400	186,467
Charges for services	38,500	32,627	31,800	36,852	-	-	-	-
Interest	85	132	200	234	3,500	3,939	3,500	4,082
Other	-	-	-	-	-	7,184	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 38,585</u>	<u>\$ 32,759</u>	<u>\$ 32,000</u>	<u>\$ 37,086</u>	<u>\$ 535,592</u>	<u>\$ 646,422</u>	<u>\$ 552,024</u>	<u>\$ 348,917</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 148,200	\$ 152,156	\$ 155,447	\$ 149,860
Employee fringe benefits	-	-	-	-	26,300	22,478	32,708	46,492
Materials and supplies	-	-	-	-	-	17,837	-	15,880
Services and other	2,500	6,683	10,000	25,677	294,300	209,214	243,232	183,894
Capital outlay	-	-	-	-	265,000	-	444,000	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,500</u>	<u>\$ 6,683</u>	<u>\$ 10,000</u>	<u>\$ 25,677</u>	<u>\$ 733,800</u>	<u>\$ 401,685</u>	<u>\$ 875,387</u>	<u>\$ 396,126</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 36,085	\$ 26,076	\$ 22,000	\$ 11,409	\$ (198,208)	\$ 244,737	\$ (323,363)	\$ (47,209)
CASH AND INVESTMENTS,	<u>8,401</u>	<u>8,401</u>	<u>34,477</u>	<u>34,477</u>	<u>542,008</u>	<u>542,008</u>	<u>786,745</u>	<u>786,745</u>
CASH AND INVESTMENTS,	<u>\$ 44,486</u>	<u>\$ 34,477</u>	<u>\$ 56,477</u>	<u>\$ 45,886</u>	<u>\$ 343,800</u>	<u>\$ 786,745</u>	<u>\$ 463,382</u>	<u>\$ 739,536</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	A.R. AND ELEANOR ALEXANDER MEMORIAL FUND				CLINTON COUNTY GREAT NORTHWEST DAYS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	145	125	105	94	-	5	-	10
Other	-	-	-	-	-	2,515	-	2,200
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 145</u>	<u>\$ 125</u>	<u>\$ 105</u>	<u>\$ 94</u>	<u>\$ -</u>	<u>\$ 2,520</u>	<u>\$ -</u>	<u>\$ 2,210</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	7	-	-	2,041	-	1,050
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,041</u>	<u>\$ -</u>	<u>\$ 1,050</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 145	\$ 125	\$ 98	\$ 94	\$ -	\$ 479	\$ -	\$ 1,160
CASH AND INVESTMENTS,	<u>16,383</u>	<u>16,383</u>	<u>16,508</u>	<u>16,508</u>	<u>-</u>	<u>66</u>	<u>-</u>	<u>545</u>
CASH AND INVESTMENTS,	<u>\$ 16,528</u>	<u>\$ 16,508</u>	<u>\$ 16,606</u>	<u>\$ 16,602</u>	<u>\$ -</u>	<u>\$ 545</u>	<u>\$ -</u>	<u>\$ 1,705</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

LOCAL LAW ENFORCEMENT BLOCK GRANT FUND				
Year Ended December 31,				
2016		2017		
Budget	Actual	Budget	Actual	
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	3,443
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,443</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	-	-	-	-
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 3,443
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,443</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CLINTON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clinton County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk-Recorder, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Clinton County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The financial statements also include the A.R. and Eleanor Alexander Memorial Fund which is controlled by the Senate Bill 40 Board.

Certain elected County officials, particularly the Collector and Treasurer, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they

are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. However, the County budgeted a negative fund balance (\$2) for the General Purpose Law Enforcement Fund in 2016.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the following funds: Clinton County Great Northwest Days and Local Law Enforcement Block Grant in 2017; and Health Reimbursement and Clinton County Great Northwest Days in 2016.

10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2017</u>	<u>2016</u>
General Revenue	✓	N/A
Sheriff's Civil Fees	✓	N/A
General Purpose Law Enforcement	✓	N/A
Inmate Prisoner Debt	✓	N/A
Road & Bridge Escrow	✓	N/A
Recorder User Tax	✓	N/A
Prosecuting Attorney Administrative Handlin	✓	N/A
Collector's Tax Maintenance	✓	✓
P.O.S.T.	N/A	✓
Local Emergency Planning Commission	N/A	✓
Emergency Management	N/A	✓

Also, the actual expenditures of the following funds exceeded budgetary authority to the extent that formal budgets were not adopted: Health Reimbursement and Clinton County Great Northwest Days in 2016; and Clinton County Great Northwest Days in 2017.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 203,047,291	\$ 205,029,967
Personal Property	52,584,157	50,689,128
Railroad and Utilities	42,628,837	37,599,175
Total	<u>\$ 298,260,285</u>	<u>\$ 293,318,270</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	<u>2017</u>	<u>2016</u>
General Revenue	\$ 0.2475	\$ 0.2552
Common Road District	0.2787	0.2787
Special Road & Bridge	0.3500	0.3500
Senate Bill 40 Board	0.0922	0.0922

The Special Road & Bridge Fund receives both the Common Road District and Special Road & Bridge levies. The County also receives 20% of taxes levied and collected by the Cameron and Plattsburg Special Road Districts.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$2,620,037 and \$3,888,505, respectively, and the bank balances were \$3,272,944 and \$5,126,038, respectively. Of the bank balances, \$501,809 for December 31, 2017 and \$507,982 for December 31, 2016, were covered by federal depository insurance. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in

the County. Tax collections on deposit amounted to \$11,354,176 and \$2,596,536 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by a collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Clinton County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Clinton County contribute 4% of their gross compensation to LAGERS. The June 30th statutorily required contribution rates were 1.4% and 2.2% (General), and 4.1% and 3.1% (Police), of annual covered payroll in 2017 and 2016, respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2017 and 2016, the County contributed \$107,126 and \$109,732 to LAGERS.

4) Funding Status

As of June 30, 2017, the actuarial value of plan assets exceeded the accrued liabilities of the plan by \$637,430 for the General division and \$129,580 for the Police division. As of June 30, 2016, the actuarial value of plan assets exceeded the accrued liabilities of the plan by \$373,461 for the General division and \$42,008 for the Police division. These net pension assets are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2017 and 2016, the County collected and remitted to CERF employee withholdings and fees collected of \$69,854 and \$64,141, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366 and \$2,618, respectively, for the years ended December 31, 2017 and 2016.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees accrued vacation time as follows: one week per year after one year of continuous service; two weeks per year after two years of continuous service; three weeks per year after 10 years of continuous service; and four weeks per year after 20 years of continuous service. Vacation time must be used during the anniversary year in which it is earned, with the exception of Sheriff's Department employees, who are allowed to carryover up to 200 hours. Full-time employees accrue 10 days of sick leave per year, and up to 10 days may be carried over from one year to the next, up to a maximum of 20 days. Employees are compensated for unused vacation time at termination, but are not compensated for unused sick time.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Litigation

The County was involved in pending litigation as of December 31, 2017. The extent of the liability, if any, cannot be determined at this time.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years. The County maintains general liability, public officials' errors and omissions and employment-related liability coverage through commercial insurance companies with limits of \$4,000,000 aggregate, and \$2,000,000 per occurrence.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County entered into a loan with the Missouri Department of Natural Resources on November 6, 2008, for \$183,820 to finance various energy savings projects. The loan will be repaid with semi-annual payments of \$9,664 through August 1, 2020, and one payment of \$1,377 on February 1, 2021, which includes interest of 4.15%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ 17,213	\$ 2,114	\$ 19,327
2019	17,935	1,392	19,327
2020	18,687	640	19,327
2021	1,349	28	1,377
Totals	<u>\$ 55,184</u>	<u>\$ 4,174</u>	<u>\$ 59,358</u>

On November 28, 2017, the County entered into a \$121,000 capital lease through John Deere Financial to purchase a motor grader for the Road & Bridge Department. The lease calls for two payments of \$64,044 to be paid February 2, 2019 and 2020, including interest of 3.5%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	59,155	4,889	64,044
2020	61,845	2,199	64,044
Totals	<u>\$ 121,000</u>	<u>\$ 7,088</u>	<u>\$ 128,088</u>

On November 14, 2017, the County entered into an \$119,000 capital lease through John Deere Financial to purchase a motor grader for the Road & Bridge Department. The lease calls for two payments of \$42,521, on February 1, 2019 and 2020, and a final payment of \$42,522 on February 1, 2021, including interest of 3.5%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	38,288	4,233	42,521
2020	39,650	2,871	42,521
2021	41,062	1,460	42,522
Totals	<u>\$ 119,000</u>	<u>\$ 8,564</u>	<u>\$ 127,564</u>

On October 5, 2017, the County entered into a \$100,500 capital lease through John Deere Financial to purchase a motor grader for the Road & Bridge Department. The lease called for two payments of \$51,128, on February 28, 2018, and February 29, 2019, including interest of 3.5%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	51,128	-	51,128
2019	49,372	1,756	51,128
Totals	<u>\$ 100,500</u>	<u>\$ 1,756</u>	<u>\$ 102,256</u>

On July 18, 2017, the County entered into a six-year, \$51,878 capital lease through Farmers State Bank to purchase a transport van for the Sheriff's Department. The lease is to be paid in monthly payments of \$788, ending July 20, 2023, including interest of 3%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	8,113	1,345	9,458
2019	8,359	1,099	9,458
2020	8,613	845	9,458
2021	8,875	583	9,458
2022	9,145	313	9,458
2023	5,463	55	5,518
Totals	<u>\$ 48,568</u>	<u>\$ 4,240</u>	<u>\$ 52,808</u>

On March 2, 2017, the County entered into a three-year, \$27,303 capital lease through Goppert Bank to purchase a 2015 Ford for the Sheriff's Department. The lease is to be paid in monthly payments of \$800, ending March 1, 2020, including interest of 3.5%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	9,018	582	9,600
2019	9,339	261	9,600
2020	2,386	14	2,400
Totals	<u>\$ 20,743</u>	<u>\$ 857</u>	<u>\$ 21,600</u>

On February 28, 2017, the County entered into a three-year, \$21,564 capital lease through Goppert Bank to purchase a 2015 Ford for the Sheriff's Department. The lease is to be paid in monthly payments of \$632, ending February 29, 2020, including interest of 3.5%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	7,144	439	7,583
2019	7,398	185	7,583
2020	1,258	5	1,263
Totals	<u>\$ 15,800</u>	<u>\$ 629</u>	<u>\$ 16,429</u>

On February 2, 2017, the County entered into a three-year, \$26,503 capital lease through Goppert Bank to purchase a 2016 Ford for the Sheriff's Department. The lease is to be paid in monthly payments of \$777, ending February 5, 2020, including interest of 3.5%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	8,780	540	9,320
2019	9,093	227	9,320
2020	1,546	7	1,553
Totals	<u>\$ 19,419</u>	<u>\$ 774</u>	<u>\$ 20,193</u>

On January 17, 2017, the County entered into an \$115,775 capital lease through John Deere Financial to purchase a tractor and boom mower for the Road & Bridge Department. The lease called for a payment of \$57,888 on February 20, 2017 and \$60,121 on February 20, 2018, including interest of 3.25%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	58,201	1,920	60,121

On March 5, 2015, the County entered into a three-year \$26,261 capital lease through Goppert Bank to purchase a Ford F-150 for the Sheriff's Department. The lease was paid off in 2017.

In 2013, the County entered into a cancelable lease purchase agreement to finance the purchase of five 2013 Ford Interceptors at a cost of \$126,363. The final payment was made in 2016.

In 2013, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2011 John Deere motor grader at a cost of \$180,000. The final payment was made in 2016.

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payment	Balance 12/31/2017	Interest
2014 Ford F-150	\$ 10,510	\$ -	\$ (10,510)	\$ -	\$ 143
Tractor & Boom Mower	-	115,775	(57,574)	58,201	314
2008 Motor Grader	-	100,500	-	100,500	-
2010 Motor Grader	-	119,000	-	119,000	-
2011 Motor Grader	-	121,000	-	121,000	-
2015 Ford (1 of 2)	-	21,564	(5,764)	15,800	555
2015 Ford (2 of 2)	-	27,303	(6,559)	20,744	641
2016 Ford	-	26,503	(7,084)	19,419	682
Transport Van	-	51,878	(3,309)	48,569	632
MO DNR Loan	71,706	-	(16,521)	55,185	2,806
	<u>\$ 82,216</u>	<u>\$583,521</u>	<u>\$(107,321)</u>	<u>\$ 558,416</u>	<u>\$ 5,773</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2016:

Description	Balance 12/31/2015	Additions	Payment	Balance 12/31/2016	Interest
2014 Ford F-150	\$ 19,184	\$ -	\$ (8,674)	\$ 10,510	\$ 562
2011 Motor Grader	91,907	-	(91,907)	-	2,601
2013 Interceptors	10,941	-	(10,941)	-	63
MO DNR Loan	87,562	-	(15,856)	71,706	3,471
	<u>\$ 209,594</u>	<u>\$ -</u>	<u>\$(127,378)</u>	<u>\$ 82,216</u>	<u>\$ 6,697</u>

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 13, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

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McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Clinton County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clinton County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Clinton County, Missouri's basic financial statements and have issued our report thereon dated August 13, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clinton County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clinton County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Clinton County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 2017-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2017-002, 2017-003, and 2017-004 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clinton County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and recommendations as items 2017-005 and 2017-006.

Clinton County, Missouri's Responses to Findings

Clinton County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Clinton County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
August 13, 2018

FINDINGS AND RECOMMENDATIONS

CLINTON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

2017-001: Treasurer's Bank Reconciliations

Criteria: A proper system of internal control requires periodic reconciliations between accounting system and bank records. Additionally, Section 54.150, RSMo requires county treasurers to perform semiannual settlements of account in June and December.

Condition: During the audit period, the Treasurer did not perform reconciliations of the monthly bank statement balances to the balances per the accounting records. Additionally, the Treasurer did not prepare settlements of account during the audit period. Settlements of account for the years ended December 31, 2015, 2016, and 2017 were prepared during audit fieldwork and were not reconciled to year-end bank statements.

Cause: Monthly bank reconciliations and semiannual settlements of account were not performed by the Treasurer during the audit period.

Effect: Not performing timely reconciliations of the accounting records to the bank balances increases the likelihood of misstatements of the County's cash balances whether due to fraud or error.

Recommendation: We recommend the Treasurer immediately begin performing timely reconciliations of the monthly bank statements to the accounting records. We also recommend that the Treasurer complete semi-annual settlements in a timely manner and submit them to the County Commission as required.

County Response: Met with Treasurer. She is working to complete all reconciliations. Currently halfway through 2015. Intends to have completed by the end of the year.

Auditor's Evaluation: Bank statements should be reconciled to the accounting records on a monthly basis going forward. Semi-annual settlements must also be completed as required by state statute.

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2017-002: Senate Bill 40 Board Internal Control

Criteria: A proper system of internal control requires adequate documentation and preservation of financial records and timely completion of reconciliations between the accounting system and bank records.

Condition: The Senate Bill 40 Board did not maintain adequate accounting records, including timely bank reconciliations. The December 2017 bank reconciliation was prepared in July 2018. Multiple certificate of deposit interest statements and monthly bank account statements could not be located. Financial records are maintained off-site by the Senate Bill 40 Board president in

unindexed plastic storage bins. A budget for 2018 has not been formally adopted by the Board and actual financial information for 2017 was never submitted to the County Clerk for inclusion in the County's budget documents.

Cause: The longtime Senate Bill 40 Board bookkeeper resigned in April 2017, and the Senate Bill 40 Board President has since maintained custody of all financial records. Bank statements are not timely reconciled by the outside accountant.

Effect: The Senate Bill 40 Board has not maintained adequate records to ensure accurate financial statements are timely completed and made available to the public.

Recommendation: We recommend the Senate Bill 40 Board design, implement and maintain internal controls adequate to ensure the timely completion of bank reconciliations, financial statements, and budgets.

County Response: The Senate Bill 40 Board did not provide comments.

Auditor's Evaluation: The audit report has been provided to the Senate Bill 40 Board to implement the recommendations.

2017-003: Sheriff's Internal Controls

Criteria: A proper system of internal controls requires adequate custodial control over credit cards, appropriate approval and documentation of purchases, and timely payment to avoid interest and late charges.

Condition: The Sheriff's office opened a credit card account in January 2017, bearing interest at 13.25%, and maintains Visa cards in the custody of the Sheriff and two employees of the Sheriff's office. Credit card statements were occasionally submitted late to the County Clerk for payment and without itemized receipts to accompany the charges. January 2017 and October 2017 credit card statements could not be located. Interest and late fees aggregated \$711 over the 10 months in 2017 for which statements were documented.

Additionally, a Finish Line fuel card is maintained in each of the Sheriff's fleet vehicles for fuel purchases. The cards require an odometer reading entry in order to activate the pump. Odometer readings on the monthly fuel card statements were inconsistent, including instances in which odometer readings decreased between transactions. No reconciliations between statements and actual odometer readings were performed. Fuel purchases were also made with the Visa credit cards issued through Goppert Bank, which lack controls over fuel purchases such as requiring an odometer reading to be entered.

Cause: Receipts and credit card statements were not adequately documented, reviewed and submitted timely for payment.

Effect: Lack of oversight of credit card and fuel card purchases increases the likelihood that cards could be used for inappropriate or unnecessary purchases or for personal use.

Recommendation: We recommend the County adopt and implement a policy to ensure credit card statements are submitted for payment timely and are reconciled to supporting documentation prior

to payment. We further recommend the Sheriff implement procedures to review monthly fuel card statements, noting any discrepancies in each vehicle's odometer readings.

County Response: Met with Sheriff Fish and members of his staff. Have implemented procedures to assist with credit card billings. They are looking for other options on credit companies and pay as you go options. They have addressed the fuel account issue with mileages and employee names.

Auditor's Evaluation: The response is appropriate to correct the concern.

2017-004: Internal Controls Over Employee Timesheets and Pay

Criteria: A proper system of internal controls requires adequate documentation of time worked and rates of pay for each employee and each pay period.

Condition: We tested 30 payroll transactions for propriety and noted no evidence of a timesheet for one employee, discrepancies in the number of hours worked between two employees' timesheets and the payroll register, one timesheet lacking the required employee and supervisor signatures, and three discrepancies between documented pay rates and the pay rates per the payroll register.

Cause: The County's established internal controls over the payroll process were not consistently followed during the audit period or were not sufficiently designed to prevent errors.

Effect: Discrepancies between payroll registers, employee timesheets and documented pay rates could result in employees being paid incorrectly.

Recommendation: We recommend the County implement procedures to ensure that employee's hours worked and rates of pay per payroll registers are accurate and properly supported.

County's Response: All employees turn in timesheets in a timely manner with the exception of the Sheriff's office. They are not always timely.

Auditor's Response: The response does not address the concern. The County should implement procedures to ensure that amounts paid to employees are supported by hours reported on timesheets that are attested to by the employee and a supervisor.

ITEMS OF NONCOMPLIANCE

2017-005: Budgetary Compliance

Criteria: Section 50.540, RSMo requires the preparation of a budget for all County funds. Section 50.740, RSMo prohibits expenditures in excess of the approved budget.

Condition: Budgets were not prepared for two funds in 2017 and two funds in 2016. Expenditures exceeded budgeted appropriations for eight funds in 2017 and four funds in 2016. The detailed list of funds can be found in Notes 1.D.9 and 1.D.10 to the financial statements.

Cause: The County did not prepare formal budgets for all County funds and did not adequately review and amend budgeted expenditures of each fund to ensure actual expenditures did not exceed the budget amounts.

Effect: In order to ensure the integrity of the budgeting process, a budget must be adopted for each County fund and the spending limits should be adhered to.

Recommendation: We recommend the County ensure compliance with state statutes by adopting a budget for each County fund and by refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: Prior auditors informed us it was not necessary to budget for these.

Auditor's Evaluation: The County should budget for all funds over which it exercises authority. The response does not address the issue regarding approving expenditures in excess of approved budgets. The County should refrain from approving expenditures in excess of approved budgets and amend the budget if necessary.

2017-006: Collector's Annual Settlements

Criteria: Section 139.190, RSMo requires the Collector to submit an annual settlement to the County Commission, and upon examination and approval by the Commission, the annual settlement is to be certified by the Clerk and filed with the Missouri Department of Revenue.

Condition: The Collector submitted a monthly register of tax collections to the Clerk and Treasurer. However, the Collector did not complete Form 205, Collector's Annual Settlement as required for the years ended February 29, 2016, February 28, 2017, or February 28, 2018.

Cause: The Collector did not complete annual settlements of account.

Effect: The Collector was not in compliance with state statutes.

Recommendation: We recommend the Collector prepare all required forms as prescribed by state statute.

County Response: Met with Collector. She is currently working to complete and intends to have done by the end of the year.

Auditor's Evaluation: The Collector's Annual Settlements should be completed on an annual basis moving forward as required.

CLINTON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Clinton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013 and 2012.

1. Actual expenditures exceeded budgeted expenditures for one fund (Recorder User Fee), and a budget was not prepared for one fund (Special Election).

Status: Not resolved. See Finding 2017-005.

2. Documentation of the County's internal controls have not been prepared.

Status: Resolved.

3. No formal fraud risk assessment was in place.

Status: Resolved.

4. The Collector's office was not making timely bank deposits.

Status: Resolved.

5. The Collector's office was not reconciling cash registers on a daily basis.

Status: Resolved.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Miller County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Miller County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-101

**The County of Miller
Tuscumbia, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2017 & 2016**



**The County of Miller
Tuscumbia, Missouri
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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Miller County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Miller County, Missouri, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Miller County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Miller County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Miller County, Missouri as of December 31, 2017 and 2016, or changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Miller County, Missouri as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Matters

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Miller County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2018 on our consideration of Miller County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Miller County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Miller County, Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
August 28, 2018

The County of Miller
Tuscumbia, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017

<u>Fund</u>	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	\$ 888,813	\$ 3,290,456	\$ 3,118,250	\$ 1,061,019
Special Road and Bridge	40	2,079,456	1,962,568	116,928
Assessment	403,946	384,194	371,959	416,181
Law Enforcement Training	(961)	4,909	-	3,948
Prosecuting Attorney's Training	8,470	1,251	340	9,381
Prosecuting Attorney's Bad Check	52,734	14,007	15,508	51,233
Emergency Management	(17)	30,670	30,652	1
911 Emergency	(24,707)	883,696	858,988	1
Capital Improvement	761,885	2,090,187	1,815,642	1,036,430
Senior Citizens Service Board	185,246	202,241	164,579	222,908
Sheriff's Discretionary	10,148	21,380	28,422	3,106
Prosecuting Attorney Delinquent Tax	13,794	214	1,789	12,219
Shelter for Victims of Domestic Violence	61,315	7,487	-	68,802
House Bill 786	12,982	21,995	18,304	16,673
County Road District Marina Tax	61,709	8,595	27,374	42,930
Lake Ja-Ha Neighborhood Improvement District	645	4,344	4,231	758
Family Access Motion	542	9	-	551
Sheriff's Drug Awareness and Resistance	1,502	3,572	1,965	3,109
W-12 Construction Maintenance	-	-	-	-
Port Bagnell Road Neighborhood Improvement District	36,180	42,829	43,395	35,614
FEMA Disaster Money	485,476	940,025	548,015	877,486
Cell Tower	4,122	6,618	-	10,740
Norman Road/Hand Ln. Maintenance	3,558	2,637	6,189	6
Norman Road/Hand Ln. Neighborhood Improvement District	3,179	15,463	18,642	-
Sheriff's Deputy Supplemental Salary	(38,012)	182,515	158,270	(13,767)
TIF #3 Osage National Retail Outlet	1,054	17	-	1,071
W-15C Neighborhood Improvement District	8,363	11,914	12,100	8,177
Local Emergency Preparedness	8,459	134	1,226	7,367
County Law Enforcement	10,949	15,655	-	26,604
Peace Officer Standards and Training Commission	2,955	2,133	2,328	2,760
Election Services	20,291	3,449	-	23,740
Oak Terrace Homeowners Neighborhood Improvement District	-	-	-	-
Recorder's Technology	12,661	6,649	4,074	15,236
Jail	(27,206)	1,172,626	1,145,419	1
Inmate Security	51,123	50,879	3,683	98,319
Collector's Tax Maintenance	145,358	44,721	81,681	108,398
Total	\$ 3,166,596	\$ 11,546,927	\$ 10,445,593	\$ 4,267,930

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2016

<u>Fund</u>	Cash and Equivalents January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Equivalents December 31, 2016
General Revenue	\$ 876,486	\$ 3,135,445	\$ 3,123,118	\$ 888,813
Special Road and Bridge	6,784	1,926,147	1,932,891	40
Assessment	364,717	386,002	346,773	403,946
Law Enforcement Training	410	8,054	9,425	(961)
Prosecuting Attorney's Training	9,277	1,350	2,157	8,470
Prosecuting Attorney's Bad Check	71,124	15,346	33,736	52,734
Emergency Management	1	29,805	29,823	(17)
911 Emergency	86,135	797,927	908,769	(24,707)
Capital Improvement	656,152	2,073,838	1,968,105	761,885
Senior Citizens Service Board	141,228	201,141	157,123	185,246
Sheriff's Discretionary	2,681	46,942	39,475	10,148
Prosecuting Attorney Delinquent Tax	14,195	212	613	13,794
Shelter for Victims of Domestic Violence	53,627	7,688	-	61,315
House Bill 786	16,433	19,990	23,441	12,982
County Road District Marina Tax	49,279	13,460	1,030	61,709
Lake Ja-Ha Neighborhood Improvement District	545	4,343	4,243	645
Family Access Motion	534	8	-	542
Sheriff's Drug Awareness and Resistance	(177)	5,502	3,823	1,502
W-12 Construction Maintenance	118	2	120	-
Port Bagnell Road Neighborhood Improvement District	27,547	48,793	40,160	36,180
FEMA Disaster Money	668,501	220,689	403,714	485,476
Cell Tower	-	4,122	-	4,122
Norman Road/Hand Ln. Maintenance	3,504	54	-	3,558
Norman Road/Hand Ln. Neighborhood Improvement District	4,393	15,536	16,750	3,179
Sheriff's Deputy Supplemental Salary	(11,116)	140,762	167,658	(38,012)
TIF #3 Osage National Retail Outlet	1,038	16	-	1,054
W-15C Neighborhood Improvement District	9,198	11,915	12,750	8,363
Local Emergency Preparedness	8,889	131	561	8,459
County Law Enforcement	875	10,074	-	10,949
Peace Officer Standards and Training Commission	673	2,282	-	2,955
Election Services	47,612	68,221	95,542	20,291
Oak Terrace Homeowners Neighborhood Improvement District	1	9,010	9,011	-
Recorder's Technology	10,488	6,108	3,935	12,661
Jail	2,034	1,152,796	1,182,036	(27,206)
Inmate Security	35,969	19,211	4,057	51,123
Collector's Tax Maintenance	133,773	45,480	33,895	145,358
Total	<u>\$ 3,292,928</u>	<u>\$ 10,428,402</u>	<u>\$ 10,554,734</u>	<u>\$ 3,166,596</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	General Revenue Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 360,000	\$ 189,044	\$ 360,000	\$ 222,667
Sales Taxes	2,260,000	2,302,461	2,175,000	2,137,339
Intergovernmental	107,890	109,111	120,590	112,337
Charges for Services	570,700	605,598	544,200	615,190
Interest	20,000	18,672	13,000	15,590
Other Receipts	27,650	65,570	27,650	31,629
Transfers In	40,000	-	40,350	693
Total Receipts	<u>\$ 3,386,240</u>	<u>\$ 3,290,456</u>	<u>\$ 3,280,790</u>	<u>\$ 3,135,445</u>
Disbursements				
County Commission	\$ 141,782	\$ 134,399	\$ 139,212	\$ 137,247
County Clerk	106,543	108,883	104,157	102,217
Elections	85,618	83,698	217,900	173,333
Buildings and Grounds	259,610	202,210	251,125	194,442
Employee Fringe Benefits	457,218	449,601	626,850	440,587
County Treasurer	58,875	51,251	58,925	52,201
County Collector	132,645	118,732	125,600	126,709
Recorder of Deeds	85,925	81,059	83,675	76,710
Circuit Clerk	11,900	2,464	11,900	4,258
Court Administration	15,580	10,188	15,325	10,818
Public Administrator	55,450	55,691	34,775	33,732
Sheriff	720,852	724,094	676,373	670,734
Prosecuting Attorney	273,450	273,280	237,450	259,950
Juvenile Officer	97,079	78,013	97,079	68,322
County Coroner	25,309	23,390	23,909	19,134
Associate Circuit Court	38,000	6,935	38,000	8,620
Other Disbursements	221,900	172,596	217,287	203,686
Tax Increment Financing	365,000	392,238	365,000	364,658
Transfers Out	131,500	149,528	171,500	175,760
Emergency Fund	97,000	-	97,000	-
Total Disbursements	<u>\$ 3,381,236</u>	<u>\$ 3,118,250</u>	<u>\$ 3,593,042</u>	<u>\$ 3,123,118</u>
Receipts Over (Under)				
Disbursements	\$ 5,004	\$ 172,206	\$ (312,252)	\$ 12,327
Cash and Equivalents, Jan 1	<u>888,813</u>	<u>888,813</u>	<u>876,486</u>	<u>876,486</u>
Cash and Equivalents, Dec 31	<u>\$ 893,817</u>	<u>\$ 1,061,019</u>	<u>\$ 564,234</u>	<u>\$ 888,813</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Special Road and Bridge Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 545,000	\$ 560,677	\$ 533,000	\$ 554,374
Sales Taxes	-	-	-	-
Intergovernmental	1,504,650	1,164,527	1,458,000	1,035,637
Charges for Services	500	332	-	391
Interest	2,500	1,434	5,000	2,230
Other Receipts	84,000	107,486	27,000	72,515
Transfers In	295,000	245,000	410,000	261,000
Total Receipts	<u>\$ 2,431,650</u>	<u>\$ 2,079,456</u>	<u>\$ 2,433,000</u>	<u>\$ 1,926,147</u>
<u>Disbursements</u>				
Salaries	\$ 553,167	\$ 557,887	\$ 560,000	\$ 546,718
Employee Fringe Benefits	239,300	227,476	253,850	233,823
Supplies	315,000	305,395	305,000	275,882
Road and Bridge Materials	165,000	68,889	195,000	90,602
Equipment Repairs	200,000	316,788	170,000	227,756
Equipment Purchases	336,000	315,720	379,000	389,826
Road and Bridge Construction	525,000	138,336	326,500	123,329
Other Disbursements	44,550	32,077	43,400	44,955
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 2,378,017</u>	<u>\$ 1,962,568</u>	<u>\$ 2,232,750</u>	<u>\$ 1,932,891</u>
Receipts Over (Under)				
Disbursements	\$ 53,633	\$ 116,888	\$ 200,250	\$ (6,744)
Cash and Equivalents, Jan 1	<u>40</u>	<u>40</u>	<u>6,784</u>	<u>6,784</u>
Cash and Equivalents, Dec 31	<u><u>\$ 53,673</u></u>	<u><u>\$ 116,928</u></u>	<u><u>\$ 207,034</u></u>	<u><u>\$ 40</u></u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Assessment Fund				Law Enforcement Training Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	335,000	342,795	362,200	338,873	-	-	-	-
Charges for Services	33,000	32,962	-	33,514	4,200	4,381	4,200	4,829
Interest	7,000	8,189	10,000	7,070	-	28	50	7
Other Receipts	4,500	248	-	6,545	-	-	-	-
Transfers In	-	-	-	-	2,000	500	2,000	3,218
Total Receipts	<u>\$ 379,500</u>	<u>\$ 384,194</u>	<u>\$ 372,200</u>	<u>\$ 386,002</u>	<u>\$ 6,200</u>	<u>\$ 4,909</u>	<u>\$ 6,250</u>	<u>\$ 8,054</u>
Disbursements								
Salaries	\$ 215,675	\$ 213,288	\$ 200,675	\$ 193,515	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	68,500	75,218	73,000	63,679	-	-	-	-
Materials and Supplies	17,000	29,525	20,000	37,650	-	-	-	-
Services	16,400	15,133	13,400	13,858	6,400	-	6,400	9,425
Other Disbursements	-	1,030	5,000	3,697	-	-	-	-
Capital Outlay	42,000	37,765	50,000	34,374	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 359,575</u>	<u>\$ 371,959</u>	<u>\$ 362,075</u>	<u>\$ 346,773</u>	<u>\$ 6,400</u>	<u>\$ -</u>	<u>\$ 6,400</u>	<u>\$ 9,425</u>
Receipts Over (Under)								
Disbursements	\$ 19,925	\$ 12,235	\$ 10,125	\$ 39,229	\$ (200)	\$ 4,909	\$ (150)	\$ (1,371)
Cash and Equivalents, Jan 1	<u>403,946</u>	<u>403,946</u>	<u>364,717</u>	<u>364,717</u>	<u>(961)</u>	<u>(961)</u>	<u>410</u>	<u>410</u>
Cash and Equivalents, Dec 31	<u>\$ 423,871</u>	<u>\$ 416,181</u>	<u>\$ 374,842</u>	<u>\$ 403,946</u>	<u>\$ (1,161)</u>	<u>\$ 3,948</u>	<u>\$ 260</u>	<u>\$ (961)</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Prosecuting Attorney's Training Fund				Prosecuting Attorney's Bad Check Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,083	1,108	1,083	1,215	15,371	13,162	24,670	14,371
Interest	170	143	170	135	975	845	2,000	975
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,253	\$ 1,251	\$ 1,253	\$ 1,350	\$ 16,346	\$ 14,007	\$ 26,670	\$ 15,346
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 24,000	\$ 13,160	\$ 66,500	\$ 23,291
Employee Fringe Benefits	-	-	-	-	4,000	1,718	15,900	2,678
Materials and Supplies	-	-	-	-	2,200	-	5,000	2,130
Services	1,250	340	9,500	2,157	5,700	-	11,000	4,652
Other Disbursements	-	-	-	-	3,500	630	6,500	985
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,250	\$ 340	\$ 9,500	\$ 2,157	\$ 39,400	\$ 15,508	\$ 104,900	\$ 33,736
Receipts Over (Under)								
Disbursements	\$ 3	\$ 911	\$ (8,247)	\$ (807)	\$ (23,054)	\$ (1,501)	\$ (78,230)	\$ (18,390)
Cash and Equivalents, Jan 1	8,470	8,470	9,277	9,277	52,734	52,734	71,124	71,124
Cash and Equivalents, Dec 31	<u>\$ 8,473</u>	<u>\$ 9,381</u>	<u>\$ 1,030</u>	<u>\$ 8,470</u>	<u>\$ 29,680</u>	<u>\$ 51,233</u>	<u>\$ (7,106)</u>	<u>\$ 52,734</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Emergency Management Fund				911 Emergency Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Phone Taxes	-	-	-	-	200,000	187,459	225,100	200,579
Intergovernmental	10,771	938	9,400	13,961	45,100	36,884	40,100	43,043
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	8	200	2	-	-	-	175
Other Receipts	500	196	-	82	1,000	620	-	1,019
Transfers In	9,800	29,528	11,500	15,760	605,000	658,733	532,000	553,111
Total Receipts	<u>\$ 21,071</u>	<u>\$ 30,670</u>	<u>\$ 21,100</u>	<u>\$ 29,805</u>	<u>\$ 851,100</u>	<u>\$ 883,696</u>	<u>\$ 797,200</u>	<u>\$ 797,927</u>
Disbursements								
Salaries	\$ 14,750	\$ 21,159	\$ 14,750	\$ 24,450	\$ 383,325	\$ 424,476	\$ 356,300	\$ 468,480
Employee Fringe Benefits	743	775	736	755	160,200	146,897	162,000	164,279
Materials and Supplies	1,700	1,411	1,650	3,085	6,500	5,870	5,900	6,158
Services	2,811	1,000	2,050	1,508	77,500	103,202	112,600	103,010
Other Disbursements	-	-	-	-	12,380	12,632	17,020	16,105
Capital Outlay	500	6,307	500	25	165,000	165,911	258,000	150,737
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 20,504</u>	<u>\$ 30,652</u>	<u>\$ 19,686</u>	<u>\$ 29,823</u>	<u>\$ 804,905</u>	<u>\$ 858,988</u>	<u>\$ 911,820</u>	<u>\$ 908,769</u>
Receipts Over (Under)								
Disbursements	\$ 567	\$ 18	\$ 1,414	\$ (18)	\$ 46,195	\$ 24,708	\$ (114,620)	\$ (110,842)
Cash and Equivalents, Jan 1	<u>(17)</u>	<u>(17)</u>	<u>1</u>	<u>1</u>	<u>(24,707)</u>	<u>(24,707)</u>	<u>86,135</u>	<u>86,135</u>
Cash and Equivalents, Dec 31	<u>\$ 550</u>	<u>\$ 1</u>	<u>\$ 1,415</u>	<u>\$ (17)</u>	<u>\$ 21,488</u>	<u>\$ 1</u>	<u>\$ (28,485)</u>	<u>\$ (24,707)</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Capital Improvement Fund				Senior Citizens Service Board Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 157,146	\$ 172,106	\$ 158,220	\$ 171,829
Sales Taxes	2,032,000	2,065,181	1,972,000	1,971,742	-	-	-	-
Intergovernmental	-	-	-	-	23,420	25,742	23,420	25,815
Charges for Services	-	-	-	-	-	-	-	-
Interest	11,500	18,621	11,500	13,789	4,000	4,393	4,000	3,497
Other Receipts	1,000	6,385	1,000	88,307	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,044,500</u>	<u>\$ 2,090,187</u>	<u>\$ 1,984,500</u>	<u>\$ 2,073,838</u>	<u>\$ 184,566</u>	<u>\$ 202,241</u>	<u>\$ 185,640</u>	<u>\$ 201,141</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	500	85	500	-
Services	-	-	-	-	195,322	164,116	199,195	156,652
Other Disbursements	-	-	-	5,730	3,770	378	3,769	471
Capital Outlay	105,000	98,328	125,000	172,498	-	-	-	-
Debt Service	338,226	309,174	338,226	310,430	-	-	-	-
Tax Increment Financing	337,000	392,238	337,000	364,658	-	-	-	-
Transfers Out	1,197,000	1,015,902	1,137,500	1,114,789	-	-	-	-
Total Disbursements	<u>\$ 1,977,226</u>	<u>\$ 1,815,642</u>	<u>\$ 1,937,726</u>	<u>\$ 1,968,105</u>	<u>\$ 199,592</u>	<u>\$ 164,579</u>	<u>\$ 203,464</u>	<u>\$ 157,123</u>
Receipts Over (Under)								
Disbursements	\$ 67,274	\$ 274,545	\$ 46,774	\$ 105,733	\$ (15,026)	\$ 37,662	\$ (17,824)	\$ 44,018
Cash and Equivalents, Jan 1	<u>761,885</u>	<u>761,885</u>	<u>656,152</u>	<u>656,152</u>	<u>185,246</u>	<u>185,246</u>	<u>141,228</u>	<u>141,228</u>
Cash and Equivalents, Dec 31	<u>\$ 829,159</u>	<u>\$ 1,036,430</u>	<u>\$ 702,926</u>	<u>\$ 761,885</u>	<u>\$ 170,220</u>	<u>\$ 222,908</u>	<u>\$ 123,404</u>	<u>\$ 185,246</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Sheriff's Discretionary Fund				Prosecuting Attorney Delinquent Tax Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	60,000	19,865	50,000	46,691	-	-	-	-
Interest	300	97	350	251	415	214	415	212
Other Receipts	-	1,418	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 60,300</u>	<u>\$ 21,380</u>	<u>\$ 50,350</u>	<u>\$ 46,942</u>	<u>\$ 415</u>	<u>\$ 214</u>	<u>\$ 415</u>	<u>\$ 212</u>
Disbursements								
Salaries	\$ 4,000	\$ -	\$ 4,000	\$ 5,994	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	500	-	-	458	-	-	-	-
Materials and Supplies	8,300	155	1,300	3,797	415	1,761	12,000	613
Services	9,500	9,071	9,500	730	-	28	-	-
Other Disbursements	-	-	2,000	-	-	-	-	-
Capital Outlay	28,200	18,696	28,200	21,280	-	-	-	-
Transfers Out	3,000	500	-	7,216	-	-	-	-
Total Disbursements	<u>\$ 53,500</u>	<u>\$ 28,422</u>	<u>\$ 45,000</u>	<u>\$ 39,475</u>	<u>\$ 415</u>	<u>\$ 1,789</u>	<u>\$ 12,000</u>	<u>\$ 613</u>
Receipts Over (Under)								
Disbursements	\$ 6,800	\$ (7,042)	\$ 5,350	\$ 7,467	\$ -	\$ (1,575)	\$ (11,585)	\$ (401)
Cash and Equivalents, Jan 1	<u>10,148</u>	<u>10,148</u>	<u>2,681</u>	<u>2,681</u>	<u>13,794</u>	<u>13,794</u>	<u>14,195</u>	<u>14,195</u>
Cash and Equivalents, Dec 31	<u>\$ 16,948</u>	<u>\$ 3,106</u>	<u>\$ 8,031</u>	<u>\$ 10,148</u>	<u>\$ 13,794</u>	<u>\$ 12,219</u>	<u>\$ 2,610</u>	<u>\$ 13,794</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Shelter for Victims of Domestic Violence Fund				House Bill 786 Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	5,946	6,435	5,946	6,815	17,000	21,743	17,000	19,763
Interest	926	1,052	926	873	3,000	252	3,000	227
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 6,872</u>	<u>\$ 7,487</u>	<u>\$ 6,872</u>	<u>\$ 7,688</u>	<u>\$ 20,000</u>	<u>\$ 21,995</u>	<u>\$ 20,000</u>	<u>\$ 19,990</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	52,500	-	52,500	-	30,000	18,304	30,000	23,441
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 52,500</u>	<u>\$ -</u>	<u>\$ 52,500</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 18,304</u>	<u>\$ 30,000</u>	<u>\$ 23,441</u>
Receipts Over (Under)								
Disbursements	\$ (45,628)	\$ 7,487	\$ (45,628)	\$ 7,688	\$ (10,000)	\$ 3,691	\$ (10,000)	\$ (3,451)
Cash and Equivalents, Jan 1	<u>61,315</u>	<u>61,315</u>	<u>53,627</u>	<u>53,627</u>	<u>12,982</u>	<u>12,982</u>	<u>16,433</u>	<u>16,433</u>
Cash and Equivalents, Dec 31	<u>\$ 15,687</u>	<u>\$ 68,802</u>	<u>\$ 7,999</u>	<u>\$ 61,315</u>	<u>\$ 2,982</u>	<u>\$ 16,673</u>	<u>\$ 6,433</u>	<u>\$ 12,982</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	County Road District Marina Tax Fund				Lake Ja-Ha Neighborhood Improvement District Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	714	-	820	25	20	25	19
Other Receipts	-	7,881	-	12,640	4,315	4,324	4,315	4,324
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 8,595</u>	<u>\$ -</u>	<u>\$ 13,460</u>	<u>\$ 4,340</u>	<u>\$ 4,344</u>	<u>\$ 4,340</u>	<u>\$ 4,343</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	27,374	-	1,030	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	4,773	4,231	4,773	4,243
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 27,374</u>	<u>\$ -</u>	<u>\$ 1,030</u>	<u>\$ 4,773</u>	<u>\$ 4,231</u>	<u>\$ 4,773</u>	<u>\$ 4,243</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ (18,779)	\$ -	\$ 12,430	\$ (433)	\$ 113	\$ (433)	\$ 100
Cash and Equivalents, Jan 1	<u>61,709</u>	<u>61,709</u>	<u>49,279</u>	<u>49,279</u>	<u>645</u>	<u>645</u>	<u>545</u>	<u>545</u>
Cash and Equivalents, Dec 31	<u><u>\$ 61,709</u></u>	<u><u>\$ 42,930</u></u>	<u><u>\$ 49,279</u></u>	<u><u>\$ 61,709</u></u>	<u><u>\$ 212</u></u>	<u><u>\$ 758</u></u>	<u><u>\$ 112</u></u>	<u><u>\$ 645</u></u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Family Access Motion Fund				Sheriff's Drug Awareness and Resistance Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	9	12	8	-	22	12	4
Other Receipts	-	-	-	-	2,300	3,550	925	1,500
Transfers In	-	-	-	-	3,000	-	2,000	3,998
Total Receipts	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 12</u>	<u>\$ 8</u>	<u>\$ 5,300</u>	<u>\$ 3,572</u>	<u>\$ 2,937</u>	<u>\$ 5,502</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	5,000	1,965	3,500	3,823
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	535	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 1,965</u>	<u>\$ 3,500</u>	<u>\$ 3,823</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 9	\$ (523)	\$ 8	\$ 300	\$ 1,607	\$ (563)	\$ 1,679
Cash and Equivalents, Jan 1	<u>542</u>	<u>542</u>	<u>534</u>	<u>534</u>	<u>1,502</u>	<u>1,502</u>	<u>(177)</u>	<u>(177)</u>
Cash and Equivalents, Dec 31	<u>\$ 542</u>	<u>\$ 551</u>	<u>\$ 11</u>	<u>\$ 542</u>	<u>\$ 1,802</u>	<u>\$ 3,109</u>	<u>\$ (740)</u>	<u>\$ 1,502</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	W-12 Construction Maintenance Fund				Port Bagnell Road Neighborhood Improvement District Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ 145	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	144	2	605	575	605	488
Other Receipts	-	-	18,300	-	39,260	42,254	39,260	48,305
Transfers In	-	-	16,700	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,289</u>	<u>\$ 2</u>	<u>\$ 39,865</u>	<u>\$ 42,829</u>	<u>\$ 39,865</u>	<u>\$ 48,793</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	35,320	-	64,486	43,395	64,486	40,160
Transfers Out	-	-	-	120	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,320</u>	<u>\$ 120</u>	<u>\$ 64,486</u>	<u>\$ 43,395</u>	<u>\$ 64,486</u>	<u>\$ 40,160</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ (31)	\$ (118)	\$ (24,621)	\$ (566)	\$ (24,621)	\$ 8,633
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>118</u>	<u>118</u>	<u>36,180</u>	<u>36,180</u>	<u>27,547</u>	<u>27,547</u>
Cash and Equivalents, Dec 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 87</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,559</u></u>	<u><u>\$ 35,614</u></u>	<u><u>\$ 2,926</u></u>	<u><u>\$ 36,180</u></u>

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The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	FEMA Disaster Money Fund				Cell Tower Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,259,299	940,025	1,220,700	220,689	-	-	-	-
Charges for Services	-	-	-	-	6,000	6,618	-	4,100
Interest	-	-	-	-	25	-	-	22
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,259,299</u>	<u>\$ 940,025</u>	<u>\$ 1,220,700</u>	<u>\$ 220,689</u>	<u>\$ 6,025</u>	<u>\$ 6,618</u>	<u>\$ -</u>	<u>\$ 4,122</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	2,000	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	1,259,300	423,015	1,106,200	302,714	-	-	-	-
Transfers Out	-	125,000	75,000	101,000	-	-	-	-
Total Disbursements	<u>\$ 1,259,300</u>	<u>\$ 548,015</u>	<u>\$ 1,181,200</u>	<u>\$ 403,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (1)	\$ 392,010	\$ 39,500	\$ (183,025)	\$ 6,025	\$ 6,618	\$ (2,000)	\$ 4,122
Cash and Equivalents, Jan 1	<u>485,476</u>	<u>485,476</u>	<u>668,501</u>	<u>668,501</u>	<u>4,122</u>	<u>4,122</u>	<u>-</u>	<u>-</u>
Cash and Equivalents, Dec 31	<u>\$ 485,475</u>	<u>\$ 877,486</u>	<u>\$ 708,001</u>	<u>\$ 485,476</u>	<u>\$ 10,147</u>	<u>\$ 10,740</u>	<u>\$ (2,000)</u>	<u>\$ 4,122</u>

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Tuscumbia, Missouri
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Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Norman Road/Hand Ln. Maintenance Fund				Norman Road/Hand Ln. Neighborhood Improvement District Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	62	70	62	54	202	151	202	166
Other Receipts	1,800	-	1,800	-	15,000	15,312	14,421	15,370
Transfers In	-	2,567	-	-	-	-	-	-
Total Receipts	<u>\$ 1,862</u>	<u>\$ 2,637</u>	<u>\$ 1,862</u>	<u>\$ 54</u>	<u>\$ 15,202</u>	<u>\$ 15,463</u>	<u>\$ 14,623</u>	<u>\$ 15,536</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	3,967	6,189	3,967	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	17,500	16,075	17,421	16,750
Transfers Out	-	-	-	-	-	2,567	-	-
Total Disbursements	<u>\$ 3,967</u>	<u>\$ 6,189</u>	<u>\$ 3,967</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ 18,642</u>	<u>\$ 17,421</u>	<u>\$ 16,750</u>
Receipts Over (Under)								
Disbursements	\$ (2,105)	\$ (3,552)	\$ (2,105)	\$ 54	\$ (2,298)	\$ (3,179)	\$ (2,798)	\$ (1,214)
Cash and Equivalents, Jan 1	<u>3,558</u>	<u>3,558</u>	<u>3,504</u>	<u>3,504</u>	<u>3,179</u>	<u>3,179</u>	<u>4,393</u>	<u>4,393</u>
Cash and Equivalents, Dec 31	<u>\$ 1,453</u>	<u>\$ 6</u>	<u>\$ 1,399</u>	<u>\$ 3,558</u>	<u>\$ 881</u>	<u>\$ -</u>	<u>\$ 1,595</u>	<u>\$ 3,179</u>

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The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Sheriff's Deputy Supplemental Salary Fund				TIF #3 Osage National Retail Outlet Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	169,549	182,515	131,700	140,762	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	18	17	18	16
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 169,549</u>	<u>\$ 182,515</u>	<u>\$ 131,700</u>	<u>\$ 140,762</u>	<u>\$ 18</u>	<u>\$ 17</u>	<u>\$ 18</u>	<u>\$ 16</u>
<u>Disbursements</u>								
Salaries	\$ 149,548	\$ 131,959	\$ 108,000	\$ 141,681	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	16,000	15,047	13,400	16,673	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	4,303	-	4,303	-
Other Disbursements	-	11,264	-	9,304	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 165,548</u>	<u>\$ 158,270</u>	<u>\$ 121,400</u>	<u>\$ 167,658</u>	<u>\$ 4,303</u>	<u>\$ -</u>	<u>\$ 4,303</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 4,001	\$ 24,245	\$ 10,300	\$ (26,896)	\$ (4,285)	\$ 17	\$ (4,285)	\$ 16
Cash and Equivalents, Jan 1	<u>(38,012)</u>	<u>(38,012)</u>	<u>(11,116)</u>	<u>(11,116)</u>	<u>1,054</u>	<u>1,054</u>	<u>1,038</u>	<u>1,038</u>
Cash and Equivalents, Dec 31	<u><u>\$ (34,011)</u></u>	<u><u>\$ (13,767)</u></u>	<u><u>\$ (816)</u></u>	<u><u>\$ (38,012)</u></u>	<u><u>\$ (3,231)</u></u>	<u><u>\$ 1,071</u></u>	<u><u>\$ (3,247)</u></u>	<u><u>\$ 1,054</u></u>

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The County of Miller
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	W-15C Neighborhood Improvement District Fund				Local Emergency Preparedness Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,000	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	265	135	265	136	250	134	-	131
Other Receipts	12,681	11,779	12,681	11,779	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 12,946</u>	<u>\$ 11,914</u>	<u>\$ 12,946</u>	<u>\$ 11,915</u>	<u>\$ 5,250</u>	<u>\$ 134</u>	<u>\$ -</u>	<u>\$ 131</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	200	-	50	-
Services	-	-	-	-	2,550	-	3,750	-
Other Disbursements	9,000	-	9,900	-	2,000	1,226	3,800	561
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service	14,053	12,100	14,053	12,750	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 23,053</u>	<u>\$ 12,100</u>	<u>\$ 23,953</u>	<u>\$ 12,750</u>	<u>\$ 4,750</u>	<u>\$ 1,226</u>	<u>\$ 7,600</u>	<u>\$ 561</u>
Receipts Over (Under)								
Disbursements	\$ (10,107)	\$ (186)	\$ (11,007)	\$ (835)	\$ 500	\$ (1,092)	\$ (7,600)	\$ (430)
Cash and Equivalents, Jan 1	<u>8,363</u>	<u>8,363</u>	<u>9,198</u>	<u>9,198</u>	<u>8,459</u>	<u>8,459</u>	<u>8,889</u>	<u>8,889</u>
Cash and Equivalents, Dec 31	<u>\$ (1,744)</u>	<u>\$ 8,177</u>	<u>\$ (1,809)</u>	<u>\$ 8,363</u>	<u>\$ 8,959</u>	<u>\$ 7,367</u>	<u>\$ 1,289</u>	<u>\$ 8,459</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	County Law Enforcement Fund				Peace Officer Standards and Training Commission Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	15,356	-	9,992	2,000	2,078	2,000	2,265
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	299	-	82	20	55	90	17
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 15,655</u>	<u>\$ -</u>	<u>\$ 10,074</u>	<u>\$ 2,020</u>	<u>\$ 2,133</u>	<u>\$ 2,090</u>	<u>\$ 2,282</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	2,000	2,328	4,000	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,328</u>	<u>\$ 4,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 15,655	\$ -	\$ 10,074	\$ 20	\$ (195)	\$ (1,910)	\$ 2,282
Cash and Equivalents, Jan 1	<u>10,949</u>	<u>10,949</u>	<u>875</u>	<u>875</u>	<u>2,955</u>	<u>2,955</u>	<u>673</u>	<u>673</u>
Cash and Equivalents, Dec 31	<u><u>\$ 10,949</u></u>	<u><u>\$ 26,604</u></u>	<u><u>\$ 875</u></u>	<u><u>\$ 10,949</u></u>	<u><u>\$ 2,975</u></u>	<u><u>\$ 2,760</u></u>	<u><u>\$ (1,237)</u></u>	<u><u>\$ 2,955</u></u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Election Services Fund				Oak Terrace Homeowners NID Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,200	2,951	1,150	16,917	-	-	-	-
Charges for Services	-	-	-	49,773	-	-	-	-
Interest	1,500	498	700	1,531	-	-	7	7
Other Receipts	2,000	-	2,000	-	-	-	5,905	9,003
Transfers In	-	-	-	-	-	-	3,563	-
Total Receipts	<u>\$ 4,700</u>	<u>\$ 3,449</u>	<u>\$ 3,850</u>	<u>\$ 68,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,475</u>	<u>\$ 9,010</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,000	-	10,000	-	-	-	-	-
Services	500	-	2,500	-	-	-	238	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	96,000	95,542	-	-	-	-
Debt Service	-	-	-	-	-	-	9,237	8,438
Transfers Out	-	-	-	-	-	-	-	573
Total Disbursements	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 108,500</u>	<u>\$ 95,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,475</u>	<u>\$ 9,011</u>
Receipts Over (Under)								
Disbursements	\$ 3,200	\$ 3,449	\$ (104,650)	\$ (27,321)	\$ -	\$ -	\$ -	\$ (1)
Cash and Equivalents, Jan 1	<u>20,291</u>	<u>20,291</u>	<u>47,612</u>	<u>47,612</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Cash and Equivalents, Dec 31	<u>\$ 23,491</u>	<u>\$ 23,740</u>	<u>\$ (57,038)</u>	<u>\$ 20,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Recorder's Technology Fund				Jail Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	772,858	541,000	547,780
Charges for Services	9,000	6,421	9,000	5,933	-	41,198	-	38,478
Interest	1,300	228	1,300	175	-	50	150	62
Other Receipts	-	-	-	-	-	1,351	24,000	4,798
Transfers In	-	-	-	-	-	357,169	600,000	561,678
Total Receipts	<u>\$ 10,300</u>	<u>\$ 6,649</u>	<u>\$ 10,300</u>	<u>\$ 6,108</u>	<u>\$ -</u>	<u>\$ 1,172,626</u>	<u>\$ 1,165,150</u>	<u>\$ 1,152,796</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 499,213	\$ 501,000	\$ 473,630	\$ 477,106
Employee Fringe Benefits	-	-	-	-	227,397	212,413	208,500	208,923
Materials and Supplies	-	-	-	-	162,650	152,525	144,150	178,194
Services	600	600	600	600	279,305	259,684	268,475	260,904
Other Disbursements	-	-	-	-	-	-	15,000	10,007
Capital Outlay	20,000	3,474	20,000	3,335	48,000	19,797	53,000	46,902
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 20,600</u>	<u>\$ 4,074</u>	<u>\$ 20,600</u>	<u>\$ 3,935</u>	<u>\$ 1,216,565</u>	<u>\$ 1,145,419</u>	<u>\$ 1,162,755</u>	<u>\$ 1,182,036</u>
Receipts Over (Under)								
Disbursements	\$ (10,300)	\$ 2,575	\$ (10,300)	\$ 2,173	\$ (1,216,565)	\$ 27,207	\$ 2,395	\$ (29,240)
Cash and Equivalents, Jan 1	<u>12,661</u>	<u>12,661</u>	<u>10,488</u>	<u>10,488</u>	<u>(27,206)</u>	<u>(27,206)</u>	<u>2,034</u>	<u>2,034</u>
Cash and Equivalents, Dec 31	<u>\$ 2,361</u>	<u>\$ 15,236</u>	<u>\$ 188</u>	<u>\$ 12,661</u>	<u>\$ (1,243,771)</u>	<u>\$ 1</u>	<u>\$ 4,429</u>	<u>\$ (27,206)</u>

See Notes to the Financial Statements

The County of Miller
Tusculumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Inmate Security Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	17,000	49,897	17,000	18,558
Interest	350	982	350	653
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 17,350</u>	<u>\$ 50,879</u>	<u>\$ 17,350</u>	<u>\$ 19,211</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	4,000	3,276	-	-
Services	17,000	-	17,000	4,057
Other Disbursements	3,500	407	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 24,500</u>	<u>\$ 3,683</u>	<u>\$ 17,000</u>	<u>\$ 4,057</u>
Receipts Over (Under)				
Disbursements	\$ (7,150)	\$ 47,196	\$ 350	\$ 15,154
Cash and Equivalents, Jan 1	<u>51,123</u>	<u>51,123</u>	<u>35,969</u>	<u>35,969</u>
Cash and Equivalents, Dec 31	<u><u>\$ 43,973</u></u>	<u><u>\$ 98,319</u></u>	<u><u>\$ 36,319</u></u>	<u><u>\$ 51,123</u></u>

See Notes to the Financial Statements

The County of Miller
Tuscumbia, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Collector's Tax Maintenance Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	45,100	40,961	43,100	42,068
Interest	2,000	3,760	2,000	2,089
Other Receipts	-	-	-	1,323
Transfers In	-	-	-	-
Total Receipts	<u>\$ 47,100</u>	<u>\$ 44,721</u>	<u>\$ 45,100</u>	<u>\$ 45,480</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	22,734	17,805	22,734	15,106
Services	17,266	19,189	17,266	18,500
Other Disbursements	150	1,431	150	289
Capital Outlay	-	43,256	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 40,150</u>	<u>\$ 81,681</u>	<u>\$ 40,150</u>	<u>\$ 33,895</u>
Receipts Over (Under)				
Disbursements	\$ 6,950	\$ (36,960)	\$ 4,950	\$ 11,585
Cash and Equivalents, Jan 1	<u>145,358</u>	<u>145,358</u>	<u>133,773</u>	<u>133,773</u>
Cash and Equivalents, Dec 31	<u><u>\$ 152,308</u></u>	<u><u>\$ 108,398</u></u>	<u><u>\$ 138,723</u></u>	<u><u>\$ 145,358</u></u>

See Notes to the Financial Statements

**The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies

The County of Miller, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1837 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 11 elected constitutional officers: County Clerk, Collector of Revenue, Treasurer, Circuit Clerk, County Surveyor, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Miller County, Missouri and the Miller County Senior Citizens Service Board.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and recreation services.

The financial statements referred to above include only the primary government of Miller County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Miller County's legal entity. The Miller County Senior Citizens Service Board is controlled by a separate board and is also included under the control of the County. The Miller County Senate Bill 40 Board is controlled by a separate board which has issued separately audited financial statements. For information, please contact the Miller County Senate Bill 40 Board by calling (573) 348-3751 (or write to 776 Hwy. D, Osage Beach, MO 65065).

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of the County and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Miller County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Budget and Budgetary Accounting (continued)

During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Assessment Fund, Emergency Management Fund, 911 Emergency Fund, Prosecuting Attorney Delinquent Tax Fund, Norman Road/Hand Ln. Maintenance Fund, Norman Road/Hand Ln. Neighborhood Improvement District Fund, Peace Officers Standards and Training Commission Fund, and the Collector's Tax Maintenance Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2016: Law Enforcement Training Fund, Emergency Management Fund, Capital Improvement Fund, Sheriff's Drug Awareness and Resistance Fund, Sheriff's Deputy Supplemental Salary Fund, and Jail Fund. The following funds did not have a prepared budget for 2017: County Road District Marina Tax Fund, and the County Law Enforcement Fund. The following funds did not have a prepared budget for 2016: County Road District Marina Tax Fund, and the County Law Enforcement Fund. We noted the following funds had budgeted a deficit in 2017: Sheriff's Deputy Supplemental Salary Fund, TIF #3 Osage National Retail Outlet Fund, W-15C Neighborhood Improvement District Fund, Law Enforcement Training Fund, and the Jail Fund. We noted the following funds had budgeted a deficit in 2016: Prosecuting Attorney's Bad Check Fund, 911 Emergency Fund, Sheriff's Drug Awareness and Resistance Fund, Cell Tower Fund, Sheriff's Deputy Supplemental Salary Fund, TIF #3 Osage National Retail Outlet Fund, W-15C Neighborhood Improvement District Fund, Peace Officer Standards and Training Commission Fund, and the Election Services Fund.

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Miller County's boundaries for the calendar year 2017 and 2016, respectively, for the purposes of County taxation was as follows:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 271,179,140	\$ 267,931,803
Personal Property	87,654,220	87,177,376
Railroad and Utilities	50,351,244	50,486,774
	<u>\$ 409,184,604</u>	<u>\$ 405,595,953</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2017 and 2016, respectively, for the purpose of County taxation, was as follows:

	<u>2017</u>	<u>2016</u>
General Revenue	\$ 0.0040	\$ 0.0465
Special Road and Bridge	0.2583	0.2583
Senior Citizens Service Board	0.0493	0.0491

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2017, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 4,267,930	\$ 4,836,587
Investments	-	-
Total Deposits and Investments as of December 31, 2017	<u>\$ 4,267,930</u>	<u>\$ 4,836,587</u>

The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 2 - Deposits and Investments (continued)

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2016, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 3,166,596	\$ 3,774,067
Investments	-	-
Total Deposits and Investments as of December 31, 2016	<u>\$ 3,166,596</u>	<u>\$ 3,774,067</u>

Note: Bank balances are inclusive of all funds of the County, and as such, include balances of unaudited funds which are not included in the scope of this report.

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2017 and 2016, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities.

**The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2017 and 2016 are as follows:

Fund	2017		2016	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ -	\$ 149,528	\$ 693	\$ 175,760
Special Road and Bridge	245,000	-	261,000	-
Law Enforcement Training	500	-	3,218	-
Emergency Management	29,528	-	15,760	-
911 Emergency	658,733	-	553,111	-
Capital Improvement	-	1,015,902	-	1,114,789
Sheriff's Discretionary	-	500	-	7,216
Sheriff's Drug Awareness and Resistance	-	-	3,998	-
W-12 Construction Maintenance	-	-	-	120
FEMA Disaster Money	-	125,000	-	101,000
Norman Road/Hand Lane Maintenance	2,567	-	-	-
Norman Road/Hand Lane NID	-	2,567	-	-
Oak Terrace Homeowners NID	-	-	-	573
Jail	357,169	-	561,678	-
Total	<u>\$ 1,293,497</u>	<u>\$ 1,293,497</u>	<u>\$ 1,399,458</u>	<u>\$ 1,399,458</u>

Note 4 - State of Missouri County Employees Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

**The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 4 - State of Missouri County Employees Retirement Fund (CERF) (continued)

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to CERF. All participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2017 and 2016, the County collected and remitted to CERF employee contributions of \$102,235 and \$100,236, respectively, for the years ended.

Note 5 - Local Government Employees Retirement System (LAGERS)

Plan Description

The County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, RSMo. Sections 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri, 65102, by calling (800) 447-4334, or by visiting the LAGERS website at www.molagers.org.

Benefits Provided

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police) and early retirement age is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and the amount of credited service time.

Contributions

Full-time employees of the County contribute 4% to the pension plan. The January 1st statutorily required employer contribution rates were 5.4% (General) and .8% (Police) of annual covered payroll for the year ended December 31, 2017, and 5.3% (General) and .3% (Police) of annual covered payroll for the year ended December 31, 2016. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2017 and 2016, the County contributed \$126,797 and \$118,285 to LAGERS.

**The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 6 - Long-Term Debt

Capital Leases and Notes Payable

In 2011, the County entered into a lease purchase agreement to finance the purchase of a 2011 John Deere Grader at a cost of \$94,100. The agreement requires annual payments of \$20,905 ending in 2016, which includes interest of 3.55%. This lease was paid off in 2016.

In 2011, the County entered into a note payable to finance the purchase of a 2012 International 7500 Dump Truck at a cost of \$80,000. The agreement requires annual payments of \$17,759 ending in 2016, which includes interest of 3.52%. This lease was paid off in 2016.

In 2012, the County entered into a note payable to finance the purchase of a 2012 Chevrolet Truck at a cost of \$35,872. The agreement requires annual payments of \$7,994 ending in 2017, which includes varying interest of 2.58% - 3.50%. This lease was paid off in 2017.

In 2013, the County entered into a lease purchase agreement to finance the purchase of a 2013 John Deere Grader at a cost of \$145,901. The agreement requires annual payments of \$31,622 ending in 2018, which includes interest of 2.80%.

In 2014, the County entered into a note payable to finance the purchase of a 2013 Chevrolet Truck at a cost of \$33,311. The agreement requires annual payments of \$17,345 ending in 2016, which includes interest of 2.75%. This lease was paid off in 2016.

In 2014, the County entered into a lease purchase agreement to finance the purchase of a 2014 John Deere Grader at a cost of \$157,020. The agreement requires annual payments of \$34,327 ending in 2019, which includes interest of 3.00%.

In 2015, the County entered into a lease purchase agreement to finance the purchase of a 2015 John Deere Loader at a cost of \$110,625. The agreement requires annual payments of \$23,374 ending in 2020, which includes interest of 2.01%.

In 2015, the County entered into a lease purchase agreement to finance the purchase of a 2015 John Deere Grader at a cost of \$188,500. The agreement requires annual payments of \$40,083 ending in 2020, which includes interest of 2.01%.

In 2015, the County entered into a note payable to finance the purchase of a 2015 Chevrolet Truck at a cost of \$28,496. The agreement requires annual payments of \$14,893 ending in 2017, which includes interest of 3.00%. This lease was paid off in 2017.

In 2017, the County entered into a lease purchase agreement to finance the purchase of a 2017 John Deere Grader at a cost of \$234,000. The agreement requires a once time payment of \$35,000 at signing and subsequent annual payments of \$43,828 ending in 2022, which includes interest of 2.45%.

In 2018, the County entered into a lease purchase agreement to finance the purchase of a 2018 John Deere Grader at a cost of \$236,000. The agreement requires a once time payment of \$25,000 at signing and subsequent annual payments of \$47,057 ending in 2023, which includes interest of 3.74%.

In 2018, the County entered into a note payable to finance the purchase of a 2018 Chevrolet Truck at a cost of \$31,690. The agreement requires annual payments of \$16,636 ending in 2020, which includes interest of 3.25%.

The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 6 - Long-Term Debt (continued)

Capital Leases and Notes Payable (continued)

In 2018, the County entered into a note payable to finance the purchase of a 2018 John Deere tractor and Boom Rotary Mower at a cost of \$121,760. The agreement requires one annual payment of \$123,318 ending in 2019, which includes interest of 2.58%.

In 2018, the County entered into a note payable to finance the purchase of a 2018 John Deere tractor and Boom Rotary Mower at a cost of \$121,760. The agreement requires one annual payment of \$123,318 ending in 2019, which includes interest of 2.58%.

The following is the changes in capital leases for the year ended December 31, 2017:

	Balance at 1/1/2017	Amount Borrowed	Amount Repaid	Balance at 12/31/2017	Interest Paid During Year
2012 Chevrolet Truck	\$ 7,315	\$ -	\$ 7,315	\$ -	\$ 179
2013 John Deere Grader	60,653	-	29,902	30,751	1,720
2014 John Deere Grader	97,020	-	31,376	65,644	2,951
2015 John Deere Loader	88,933	-	21,568	67,365	1,805
2015 John Deere Grader	152,518	-	36,988	115,530	3,095
2015 Chevrolet Truck	14,472	-	14,472	-	421
2017 John Deere Grader	-	234,000	35,000	199,000	-
	<u>\$ 420,911</u>	<u>\$ 234,000</u>	<u>\$ 176,621</u>	<u>\$ 478,290</u>	<u>\$ 10,171</u>

The following is the changes in capital leases for the year ended December 31, 2016:

	Balance at 1/1/2016	Amount Borrowed	Amount Repaid	Balance at 12/31/2016	Interest Paid During Year
2011 John Deere Grader	\$ 20,178	\$ -	\$ 20,178	\$ -	\$ 728
2012 International Dump Truck	17,145	-	17,145	-	614
2012 Chevrolet Truck	14,472	-	7,157	7,315	391
2013 John Deere Grader	89,730	-	29,077	60,653	2,545
2013 Chevrolet Truck	16,893	-	16,893	-	452
2014 John Deere Grader	127,469	-	30,449	97,020	3,878
2015 John Deere Loader	110,625	-	21,692	88,933	1,681
2015 John Deere Grader	188,500	-	35,982	152,518	4,101
2015 Chevrolet Truck	28,496	-	14,024	14,472	869
	<u>\$ 613,508</u>	<u>\$ -</u>	<u>\$ 192,597</u>	<u>\$ 420,911</u>	<u>\$ 15,259</u>

The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 6 - Long-Term Debt (continued)

Capital Leases and Notes Payable (continued)

As of December 31, 2017, the schedule of future payments of capital leases of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 160,047	\$ 13,186	\$ 173,233
2019	132,772	8,839	141,611
2020	101,962	5,322	107,284
2021	41,078	2,750	43,828
2022	42,431	1,397	43,828
Total	<u>\$ 478,290</u>	<u>\$ 31,494</u>	<u>\$ 509,784</u>

Lease Certificates of Participation

Series 2010 Lease Certificates of Participation (C.O.P.) were issued on November 1, 2010 between the County and BOK Financial for \$4,295,000 for the Miller County Courthouse and Jail Project. The C.O.P. matures fully in October 2030 with an interest rate varying from 1.75% to 4.80%.

The change in C.O.P.'s debt obligations for the years ended December 31, 2017 and 2016, are as follows:

Balance at 12/31/15	Amount Borrowed	Amount Repaid	Balance at 12/31/16	Amount Borrowed	Amount Repaid	Balance at 12/31/17
<u>\$ 3,630,000</u>	<u>\$ -</u>	<u>\$ (180,000)</u>	<u>\$ 3,450,000</u>	<u>\$ -</u>	<u>\$ (190,000)</u>	<u>\$ 3,260,000</u>

Interest expense for the years ended December 31, 2017 and 2016 was \$152,603 and \$158,003, respectively.

As of December 31, 2017, future minimum payments due on the Lease Certificates of Participation are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 195,000	\$ 146,427	\$ 341,427
2019	205,000	139,603	344,603
2020	215,000	131,915	346,915
2021	220,000	123,315	343,315
2022	230,000	113,415	343,415
2023-2027	1,320,000	399,990	1,719,990
2028-2030	875,000	84,240	959,240
	<u>\$ 3,260,000</u>	<u>\$ 1,138,905</u>	<u>\$ 4,398,905</u>

**The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 6 - Long-Term Debt (continued)

Lines of Credit

The County opened a line of credit from Citizen's Bank of Eldon in 2003. The total amount of credit issued to the County was \$350,000 with variable interest rates ranging from 2.58% to 4.25%. As of December 31, 2017 and 2016, the balances were \$193,575 and \$149,470, respectively.

The County opened a line of credit from Citizen's Bank of Eldon in 2013 to purchase five 2013 vehicles for the Sheriff's office. The total amount of credit issued to the County was \$114,160 with an interest rate of 2.58%. As of December 31, 2017 and 2016, the balances were \$0 and \$27,621, respectively.

The County opened a line of credit from Citizen's Bank of Eldon in 2014 to upgrade the 911 and Sheriff's Department Communications Center. The total amount of credit issued to the County was \$460,000 with an interest rate of 2.58%. As of December 31, 2017 and 2016, the balances were \$142,417 and \$285,105, respectively.

The change in line of credit obligations for the year ended December 31, 2017, is as follows:

	Balance at 1/1/2017	Amount Borrowed	Amount Repaid	Balance at 12/31/2017	Interest Paid During Year
Line of Credit - 2003	\$ 149,470	\$ 100,012	\$ 55,907	\$ 193,575	\$ 4,758
Line of Credit - 2013	27,621	-	27,621	-	1,232
Line of Credit - 2014	285,105	-	142,688	142,417	7,312
	<u>\$ 462,196</u>	<u>\$ 100,012</u>	<u>\$ 226,216</u>	<u>\$ 335,992</u>	<u>\$ 13,302</u>

The change in line of credit obligations for the year ended December 31, 2016, is as follows:

	Balance at 1/1/2016	Amount Borrowed	Amount Repaid	Balance at 12/31/2016	Interest Paid During Year
Line of Credit - 2003	\$ 255,385	\$ -	\$ 105,915	\$ 149,470	\$ 9,535
Line of Credit - 2013	56,161	-	28,540	27,621	673
Line of Credit - 2014	416,171	-	131,066	285,105	19,621
	<u>\$ 727,717</u>	<u>\$ -</u>	<u>\$ 265,521</u>	<u>\$ 462,196</u>	<u>\$ 29,829</u>

**The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 6 - Long-Term Debt (continued)

Neighborhood Improvement District Bonds

Series 1999 Neighborhood Improvement District Bonds were issued in November 1999, to fund the W-15C street improvements in the amount of \$135,000. The interest rate is 6.50% and the bonds mature in 2019.

Series 2003 Neighborhood Improvement District Bonds were issued in October 2003, to fund the Lake Ja-Ha Subdivision Sewer project in the amount of \$51,500. The interest rate is 5.50% and the bonds mature in 2023.

Series 2006 Neighborhood Improvement District Bonds were issued in January 2006, to fund the Oak Terrace Homeowner's Association project in the amount of \$66,000. The interest rate is 5.00% and the bonds matured in 2016.

Series 2007 Neighborhood Improvement District Bonds were issued in October 2006, to fund the Norman Road Hand Lane project in the amount of \$110,000. The interest rate varies from 4.25% to 4.50%, and the bonds matured in 2017.

Series 2008 Neighborhood Improvement District Bonds were issued in April 2008, to fund the Port Bagnell project in the amount of \$317,000. The interest rate varies from 3.80% to 4.90%, and the bonds mature in 2018.

The change in Neighborhood Improvement District Bonds debt obligations for the year ended December 31, 2017, is as follows:

	Balance at 1/1/2017	Amount Borrowed	Amount Repaid	Balance at 12/31/2017	Interest Paid During Year
Series 1999	\$ 30,000	\$ -	\$ 10,000	\$ 20,000	\$ 1,625
Series 2003	24,483	-	2,948	21,535	1,265
Series 2007	15,000	-	15,000	-	338
Series 2008	80,000	-	40,000	40,000	2,880
	<u>\$ 149,483</u>	<u>\$ -</u>	<u>\$ 67,948</u>	<u>\$ 81,535</u>	<u>\$ 6,108</u>

The change in Neighborhood Improvement District Bonds debt obligations for the year ended December 31, 2016, is as follows:

	Balance at 1/1/2016	Amount Borrowed	Amount Repaid	Balance at 12/31/2016	Interest Paid During Year
Series 1999	40,000	-	10,000	30,000	2,275
Series 2003	27,273	-	2,790	24,483	1,423
Series 2006	8,000	-	8,000	-	200
Series 2007	30,000	-	15,000	15,000	1,013
Series 2008	115,000	-	35,000	80,000	4,485
	<u>\$ 220,273</u>	<u>\$ -</u>	<u>\$ 70,790</u>	<u>\$ 149,483</u>	<u>\$ 9,396</u>

**The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 6 - Long-Term Debt (continued)

Neighborhood Improvement District Bonds (continued)

As of December 31, 2017, future minimum payments due on the Neighborhood Improvement District Bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 53,114	\$ 3,054	\$ 56,168
2019	13,290	1,248	14,538
2020	3,477	737	4,214
2021	3,673	640	4,313
2022	3,881	439	4,320
2023	4,100	226	4,326
	<u>\$ 81,535</u>	<u>\$ 6,344</u>	<u>\$ 87,879</u>

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$12,597 and \$8,075, respectively, for the years ended December 31, 2017 and 2016.

Note 8 - Post-Employment Benefits

Osage County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Miller County.

Note 9 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides employees with annual leave. Each employee earns leave based upon his or her term of service with the County earning one day per month for the first ten years, 1.25 days per month for 10-15 years of service, 1.5 days per month for 15-20 years of service, 1.75 days per month for 20-25 years of service, and 2 days per month for over 25 years of service. Annual leave must be used in the year it is earned; however, 100 hours leave may be carried over from year to year for employees with 1-5 years of service, 180 hours for employees with 6-15 years of service, and 240 hours for employees with over 15 years of service. Any unused leave time in excess of these amounts will be forfeited at the end of the calendar year. Annual leave accrual shall commence with the employee's date of employment with Miller County.

**The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 9 - Claims, Commitments and Contingencies (continued)

Compensated Absences (continued)

In the event an employee becomes ill and requires the use of accrued vacation time along with sick leave, he or she may do so with the understanding that accrued vacation time cannot be used in excess of what is remaining and due given the employees' tenure and the aforementioned schedule. During a scheduled vacation, sick leave shall not be granted. As vacation is granted for a period of recreation, no employee shall be permitted to waive such leave for the purpose of receiving double pay. Upon termination of employment, any employee who has accumulated vacation time shall be paid for unused time at the final regular rate received by such employee. This terminates all prior service with the County. Sick time is not reimbursable upon termination of employment with the County.

Other Commitments

Part of the County's taxing district contains a redevelopment area subject to a TIF plan where the County must remit certain economic activity taxes to a local City for the purpose of reimbursing certain costs of development. The County is committed to remitting these taxes through the year ended December 31, 2023; future amounts are based on overall taxes collected for the development area and cannot be estimated. Payments remitted for the years ended December 31, 2017 and 2016 totaled \$784,476 and \$729,316, respectively.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

The County of Miller
Tuscumbia, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 28, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

Note 12 - Prior Period Adjustment

Beginning cash balances of the County have been restated to include the activities of the Collector's Tax Maintenance Fund and remove the activities of the Bagnell Special Marina Tax fund, Kaiser Special Road District Marina Tax Fund and the Time Payment Fee Fund. The net effect of this adjustment will increase the beginning cash and equivalents of the County. This adjustment will have no material effect on operations of the County.

Total cash and equivalents, as Previously stated - December 31, 2015	\$ 3,283,988
Prior Period Adjustment 1	<u>8,940</u>
Total cash and equivalents, as Restated - December 31, 2015	<u><u>\$ 3,292,928</u></u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

To the County Commission and
Officeholders of Miller County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Miller County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Miller County, Missouri's basic financial statements, and have issued our report thereon dated August 28, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Miller County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Miller County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Miller County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as items 2017-002, 2017-003, 2017-004, 2017-006, 2017-007, 2017-008, and 2017-009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Miller County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-005.

Miller County, Missouri's Responses to Findings

Miller County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Miller County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri
August 28, 2018

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Miller County, Missouri

Report on Compliance for the Major Federal Program

We have audited Miller County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Miller County, Missouri's major federal program for the years ended December 31, 2017 and 2016. Miller County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Miller County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about Miller County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Miller County, Missouri's compliance.

Opinion on the Major Federal Program

In our opinion, Miller County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2017 and 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-010. Our opinion on the major federal program is not modified with respect to this matter.

Miller County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Miller County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Miller County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Miller County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Miller County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-010, that we consider to be a significant deficiency.

Miller County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Miller County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style with a small flourish at the end.

Creve Coeur, Missouri
August 28, 2018

**The County of Miller
Tuscumbia, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2017 & 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,	
			2017	2016
U.S. Department of Justice				
Passed through state:				
Department of Public Safety -				
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-LLEBG-069	\$ 9,995	\$ -
Total U.S. Department of Justice			9,995	-
U.S. Department of Transportation				
Highway Planning and Construction Cluster				
Passed through state:				
Missouri Highways and Transportation Commission -				
Highway Planning and Construction	20.205	BRO-B066(019)	23,321	-
Highway Planning and Construction	20.205	BRO-B066(020)	26,376	-
Total Highway Planning and Construction Cluster			49,697	-
Total U.S. Department of Transportation			49,697	-
U.S. Department of Homeland Security				
Passed through state:				
Missouri Emergency Management Agency -				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4144-DR-MO	112,341	163,697
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4238-DR-MO	1,037,422	682,856
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4317-DR-MO	94,528	-
			1,244,291	846,553
Missouri Emergency Management Agency -				
Emergency Management Performance Grants	97.042	2016-EP-00004-071	938	8,022
Total U.S. Department of Homeland Security			1,245,229	854,575
Total Expenditures of Federal Awards			\$ 1,304,921	\$ 854,575

**The County of Miller
Tuscumbia, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Miller County, Missouri.

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because the Schedule presents only a selected portion of the operations of Miller County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Miller County, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Miller County, Missouri has not elected to use the 10% de minimis indirect cost rate.

Note 2 - Subrecipients

Miller County, Missouri provided no federal awards to subrecipients during the years ended December 31, 2017 and 2016.

**The County of Miller
Tuscumbia, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes _____ None Reported

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with section 2 CFR section 200.516(a)?

 X Yes _____ No

Identification of Major Programs:

CFDA
Number

97.036

Name of Federal Program or Cluster

Disaster Grants - Public Assistance (Presidentially Declared
Disasters)

Dollar threshold used to distinguish
between type A and type B programs:

 \$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**The County of Miller
Tuscumbia, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 2 - Financial Statement Findings

2017-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit.

Condition: During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Assessment Fund, Emergency Management Fund, 911 Emergency Fund, Prosecuting Attorney Delinquent Tax Fund, Norman Road/Hand Ln. Maintenance Fund, Norman Road/Hand Ln. Neighborhood Improvement District Fund, Peace Officers Standards and Training Commission Fund, and the Collector's Tax Maintenance Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2016: Law Enforcement Training Fund, Emergency Management Fund, Capital Improvement Fund, Sheriff's Drug Awareness and Resistance Fund, Sheriff's Deputy Supplemental Salary Fund, and Jail Fund. The following funds did not have a prepared budget for 2017: County Road District Marina Tax Fund, and the County Law Enforcement Fund. The following funds did not have a prepared budget for 2016: County Road District Marina Tax Fund, and the County Law Enforcement Fund. We noted the following funds had budgeted a deficit in 2017: Sheriff's Deputy Supplemental Salary Fund, TIF #3 Osage National Retail Outlet Fund, W-15C Neighborhood Improvement District Fund, Law Enforcement Training Fund, and the Jail Fund. We noted the following funds had budgeted a deficit in 2016: Prosecuting Attorney's Bad Check Fund, 911 Emergency Fund, Sheriff's Drug Awareness and Resistance Fund, Cell Tower Fund, Sheriff's Deputy Supplemental Salary Fund, TIF #3 Osage National Retail Outlet Fund, W-15C Neighborhood Improvement District Fund, Peace Officer Standards and Training Commission Fund, and the Election Services Fund.

Cause: Oversight

Effect: Due to exceeding budget in certain funds, lack of budget in certain funds, and deficit budget in certain funds, the County is in violation of Missouri Revised Statutes.

Recommendation: We recommend that the County adopt a budget for all funds, not budget a deficit, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2018. The County Clerk's (Clinton Jenkins) office phone number is (573) 369-1910.

2017-002 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

**The County of Miller
Tuscumbia, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 2 - Financial Statement Findings (continued)

2017-002 **Cause:** Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.
(cont.)

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2018. The County Clerk's (Clinton Jenkins) office phone number is (573) 369-1910.

2017-003 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2018. The County Clerk's (Clinton Jenkins) office phone number is (573) 369-1910.

2017-004 **Criteria:** Strong internal controls over payroll expense require that there be a formal process over the approval of payroll processing and disbursement of payroll expense.

Condition: During our audit, we noted payroll reports were not being approved by management prior to the disbursement of cash related to payroll expense and the Sheriff's department was not turning in time cards.

Effect: Without a formal approval process over payroll processing and disbursement of payroll expense, improper cash disbursements related to payroll could be processed and disbursed either due to error or fraud.

Cause: The County has not developed and implemented formal controls over payroll processing and disbursement of payroll expense.

**The County of Miller
Tuscumbia, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 2 - Financial Statement Findings (continued)

- 2017-004 **Recommendation:** We recommend the Sheriff's department submit time cards for each payroll period, and the
(cont.) County develop and implement a process to ensure payroll reports are being reviewed and approved prior to the
disbursement of cash related to payroll.

Management's Response: The County has developed and implemented a process to ensure payroll reports are being reviewed by management prior to the cash being disbursed and is now receiving time cards from the Sheriff's department. The expected completion date is August 15, 2018. The County Clerk's (Clinton Jenkins) office phone number is (573) 369-1910.

- 2017-005 **Criteria:** Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources.

Condition: During our audit, we noted the Collector has not prepared an annual settlement for the tax years ended February 28, 2018, February 28, 2017, or February 29, 2016.

Effect: By not preparing timely annual settlements, the County Collector has not provided the County Commission or the taxpayers with a complete accounting of property tax transactions.

Cause: The County Collector had not prepared annual settlements of property taxes.

Recommendation: We recommend that the County Collector prepare and file annual settlements as required by state law.

Management's Response: The Collector will work to prepare a Collector's annual settlement for the tax year-ended February 28, 2019. The expected completion date is March 31, 2019. The County Collector (Bill Harvey) office phone number is (573) 369-1925.

- 2017-006 **Criteria:** The County should maintain sufficient summary schedules and other related documentation for all debt.

Condition: During the audit, it became evident that the County did not maintain adequate debt schedules to track the County's debt.

Effect: Without proper tracking of debt, improper payments could be made or payments could be missed.

Cause: The County did not maintain proper amortization schedules to properly report and budget debt expenditures nor did it maintain a debt schedule listing.

Recommendation: We recommend that the County obtain sufficient documentation for all debt, leases, notes, short-term notes, etc. to properly record and account for expenditures and to also maintain a debt schedule so that debt may be adequately tracked.

Management's Response: The County was able to provide the auditors with all of the documentation required. Going forward the County will actively track and maintain all of its debt. The expected completion date is December 31, 2018. The County Clerk's (Clinton Jenkins) office phone number is (573) 369-1910.

**The County of Miller
Tuscumbia, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 2 - Financial Statement Findings (continued)

2017-007 **Criteria:** Reconciliations must be performed to ensure proper cash handling and cash management for all funds.

Condition: During our audit we noted several funds that had negative fund balances.

Effect: Not monitoring accurate cash balances can create a negative balance which could hinder the financial reporting process and cause funds not to be maintained properly.

Cause: Management is not monitoring cash balances to ensure the positive fund balances for all funds.

Recommendation: We recommend that management maintain positive fund balances within all governmental funds.

Management's Response: The Treasurer's and County Clerk's office will work to maintain positive fund balances in the future by monitoring fund balances. The expected completion date is December 31, 2018. The County Clerk's (Clinton Jenkins) office phone number is (573) 369-1910 and the Treasurer's (Phil Lawson) office phone number is (573) 369-1920.

2017-008 **Criteria:** Bank reconciliations must be performed to ensure all transaction are being recorded and cash is being properly reported.

Condition: During our audit, we noted that there was no bank reconciliation being prepared for the Collector's Tax Maintenance Fund.

Effect: Not preparing a bank reconciliation could lead to the improper reporting of revenue, expense, and cash balance of the fund.

Cause: Management has not prepared a bank reconciliations for the Collector's Tax Maintenance Fund.

Recommendation: We recommend the Collector start preparing a bank reconciliation for the Collector's Tax Maintenance Fund.

Management's Response: The Collector will start preparing a bank reconciliation for the Collector's Tax Maintenance Fund. The expected completion date is December 31, 2018. The County Collector (Bill Harvey) office phone number is (573) 369-1925.

2017-009 **Criteria:** Strong internal controls over property tax require the property tax system access be restricted to only allow officials and personnel to access functions necessary for their duties, and the County Clerk and County Commission review additions and abatements entered into the property tax system by the County Collector.

Condition: During our audit, we noted the County Collector has full access to make changes to the property tax system. Also, the County Clerk and County Commission do not review additions and abatements entered into the property tax system by the County Collector.

**The County of Miller
Tuscumbia, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 2 - Financial Statement Findings (continued)

2017-009 **Effect:** Because of the Collector's full access to make changes to the property tax system and without a regular review of tax additions and abatements, erroneous or fraudulent changes to the property tax system may occur and not be caught in a timely manner.
(cont.)

Cause: The County Collector has full access to make changes to the property tax system, and the County Clerk and County Commission do not review additions and abatements entered into the property tax system by the County Collector.

Recommendation: We recommend the County Commission and the County Collector ensure property tax system access is restricted to only allow officials and personnel to access functions necessary for their duties. We also recommend the County Clerk and County Commission review additions and abatements entered into the property tax system by the County Collector.

Management's Response: The County will develop and implement a process in writing to review additions and abatements entered into the property tax system by the County Collector. The expected completion date is December 31, 2018. The County Clerk's (Clinton Jenkins) office phone number is (573) 369-1910.

Section 3 - Federal Award Findings and Questioned Costs

2017-010 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200 requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of pass-through entity.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Effect: Federal expenditures reported in the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: The County Clerk is working towards capturing all grant transactions in a manner sufficient to report the necessary information required on the SEFA by the next audit period. The County Clerk's (Clinton Jenkins) office phone number is (573) 369-1910.

**The County of Miller
Tuscumbia, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Miller County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2015 & 2014.

Prior Year Financial Statement Findings

FS 2015-001 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County will begin the process of internal control documentation in 2014. The County Clerk's (Clinton Jenkins) office phone number is (573)369-1910.

Status: Management has not corrected this issue and the finding is repeated as finding 2017-003 in the current year. This finding initially occurred in the 2015 and 2014 fiscal years.

FS 2015-002 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

**The County of Miller
Tuscumbia, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

Prior Year Financial Statement Findings (continued)

FS 2015-002 **Cause:** Management has not prepared documentation of risk assessments, including identified risks and mitigating (Cont.) controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County will begin the process of internal control documentation in 2014. The County Clerk's (Clinton Jenkins) office phone number is (573)369-1910.

Status: Management has not corrected this issue and the finding is repeated as finding 2017-002 in the current year. This finding initially occurred in the 2015 and 2014 fiscal years.

FS 2015-003 **Criteria:** The County should maintain sufficient summary schedules and other related documentation for all debt.

Condition: The County does not maintain a debt schedule detailing all debt owed by the County.

Context: During the audit, it became evident that the County did not maintain adequate debt schedules to track the County's debt.

Effect: Lack of documentation resulted in the County making a debt payment twice.

Cause: The County did not maintain proper amortization schedules to properly report and budget debt expenditures nor did it maintain a debt schedule listing.

Recommendation: We recommend that the County obtain sufficient documentation for all debt, leases, notes, short-term notes, etc. to properly record and account for expenditures and to also maintain a debt schedule so that debt may be adequately tracked.

Views of responsible officials and planned corrective actions: The County was able to provide the auditors with all of the documentation required. Going forward the County will actively track and maintain all of its debt. The County Clerk's (Clinton Jenkins) office phone number is (573)369-1910.

Status: Management has not corrected this issue and the finding is repeated as finding 2017-006 in the current year. This finding initially occurred in the 2015 and 2014 fiscal years.

FS 2015-004 **Criteria:** Reconciliations must be performed to ensure proper cash handling and cash management for all funds.

Condition: During our testing, we noted that the Drug Awareness and Resistance Education Fund and Sheriff's Deputy Salary Supplement Fund had deficit cash balances at December 31, 2015. We also noted during our testing that the Emergency Management Fund, 911 Fund, Sheriff's Deputy Salary Supplement Fund and Jail Fund had deficit cash balances at December 31, 2014.

Context: This deficiency became apparent through our testing of cash accounts for the County's accounts.

**The County of Miller
Tuscumbia, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

Prior Year Financial Statement Findings (continued)

FS 2015-004 **Effect:** Not monitoring accurate cash balances can create a negative balance which could hinder the financial (Cont.) reporting process and cause funds not to be maintained properly.

Cause: Management does not maintain proper bank reconciliations to ensure the positive fund balances.

Recommendation: We recommend that management maintain positive fund balances within all governmental funds.

Views of responsible officials and planned corrective actions: The Treasurer's and Clerk's office will work to maintain positive fund balances in the future by monitoring fund balances. The County Clerk's (Clinton Jenkins) office phone number is (573)369-1910 and the Treasurer's (Phil Lawson) office phone number is (573)369-1920.

Status: Management has not corrected this issue and the finding is repeated as finding 2017-007 in the current year. This finding initially occurred in the 2015 and 2014 fiscal years.

FS 2015-005 **Criteria:** SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties within the Treasurer's office.

Context: During the engagement, we noted that an individual is allowed to receive, record, deposit, as well as write, approve, sign and reconcile expenditures and receipts to the bank statement.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within each of the corresponding departments.

Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The Treasurer's office will continue to be monitored and additional personnel will be when possible. The Treasurer's (Phil Lawson) office phone number is (573)369-1920.

Status: Management has corrected this issue.

Prior Year Federal Award Findings and Questioned Costs

None



Office of Missouri State Auditor
Nicole Galloway, CPA

City of Glasgow



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Glasgow

Background

The former City Administrator, Kevin Atwood, was responsible for oversight of financial accounting functions, assisting the Mayor with various city activities, and providing general supervision of all city departments and functions. He was hired as a police officer in October 2000 and was promoted to Police Chief in January 2004. He was appointed City Administrator in May 2013, but continued to also serve as Police Chief.

Our office received an anonymous hotline call in August 2017 regarding concerns over credit card purchases and gun inventory issues. Our office initially referred the matter to the Department of Public Safety (DPS) for the Missouri State Highway Patrol (MSHP) to investigate, and notified the Howard County Prosecuting Attorney. Subsequently, the Howard County Prosecuting Attorney contacted the MSHP on September 19, 2017, and requested the MSHP to investigate.

The Board suspended the former City Administrator for 30 days with pay on October 19, 2017, and he submitted a letter of resignation that day, effective November 19, 2017.

The State Auditor's Office was contacted in November 2017 by the City Attorney to request an audit of the city, indicating city officials suspected possible misappropriation of funds and/or fraudulent activity, particularly regarding improper purchases and expense reimbursements. On December 4, 2017, the Board passed an ordinance formally requesting and authorizing an audit and the audit began on February 26, 2018.

Missing Monies

The audit identified an estimated \$3,248 in bulk water sales receipts for the period May 2013 through October 2017 that were not deposited. Improper and unsupported credit card payments were made by the city for the former City Administrator's personal credit card. The city paid a total of \$5,508 to the credit card company from May 2016 to August 2017 without any supporting documentation, and of that amount, \$3,917 pertained to transactions that were improper and personal in nature. The city recouped \$1,130 from the former City Administrator, but \$2,787 remains unpaid. In addition, a check for \$1,050 was issued to the former City Administrator in January 2017, supposedly to be used for "drug buy" money by a confidential informant. No evidence was provided to the city to indicate this money was used for a controlled drug buy or any other city purpose and is considered missing.

Disbursements

The former City Administrator made some purchases during 2017, including various electronic items and added phone lines, that were unnecessary and not a prudent use of city resources, costing the city over \$1,600 in unnecessary charges. The city lacks adequate procedures to account for fuel used by the public works and police departments, and did not require individual fuel tickets to be turned in for each purchase and no usage or fuel logs were required for any city vehicles. Citizen concerns were expressed to the city in October 2017 that the former City Administrator was using city fuel cards to purchase fuel for personal vehicles. Due to the lack of records

required by the city, it is difficult to determine if all fuel purchases were appropriate.

Clothing Allowance Program
and Gun Inventory

The city does not have adequate policies and procedures over a clothing allowance program offered to certain city employees, which allows the employees to repay the city for work-related equipment and uniforms, as well as personal items initially purchased by the city on their behalf. Several concerns were noted with this program including, allowing the purchase of personal items, not updating records accurately or timely, allowing high receivable balances or credit balances, using compensatory time earned as credit against amounts owed, and not ensuring proper taxes are paid. The city has failed to maintain inventory records of city guns and did not perform an annual inventory of city-owned guns. As a result, city personnel cannot account for all city-owned guns and the city's investigation of concerns expressed regarding gun purchases was more difficult.

Accounting Controls and
Procedures

The city had not established adequate segregation of duties and independent or supervisory reviews over the various financial accounting functions performed by the former City Administrator and his staff. In addition, the combination of the positions of City Administrator and Police Chief violated state law and created a potential conflict of interest.

<p>In the areas audited, the overall performance of this entity was Poor.*</p>

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Glasgow

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Glasgow, Missouri

We have audited certain operations of the City of Glasgow as they relate to the city's finances in fulfillment of our duties under Section 29.200.3, RSMo. Due to concerns regarding missing monies and improper disbursements, the State Auditor initiated the audit with the approval of the City of Glasgow Board of Aldermen. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2017, and the period from July 1, 2017, through November 1, 2017. The objectives of our audit were to:

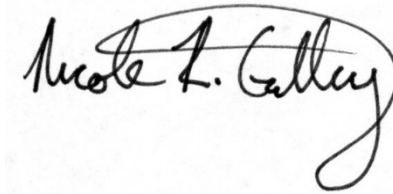
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the amount of missing monies and improper disbursements to the extent possible.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) missing monies and improper disbursements totaling approximately \$7,100. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Glasgow.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Joyce Thomson

City of Glasgow

Introduction

Background

The former City Administrator, Kevin Atwood, was responsible for oversight of financial accounting functions, assisting the Mayor with various city activities, and providing general supervision of all city departments and functions. He was hired as a police officer in October 2000 and was promoted to Police Chief in January 2004. He was appointed City Administrator in May 2013, but continued to also serve as Police Chief.

Our office received an anonymous hotline call in August 2017 regarding concerns over credit card purchases and gun inventory issues. Our office initially referred the matter to the Department of Public Safety (DPS) for the Missouri State Highway Patrol (MSHP) to investigate, and notified the Howard County Prosecuting Attorney. Subsequently, the Howard County Prosecuting Attorney contacted the MSHP on September 19, 2017, and requested the MSHP to investigate. The MSHP issued a subpoena to the city in October 2017 for various financial records, including copies of credit card statements and supporting documentation. The city provided the MSHP with various financial records related to the subpoena. In an October 9, 2017, closed meeting, the Board of Aldermen (Board) discussed concerns expressed about credit card usage with the former City Administrator. The Board suspended the former City Administrator for 30 days with pay on October 19, 2017, and he submitted a letter of resignation that day, effective November 19, 2017.

The State Auditor's Office was contacted in November 2017 by the City Attorney to request an audit of the city, indicating city officials suspected possible misappropriation of funds and/or fraudulent activity, particularly regarding improper purchases and expense reimbursements. On December 4, 2017, the Board passed an ordinance formally requesting and authorizing an audit and the audit began on February 26, 2018.

The city's fiscal year is July 1 through June 30. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2017, and the period from July 1, 2017, through November 1, 2017. We applied procedures to receipts, utility billings, and disbursements to identify the amount of missing monies and improper disbursements made by or on behalf of the former City Administrator.

City of Glasgow

Management Advisory Report

State Auditor's Findings

1. Missing Monies

The audit identified an estimated \$3,248¹ in bulk water sales receipts for the period May 2013 through October 2017 that were not deposited. See Appendix C for details regarding undeposited receipts. In addition, unsupported and improper disbursements were made by/to the former City Administrator.

Bulk water receipts

The city has an automatic water sales machine, which is a currency-operated machine that automatically dispenses water to customers who haul bulk water themselves. The machine is connected to the water system and dispenses gallons of water based on the amount of money inserted by customers (i.e., 25 cents will buy 40 gallons of water). A flow meter is also attached to the system to track the gallons sold. Each month, water department personnel read the meter and provide the reading to the City Collector. According to city personnel, the former City Administrator collected the monies from the currency machine beginning in May 2013, after his promotion to City Administrator, through October 2017, but was not always transmitting the monies to the City Collector for deposit. An employee in the water department collected the monies prior to May 2013, when a new meter was installed. Meter readings prior to December 2013 could not be located by city personnel, but it is reasonable to conclude the meter was at zero when installed. This meter was reported broken in July 2017 and was not replaced until December 2017. In November 2017, after the former City Administrator was suspended from his position (and ultimately resigned), water department personnel again began collecting the monies from the currency machine in addition to reading the meter.

Currently, two employees empty the currency machine together and verify the monies removed before transmittal of the meter reading and monies to the City Collector for deposit. The meter is not read on the same day the monies are removed from the machine, so a precise reconciliation of the amount transmitted to gallons of water sold cannot be performed.

According to city personnel, the former City Administrator was the only person with a key to the currency machine from May 2013 to October 2017. For the period May 2013 through February 2018, we estimated 649,600 gallons were pumped and sold at a cost of \$6.25 per 1,000 gallons, generating revenue of approximately \$4,060. This total includes an estimation of usage for the period July to December 2017 when the meter was broken.

Revenues generated while the former City Administrator was responsible for collections totaled approximately \$3,800, but records indicate only \$552 in cash was transmitted to the city for deposit. These transmittals were made

¹ Amounts presented in the report findings are rounded to the nearest dollar, whereas amounts presented in Appendix C are not rounded.



City of Glasgow
Management Advisory Report - State Auditor's Findings

between August 2013 and January 2014. City records indicate no transmittals of cash from bulk water sales were made from February 2014 to October 2017. Three checks, totaling \$825, were received by the City Clerk in 2017 and posted to the system as bulk water sales receipts. The City Clerk indicated she posted the checks in that manner because she was instructed to do so by the former City Administrator. We determined two of the checks, totaling \$750, were actually deposits paid to the city by a contractor who needed to perform street cuts. We were unable to determine the purpose of the third check. It is possible the former City Administrator instructed the City Clerk to perform this miscoding to hide the shortage in the bulk water sales account.

From November 2017 to February 2018, when water department employees had taken over the duty of collecting monies from the currency machine, an estimated 41,600 gallons of water were sold, generating \$260 in sales. The amount collected and transmitted for deposit during that period was \$273. The difference of \$13 is likely a result of the estimates used in our calculations, and/or is a timing difference, as there is no documentation to show the last date the currency machine was emptied by the former City Administrator.

Based on meter readings taken by the city, transmittal and deposit records, and our estimation of water usage for the months the meter was broken, we determined an estimated \$3,248 in bulk water sales receipts was collected but not deposited and is missing. See Appendix C for details regarding meter readings, gallons used, calculated bulk water sales receipts, and transmittals to the city.

Improper and
unsupported credit card
charges

There were improper and unsupported credit card payments made by the city. The city paid a total of \$5,508 to a credit card company from May 2016 to August 2017 without any supporting documentation, and of that amount, \$3,917 pertained to transactions that were improper and personal in nature.

The payments were made toward a credit card in the former City Administrator's name. Five of the 12 payments made by the city were for even dollar amounts rounded to the nearest hundred (e.g., \$300, \$900, \$1,000). No support was submitted to city personnel, the Mayor, or a board member for any of the credit card payments.

The former City Administrator started using a credit card to purchase items in April 2016. City personnel indicated they initially believed this was a city credit card, but later determined it was a personal credit card in the name of the former City Administrator. Monthly statements were addressed directly to the former City Administrator at city hall. The City Clerk indicated she prepared payment vouchers for the credit card disbursements at the direction of the former City Administrator, who told her how much to pay. The City Clerk indicated she prepared payment vouchers for all 12 payments made to



City of Glasgow
Management Advisory Report - State Auditor's Findings

the credit card company; however, only 5 vouchers were available for our review. The City Clerk indicated the other vouchers were removed from city records by the former City Administrator. Our review of the 5 vouchers available showed that 3 were signed by the Mayor and there was no evidence he questioned the lack of supporting documentation for the amounts paid. The other 2 were signed by the former City Administrator.

Questions were raised by members of the public regarding the even-dollar-amount payments to the credit card vendor and the city's independent auditor also raised questions regarding these payments and lack of support for them. The Missouri State Highway Patrol (MSHP) investigation included a review of credit card charges. The MSHP obtained copies of the statements and prepared a schedule of charges by vendor. This listing was provided to the city, which in turn provided it to our office. The listing shows purchases made by the former City Administrator totaling \$6,413, including \$811 to Amazon Marketplace, \$1,099 to Amazon.com, \$107 for H&R Block training, and \$591 for Xbox Live subscriptions. The city paid a total of \$5,508 to the credit card vendor. Based on discussions with city personnel, we determined \$1,591 from the MSHP listing appeared to be legitimate city expenses. The city recouped \$1,130 from the former City Administrator through payroll deductions and his clothing allowance, leaving the balance of personal charges not repaid at \$2,787. The city should seek reimbursement of this amount.

Similarly, payments made to a vendor used for supplies and uniform purchases were not always supported by actual invoices, sometimes only statements were provided. While these disbursements appeared reasonable and related to city operations, there should have been adequate support to justify approval for such payments.

Without actual invoices, the city cannot determine if the purchases were for legitimate work-related items or were personal items that should have been paid for by the employees. The lack of documentation supporting the credit card payments should have caused suspicion and alerted the Board to the misappropriation.

All disbursements should include proper supporting documentation and be approved by the board to ensure the obligations were actually incurred and the disbursements represent appropriate use of public funds.

Drug buy money

A check for \$1,050 was issued to the former City Administrator on January 25, 2017, supposedly to be used for "drug buy" money by a confidential informant. The former City Administrator received approval for this transaction from the Mayor. The City Clerk prepared a payment voucher documenting the various city accounts to which she was instructed to post the check by the former City Administrator. Those accounts were petty cash



City of Glasgow Management Advisory Report - State Auditor's Findings

accounts for police, city hall, streets, water plant, and drug buy, with \$200 charged to each account except drug buy was charged \$250. This payment voucher was signed by the Mayor.

When the Deputy Police Chief was informed of this transaction in September 2017, he indicated he contacted the Howard County Drug Unit to determine if any controlled drug buys had been coordinated with the former City Administrator, and was informed no such buys had been coordinated. No evidence was provided to the city to indicate the money was spent for a controlled drug buy or for any other city purpose, or that it was returned to the city. Due to the lack of support for this transaction, this money is considered missing and should be repaid.

Following is an image of the check. The payee's address and the city's bank account and routing numbers have been redacted.

CITY WARRANT
CITY OF GLASGOW, MISSOURI
TREASURER OF THE CITY OF GLASGOW, MO.

TRI-COUNTY TRUST COMPANY
100 COMMERCE STREET
GLASGOW, MO 65254

80-429/1019

017777

CHECK # 17777 DATE 1/25/17 AMOUNT **1,050.00

ONE THOUSAND FIFTY AND 00/100 DOLLARS

PAY TO THE ORDER OF KEVIN ATWOOD

MAYOR *Phil T. F.*
CITY CLERK *Jenny Fuemmeler*

VOID AFTER 120 DAYS

ck#:17777, Amt:\$1,050.00, Date:1/26/2017

Overall conclusion

The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Board, as discussed in the remainder of this report, resulted in missing bulk water receipts, and unsupported and improper disbursements.

Recommendation

The Board of Aldermen work with law enforcement officials regarding criminal prosecution for the missing cash receipts and improper disbursements, and take the necessary actions to obtain restitution. In addition, supporting documentation should be obtained to support all disbursements.

Auditee's Response

We will work with law enforcement officials regarding criminal prosecution and will take necessary action to obtain restitution if possible. We have already changed procedures regarding disbursements and will ensure supporting documentation is reviewed and maintained for all disbursements in the future.



City of Glasgow
Management Advisory Report - State Auditor's Findings

2. Disbursements

Significant weaknesses exist in the controls and procedures over disbursements.

2.1 Questionable purchases

Some purchases were unnecessary and not a prudent use of city resources.

In July 2017, the former City Administrator purchased a tablet computer with a new cellular phone line for internet service. A second phone line was added for himself and a new phone was purchased for that line, along with a smart watch and watch adapter, apparently for his personal use. The City Clerk indicated she questioned him about the increased charges when the July 2017 phone bill arrived, but was told the increased charges were caused by purchasing new phones for his and several other city phone lines. She indicated he did not mention the additional costs were for additional phone lines for himself, a smart watch, or a tablet. Around the same time the former City Administrator was suspended, and based on other concerns raised, the cellular phone provider was contacted and it was determined the additional charges incurred during the second half of 2017 were partially due to the purchases listed above. The city canceled the extra phone lines, but had to pay off the installment balances still due for the new devices, which totaled \$1,180, in December 2017. The monthly charges associated with the additional two unnecessary service lines were \$313 from July to December 2017.

We also identified a pair of earphones purchased in July 2017 and included on the phone bill totaling \$129. It is unclear for whom these were purchased and they are not in the city's possession. The city reduced the number of phone lines from eight to four in December 2017. The former City Administrator was required to return the additional devices when he was suspended on October 19, 2017. City officials indicated the tablet is locked and they do not know the password so it is not usable to the city. They also indicated the smart watch that was returned to the city was not the same model watch that was purchased with city funds.

Taxpayers have placed a fiduciary trust in the Board to spend public funds in a necessary and prudent manner. These expenditures were not a necessary use of city resources.

2.2 City fuel and vehicle usage

The city lacks adequate procedures to account for fuel used by the Public Works and Police Departments. The city purchases gasoline using fuel cards at a local business. During the period July 1, 2016, through June 30, 2018, the city disbursed a total of \$20,849 for fuel charged on fuel cards.

The Public Works Department has 3 fuel cards (1 card assigned to each of the 3 employees) and the Police Department has 3 cards assigned to it for checkout by officers to use as needed. While the former City Administrator had a vehicle assigned for business use, he did not have a separate card



City of Glasgow
Management Advisory Report - State Auditor's Findings

assigned for his use. However, city personnel indicated the former City Administrator had duplicates of all city fuel cards, along with the associated personal identification numbers (PINs). The city did not require individual fuel tickets to be turned in for each purchase and no usage or fuel logs were required for any city vehicles, making it difficult to determine if all fuel purchases were for city vehicles.

In mid-October 2017, shortly before the former City Administrator was suspended (and ultimately resigned), the Deputy Police Chief investigated a call from a citizen that the former City Administrator was using a city fuel card to fuel his personal vehicle. Photographs are taken at the vendor pumps at the time a card is swiped, so photographs were requested from the vendor by the Deputy Police Chief for fuel purchases made on the day in question (October 14, 2017). For one of the three fuel purchases that day, there was a photo of an employee other than the former City Administrator. The remaining two transactions, which were both charged to a public works fuel card, showed a blank image, appearing as though the camera was covered to avoid the photo. The Deputy Police Chief informed us that when he began working for the city the former City Administrator told him that a photograph is taken of the card user at the pump, while other city employees we spoke with indicated they were not aware a photograph was taken each time a card was used.

We reviewed monthly credit card fuel billings from July 2016 through June 2018 and found the total average monthly fuel cost from July 2016 through November 2017, when the former City Administrator had access to fuel cards, was \$949. After his resignation in November 2017, average monthly fuel costs dropped to \$674 for the period December 2017 to May 2018. City personnel were unable to provide any explanation for this significant decrease in fuel usage. There was no change in the number of vehicles being fueled through cards, except that the one driven by the former City Administrator was no longer being used. However, since fuel use dropped over 100 gallons per month, it is unlikely the decrease in usage is attributable to just that one change. Also, since usage/mileage logs are not maintained for any city vehicles we are unable to determine how much the former City Administrator's vehicle was used.

We also reviewed purchases made on weekends with the public works fuel cards, because use of Police Department fuel cards on weekends would be expected. Public works employees do not typically work on weekends unless there is a city emergency. We contacted public works employees to discuss how often they worked weekends. The workers we spoke with recalled only a few instances in which weekend work was required, although the Public Works Supervisor did indicate he had worked a few weekends in the last year and a half and would not have recorded it on a timesheet because he is a salaried employee.



City of Glasgow
Management Advisory Report - State Auditor's Findings

The period of our review was July 2016 through November 2017. We identified 22 purchases of fuel, totaling \$778, made on weekends when payroll records did not indicate overtime was worked by public works employees. We contacted the fuel vendor and requested photographs from the pump for these questionable uses of the fuel cards. The vendor indicated new cameras were installed sometime in early 2017 and the picture quality was much better after that, so only photographs after May 2017 were made available to us. Of the 22 items requested, 11 photographs were provided by the vendor for purchases from June 2017 through October 2017. Three photographs showed city employees purchasing fuel, 1 photograph showed a partial image of a person buying fuel (which city personnel identified as the former City Administrator), and 7 photographs were blank giving the appearance that the camera was covered by the card user.

Due to the lack of records required by the city for fuel purchases, it is difficult to determine if all fuel purchases were appropriate. Requiring fuel tickets be signed by the user, submitted to the City Clerk, and reconciled to invoices helps provide assurance that the fuel billed was charged by city employees and fuel expenses were reasonable and necessary. Failure to account for fuel purchases could result in loss, theft, or misuse going undetected. Without complete and detailed usage/mileage logs, the city cannot effectively monitor the appropriateness of vehicle use and ensure fuel costs are reasonable.

Recommendations

The Board of Aldermen:

- 2.1 Ensure purchases are reasonable and prudent uses of public funds. In addition, the Board should evaluate whether to pursue reimbursement of unnecessary charges from the former City Administrator.
- 2.2 Establish adequate records and procedures to effectively monitor vehicle and fuel use. Fuel tickets should be submitted to the City Clerk and reconciled to fuel invoices. Usage/mileage logs should be maintained for all vehicles and compared to fuel use.

Auditee's Response

- 2.1 *We agree and are in the process of instituting procedures to ensure all purchases are reasonable and prudent uses of public funds. In addition, we will discuss with our city attorney the possibility of seeking reimbursement of the unnecessary charges. We are currently attempting to sell the electronics and phone equipment that was purchased in order to recoup city funds. We plan to research if there is any way to unlock the tablet so we can sell it also.*
- 2.2 *We are in the process of updating our records involving fuel and vehicle usage and are currently establishing policies to monitor vehicle and fuel usage. Fuel tickets are now required to be submitted and usage and mileage logs are now being maintained. The City*



City of Glasgow
Management Advisory Report - State Auditor's Findings

Clerk will begin reconciling usage and purchase invoices monthly with oversight provided by the Mayor.

3. Clothing Allowance Program and Gun Inventory

The city does not have adequate policies and procedures over a clothing allowance program offered to certain city employees. This program allows employees to repay the city for work-related equipment and uniforms, as well as personal items initially purchased by the city on their behalf. In addition, the city has failed to maintain inventory records of city guns and as a result, city personnel cannot account for all city guns.

3.1 Clothing allowances

The city provides a clothing allowance, but formal policies and procedures for the program do not exist and numerous problems were identified with its use. The former City Administrator (who also served as the Police Chief) and police officers received a \$120 quarterly clothing allowance, and the City Clerk and City Collector each received a \$250 annual clothing allowance. Some of these employees had the city make work-related purchases of clothing, equipment, or other uniform items for them directly, along with some purchases of personal items unrelated to work.

The City Clerk maintained manual receivable records (spreadsheets) to track the balances owed by the employees for the purchases made. Clothing allowances were paid to the former City Administrator and police officers quarterly; however, if an amount was shown as owed to the city on an employee's spreadsheet the allowance was used to reduce the amount owed rather than being paid to the employee through payroll. If the quarterly allowance payment was insufficient to fully repay the amount due, then a payroll deduction was also withheld from each paycheck until the amount was repaid. The City Clerk also had a spreadsheet to track personal purchases made by the city on her behalf, but she used payroll deductions to repay amounts owed and did not have her clothing allowance credited to her spreadsheet similar to police department employees. The City Collector did not have the city make purchases on her behalf and thus did not have a spreadsheet. The City Clerk and City Collector received their clothing allowance payments in December of each year.

The city refers to this as a clothing allowance, but our review shows this program operated as an employee loan or savings program. We identified several concerns regarding purchases made and balances carried by employees.

- No formal policies or procedures exist to govern how this program works, such as what type of purchases are allowable, limits on amounts that can be spent, who must approve the purchase, and how repayment will be handled.



City of Glasgow
Management Advisory Report - State Auditor's Findings

- The program is not limited to the purchase of work-related items. We identified numerous personal items purchased by the city for various employees. The city purchased several guns for the former City Administrator and police officers, along with various clothing items, such as sweatshirts and polo shirts. The City Clerk used city-owned gift cards, valued at \$1,200 according to city personnel, to buy home remodeling supplies from a home improvement store. Only \$1,110 was added to her clothing allowance spreadsheet and it is unclear how the remaining \$90 was used. There were also numerous personal purchases for the City Clerk from an office supply store.
- The city has not developed adequate procedures to ensure personal purchases made by the city on behalf of an employee were included on an employee's spreadsheet. Some purchases of personal items made on behalf of the former City Administrator were not added to his spreadsheet timely. When the Deputy Police Chief (later appointed Police Chief after the former City Administrator/Police Chief resigned) began investigating city gun purchases made in recent years and trying to inventory city-owned guns, he identified at least 2 gun purchases not charged to the former City Administrator. One of these guns was purchased by the city in September 2016 and the other in August 2011, but were not added to the former City Administrator's spreadsheet until October 2017 due to the Deputy Police Chief's investigation.

Also added to the former City Administrator's spreadsheet in October 2017 were personal purchases made using his credit card that were paid by the city (see Management Advisory Report (MAR) finding number 1), and a holster and mounted aiming light paid for by a city check. These items, although purchased in preceding years, had not previously been identified for reimbursement to the city. All amounts added to the former City Administrator's spreadsheet were repaid by his resignation date through payroll deductions. It is unclear if the failure to add these to the spreadsheet was an oversight or intentional, but the lack of adequate procedures contributed to the problem.

- Spreadsheets do not always provide sufficient detail to indicate what was actually purchased. Each entry provides only the vendor name and total amount added. Invoices supporting amounts purchased from various vendors related to this program are not filed separately.
- Receivable balances maintained for some city employees utilizing the program were allowed to get very high. Balances for the former City Administrator were as high as \$2,800 at one point and were above \$2,000 for extended periods of time. If all his personal purchases had been added to his spreadsheet timely, the balance could have potentially been even higher at times. Most employees utilized payroll deductions to help



City of Glasgow
Management Advisory Report - State Auditor's Findings

reduce their balances, but the deductions were typically small amounts (e.g., \$25 per pay period) and did not appear to be based on the significance of the balance carried. From 2013 to mid-2016, the former City Administrator had a \$25 deduction taken out each pay period, even though the balance due was substantial during that time period. Our review of the former City Administrator's spreadsheet for the period March 2013 to November 2017 showed his receivable balance ranged from \$60 to \$2,839. Beginning in September 2014, the balance owed was in excess of \$1,000 almost every month, and in many months the balance rose to above \$2,000. To repay these amounts due, payroll withholdings started at \$25 per paycheck, but were increased to \$75 per paycheck in July 2016 as the balance continued to increase. Eventually the balance reached over \$2,800 shortly before the City Administrator was suspended, causing the city to withhold significant portions of his final three paychecks, totaling \$2,094, upon his resignation to recoup amounts due.

Similarly, balances for several other employees were in excess of \$500 on numerous occasions and the City Clerk had a balance in excess of \$1,000 at one point. One employee had a balance due to the city in excess of \$400 for almost a year. Even though \$25 deductions were taken from each paycheck during that period, repayment of his balance was not done timely and eventually the city had to withhold \$570 from his final paycheck upon his resignation as a full-time officer to obtain repayment.

- Some employees continued to have withholdings taken from each paycheck, regardless of purchase activity, resulting in credit balances to the employees. In 2 instances, individuals left city employment with a credit balance that the city had to pay them upon their resignation.
- Multiple instances were noted in which compensatory time earned was used to give employees credit on their clothing allowance spreadsheet for amounts owed, rather than handling these payments through the normal city payroll process. As a result, these amounts were not subject to payroll withholdings and were not reported on the respective W-2 forms.
- Procedures have not been established to ensure proper taxes are paid. Internal Revenue Service (IRS) regulations were not followed regarding clothing allowances. Employees receiving a clothing allowance do not submit invoices or itemized expense reports to support the allowances, nor were the allowances reported on their W-2 forms. While some employees are using the clothing allowance to repay the city for work-related equipment and uniform purchases, others are clearly using it to repay the city for personal items and thus, should be paying income taxes on the clothing allowances received. Also, the practice of having the city



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purchase personal items to be repaid later allowed employees to avoid paying applicable sales taxes.

- The manner in which employees utilized clothing allowances was allowed to expand into more of a loan or savings program for employees. This resulted in additional and unnecessary recordkeeping and monitoring on the part of the city. Lending money to employees in this manner violates constitutional provisions against lending credit to individuals.

This program should be limited to only work-related purchases if it continues to be operated in this manner. If the clothing allowance provided is insufficient to repay the city for items purchased, the city should be promptly repaid any amounts due. A written policy is necessary to establish and document what is allowed to be purchased under this program and to ensure approval is obtained for any purchases made. Policies and procedures related to this program should be reviewed to ensure all relevant purchases are properly reimbursed and to ensure employees are not abusing the program for personal gain. IRS regulations require employee business expenses not accounted for to the employer be considered gross income and payroll taxes be withheld from the undocumented payments. Article VI, Section 23 of the Missouri Constitution specifically prohibits political subdivisions of the state from lending credit or granting public money to any corporation, association, or individual.

3.2 Gun inventory

Numerous guns were purchased for police officers through their clothing allowance in recent years and city personnel did not perform an annual inventory to ensure city-owned guns were accounted for properly. Due to the lack of a written policy or procedures for the clothing allowance program and other concerns identified in section 3.1, the city's investigation of concerns expressed about the purchase of guns was made more difficult. City personnel believe several city-owned guns are missing.

The former City Administrator and several police officers had the city purchase guns for them in recent years, which were then added to their clothing allowance spreadsheet to allow them to reimburse the city for the purchases over time. Based on the poor records maintained by the city for these gun purchases, it is unclear whether the guns were service-related or purchased for personal use. Between April 2013 and October 2017, the former City Administrator purchased 8 guns, costing a total of \$5,070, through this program. One of these guns had to be returned by the former City Administrator after investigation by the Deputy Police Chief discovered it was an automatic weapon which can only be owned by a law enforcement agency or the military. The others are believed to have been purchased by the former City Administrator and resold to private citizens or kept for personal use.



City of Glasgow
Management Advisory Report - State Auditor's Findings

Another entry on the former City Administrator's spreadsheet indicates 2 guns were purchased from a public works employee in September 2016 for \$600, but it appears no guns were actually purchased. We discussed this transaction with the public works employee who indicated the former City Administrator asked him to say some guns were purchased by the city from him for \$600 and to cash the check and give the funds to the former City Administrator, which he did. The amount of the supposed purchase was added to the former City Administrator's spreadsheet and was later repaid. It appears this transaction was essentially a cash advance from the city to the former City Administrator, facilitated by creating a story about buying guns.

The Deputy Police Chief attempted to sort through invoices for gun purchases to determine what guns should have been on hand within the police department and was unable to locate all weapons purchased. In several instances, upon questioning the former City Administrator, the Deputy Police Chief determined a gun was not on hand and should be added to the spreadsheet maintained for the former City Administrator as the purchase of a personal weapon requiring repayment to the city. The gun purchase invoices we reviewed do not clearly indicate if the guns were purchased as city service weapons or for personal use. The Deputy Police Chief believes as many as 3 weapons purchased by the city, and not paid for by an employee, are missing.

In addition, the practice of having the city purchase guns and then allowing city employees to purchase for personal use allows officers to avoid paying all applicable taxes on the purchases. City purchases of guns are exempt from federal excise taxes.

The Board should determine whether to continue operating this program. The overall lack of records related to gun purchases increases the likelihood that this program will be abused and city-owned guns will not be accounted for properly. To ensure all city owned guns are properly accounted for, periodic inventories of all city-owned guns should be performed.

Recommendations

The Board of Aldermen:

- 3.1 Develop a written policy for the clothing allowance program, make a determination if the allowance is necessary for all employees, and ensure all items purchased are work related. In addition, ensure employees submit itemized reports of uniform clothing purchases or report the allowance payments as other income on the W-2 forms. In addition, ensure policies are established so that constitutional provisions are not violated and all appropriate taxes are paid.
- 3.2 Determine if the city will continue to provide service-related weapons through the clothing allowance program and ensure periodic inventories of city-owned guns are performed.



City of Glasgow
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 3.1 *We plan to discuss the continuance of this program with our City Attorney. If continued, we will develop necessary policies and procedures to govern the program in accordance with constitutional provisions, which will include who is eligible, what type of purchases are allowable, and what type of records need to be maintained to support any purchases made. We will ensure IRS regulations are followed based on whatever decision is made.*
- 3.2 *We will discuss this recommendation with our Police Chief and City Attorney and determine an appropriate course of action. If continued, applicable policies and procedures will be developed. In addition, we will ensure inventories of all city-owned guns are performed periodically.*

4. Accounting Controls and Procedures

4.1 Lack of oversight

The city has not established adequate oversight procedures. In addition, the Board combined city positions, creating a potential conflict of interest, in violation of state law.

The city had not established adequate segregation of duties and independent or supervisory reviews over the various financial accounting functions performed by the former City Administrator and his staff.

The City Clerk and City Collector were each responsible for all accounting functions of the city, to be performed at the direction of the former City Administrator. The former City Administrator also had the ability to perform all accounting functions. However, duties were not assigned with any consideration of segregation or reviews.

No oversight of receipting procedures or deposits was performed by an independent person and oversight by the Board was insufficient. For receipting functions performed by the former City Administrator himself, such as bulk water sales collections, no procedures were in place to ensure funds were transmitted and deposited, and questions were not asked by city staff regarding discrepancies. As discussed in MAR finding number 1, various weaknesses existed with posting transactions to the accounting system and transmittals of funds collected. There is no evidence the Mayor or members of the Board were notified of discrepancies. Independent oversight of receipt and deposit functions by an independent person is necessary because receipt reports provided to the Board at meetings are not intended to be detailed enough for Board members to determine if a particular receipt was actually deposited.

While the Board did receive a detailed listing of each disbursement that showed the vendor, amount, and fund from which each payment was made, the Board was apparently not asking questions or seeking explanation for any



City of Glasgow
Management Advisory Report - State Auditor's Findings

of the questionable disbursements listed, such as credit card payments. The payments made to the credit card company for the former City Administrator's credit card were included on the listings, but there is no evidence that the Board questioned any of those payments, even though several were for rounded dollar amounts and the city did not have a credit card. In addition, the Board should have been aware, that invoices and/or statements from the credit card company were not available for review because the Mayor approved several payment vouchers without supporting invoices or statements. Furthermore, while checks do require two signatures, the signers other than the City Clerk do not review supporting documentation for each check before signing it, and the numerical sequence of checks issued is not accounted for by an independent person. These weaknesses are significant and demonstrate a lack of proper oversight by the Board.

The Board should take steps to ensure it is adequately monitoring city accounting functions and records, and the financial activity of various city funds. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded.

The lack of adequate controls and the absence of proper oversight by the Board allowed unsupported and questionable payments, improper personal purchases, and missing monies to occur. If proper controls and oversight procedures had been in place, it is likely some of the problems noted in this report would have been detected more timely and/or prevented.

4.2 Combined positions

The combination of the positions of City Administrator and Police Chief violated state law and created a potential conflict of interest.

The former City Administrator was initially hired as a city police officer in October 2000 and promoted to Police Chief in January 2004. The Board appointed him as City Administrator in May 2013, but he also continued to serve as the Police Chief until his resignation in November 2017. The City Administrator was responsible for oversight of financial accounting functions and for providing general supervision of the various departments and functions of the city (including the police department). The combination of these positions represented a violation of state law and resulted in potentially conflicting duties.

Section 77.044, RSMo, states that a city administrator shall devote his full time to the performance of the duties of his office. Statutes require the city administrator's position be full time, and therefore, would prohibit this combination of positions.



City of Glasgow
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Aldermen:

- 4.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 4.2 Ensure any future City Administrator does not serve in a dual role capacity.

Auditee's Response

- 4.1 *We will work together to develop appropriate independent oversight procedures for all city accounting functions performed by city staff.*
- 4.2 *We are not currently planning to fill this position; however, in the event we do hire another City Administrator, we will not hire an individual in a dual role capacity.*

City of Glasgow

Organization and Statistical Information

The City of Glasgow is located in Howard and Chariton Counties. The city was incorporated in 1836 and is currently a fourth-class city. The city employed 9 full-time employees and 24 part-time employees on June 30, 2017.

City operations include utility services (water, sewer, and trash), police, maintenance of streets, and parks.

Mayor and Board of Aldermen

The city government consists of a mayor and 6-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2017, are identified below. The Mayor is paid \$300 per month and the Board of Aldermen members are paid \$25 per meeting. The compensation of these officials is established by ordinance.

Fred Foley, Mayor
Chris Damron, North Ward Alderman
Cheryl Adams, North Ward Alderwoman
Kirk Biere, Central Ward Alderman
Kendrick Davis, Central Ward Alderman
Don White, South Ward Alderman
James (J.Y.) Miller, South Ward Alderman

Other Principal Officials

The City Administrator, City Clerk, City Collector, and Police Chief are appointed positions. The City Attorney is a contracted position. The City's principal officials at June 30, 2017, are identified below:

Kevin Atwood, City Administrator/Police Chief (1)
Jenny Fuemmeler, City Clerk
Flora Emmerich, City Collector
Randall Barron, City Attorney

(1) Kevin Atwood resigned November 19, 2017. Charlie Polson was appointed Police Chief on December 18, 2017. The City Administrator position was not filled and remains vacant.

Financial Activity and Supporting Documentation

Appendixes A and B present a summary of the city's financial activity for the year ended June 30, 2017. The information was obtained from the city's independent financial statement audit report.

Appendix C provides supporting documentation of missing monies from the currency-operated bulk water sales machine.

CITY OF GLASGOW, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General Fund	Street Fund	Library Fund	Other Governmental Funds	Total Governmental Funds
REVENUES COLLECTED					
Taxes	\$ 381,541	\$ 95,944	\$ 36,932	\$ 103,174	\$ 617,591
Licenses and permits	10,457	-	-	-	10,457
Charges for services	5,186	-	-	16,267	21,453
Fines and penalties	-	-	-	2,030	2,030
Donations	-	-	51,052	519	51,571
Miscellaneous	15,849	4,311	3,334	17,556	41,050
Total Revenues Collected	<u>413,033</u>	<u>100,255</u>	<u>91,318</u>	<u>139,546</u>	<u>744,152</u>
EXPENDITURES PAID					
General government	166,571	-	-	19,789	186,360
Public safety	163,962	-	-	-	163,962
Street	-	87,503	-	-	87,503
Culture and recreation	-	-	107,293	83,227	190,520
Debt service	-	-	-	39,575	39,575
Capital outlay	5,730	-	-	22,912	28,642
Total Expenditures Paid	<u>336,263</u>	<u>87,503</u>	<u>107,293</u>	<u>165,503</u>	<u>696,562</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid	<u>76,770</u>	<u>12,752</u>	<u>(15,975)</u>	<u>(25,957)</u>	<u>47,590</u>
Other Financing Sources (Uses)					
Interfund transfers in (out)	(10,660)	(5,000)	-	20,660	5,000
Total Other Financing Sources (Uses)	<u>(10,660)</u>	<u>(5,000)</u>	<u>-</u>	<u>20,660</u>	<u>5,000</u>
Excess (Deficit) of Revenues Collected over Expenditures Paid and Other Sources (Uses)	66,110	7,752	(15,975)	(5,297)	<u>\$ 52,590</u>
Fund Balance, beginning of year	<u>162,225</u>	<u>61,127</u>	<u>115,207</u>	<u>354,033</u>	
Fund Balance, end of year	<u>\$ 228,335</u>	<u>\$ 68,879</u>	<u>\$ 99,232</u>	<u>\$ 348,736</u>	

CITY OF GLASGOW, MISSOURI
COMBINED WATERWORKS AND SEWERAGE SYSTEM FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2017

	Business-Type Activities Combined Waterworks and Sewerage System
Operating revenues:	
Charges for services	\$ 573,261
Miscellaneous income	3,494
Total operating revenues	<u>576,755</u>
Operating expenses:	
Personnel services	237,869
Commodities	188,324
Depreciation	72,502
Total operating expenses	<u>498,695</u>
Net operating income	<u>78,060</u>
Nonoperating revenue (expense):	
Investment income	22,820
Bond issue costs	(21,250)
Interest expense	(130,069)
Net nonoperating revenue (expense)	<u>(128,499)</u>
Net income (loss) before transfers	<u>(50,439)</u>
Interfund transfers in (out)	<u>(5,000)</u>
Total capital contributions and transfers	<u>(5,000)</u>
Net income	(55,439)
Net position - beginning of year	<u>2,778,792</u>
Net position - end of year	<u><u>\$ 2,723,353</u></u>

Appendix C

City of Glasgow

Supporting Documentation - Undeposited Bulk Water Sales Receipts

Monies Collected by the Former City Administrator					
Date	Meter Reading	Gallons Used (times 100)	Calculated Receipts (\$6.25 per 1000 gallons)	Monies Transmitted to the City	
12/12/2013 A	1019	101,900	\$ 636.88	\$ 432.00	B
1/10/2014	1103	8,400	52.50	120.00	
2/18/2014	1187	8,400	52.50		
3/11/2014	1466	27,900	174.38		
4/10/2014	1531	6,500	40.63		
5/12/2014	1707	17,600	110.00		
6/12/2014	1800	9,300	58.13		
7/11/2014	1919	11,900	74.38		
8/8/2014	2008	8,900	55.63		
9/12/2014	2076	6,800	42.50		
10/8/2014	2147	7,100	44.38		
11/8/2014	2245	9,800	61.25		
12/10/2014	2344	9,900	61.88		
1/7/2015	2444	10,000	62.50		
2/10/2015	2530	8,600	53.75		
3/12/2015	2650	12,000	75.00		
4/10/2015	2774	12,400	77.50		
5/13/2015	2839	6,500	40.63		
6/13/2015	2920	8,100	50.63		
7/13/2015	3007	8,700	54.38		
8/11/2015	3105	9,800	61.25		
9/10/2015	3190	8,500	53.13		
10/13/2015	3285	9,500	59.38		
11/9/2015	3353	6,800	42.50		
12/15/2015	3481	12,800	80.00		
1/8/2016	3570	8,900	55.63		
2/11/2016	3677	10,700	66.88		
3/10/2016	3755	7,800	48.75		
4/11/2016	3895	14,000	87.50		
5/13/2016	4029	13,400	83.75		
6/8/2016	4157	12,800	80.00		
7/11/2016	4391	23,400	146.25		
8/11/2016	4626	23,500	146.88		
9/1/2016	4769	14,300	89.38		
10/13/2016	4835	6,600	41.25		
11/11/2016	4919	8,400	52.50		
12/6/2016	4989	7,000	43.75		
1/10/2017	5107	11,800	73.75		
2/7/2017	5165	5,800	36.25		
3/9/2017	5299	13,400	83.75		
4/10/2017	5403	10,400	65.00		
5/10/2017	5520	11,700	73.13		

Appendix C

City of Glasgow

Supporting Documentation - Undeposited Bulk Water Sales Receipts

Monies Collected by the Former City Administrator

Date	Meter Reading	Gallons Used (times 100)		Calculated Receipts (\$6.25 per 1000 gallons)	Monies Transmitted to the City
6/13/2017	5640	12,000		75.00	
7/11/2017	Not available	11,000	C	68.75	
8/15/2017	Not available	11,000	C	68.75	
9/15/2017	Not available	11,000	C	68.75	
10/15/2017	Not available	11,000	C	68.75	
Total		608,000		\$ 3,800.00	\$ 552.00

	Collections Shortage
Total estimated collections	\$ 3,800.00
Collections transmitted to the city	(552.00)
Total collections unaccounted for	\$ 3,248.00

Monies Collected by the Water Department

Date	Meter Reading	Gallons used (times 100)		Calculated Receipts (\$6.25 per 1000 gallons)	Monies Transmitted to the City
11/15/2017	Not available	11,000	C	\$ 68.75	\$ 44.50
12/15/2017	Not available	11,000	C	68.75	104.25
1/1/2018	115	11,500		71.88	71.00
2/1/2018	196	8,100		50.63	53.25
Total		41,600		\$ 260.00	\$ 273.00

	Excess Collections
Total estimated collections	\$ 260.00
Collections transmitted to the city	(273.00)
Total excess collections	\$ (13.00)

- A The flow meter was installed sometime in May 2013, but actual meter readings from June through November 2013 were not maintained.
- B Transmittals were made on August 6, 2013, for \$131, September 13, 2013, for \$221, and November 19, 2013, for \$80.
- C This is estimated usage because the flow meter was broken during this time. The estimated usage is based on total gallons sold from January 2014 to June 2017 (462,100) divided by months (42), or approximately 11,000 gallons per month. Applying the cost of \$6.25 per thousand gallons results in a calculated revenue estimate of \$68.75 per month. A new meter was installed on December 15, 2017.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Smithville Area Fire Protection
District**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Smithville Area Fire Protection District

Incentive Payments	The Smithville Area Fire Protection District paid \$209,072 in year-end incentive payments (including fringe benefits), to all full-time district employees (including the Fire Chief and Assistant Fire Chief) between December 2011 and December 2015. These payments are likely bonuses and in violation of the Missouri Constitution, because they are not part of a formal pay plan and seem to represent additional payments for services previously rendered because there is no documentation of additional hours worked by district employees to support the payments.
Fire Station #3	The Board authorized the issuance of general obligation bonds in 2015 with the proceeds to be used for the construction of a new fire station, Station #3, at a cost of approximately \$1.8 million. However, the Board did not ensure the district had sufficient funding available to staff the station and cover ongoing and future operational and maintenance costs associated with it. Additionally, the district did not retain any documents related to preplanning and development of the station.
Firefighter Safety and Training	The district has not established adequate policies and procedures for firefighter safety and health, training, and respiratory protection. The district has not established a written occupational safety and health program or a written training, education, and professional development program. The district has not implemented a written respiratory protection program and has not performed testing on respirators as recommended by the manufacturer.
Procurement Procedures and Contracts	Controls and procedures over procurement and district contracts need improvement. The district has not established policies and procedures for the selection of vendors providing professional services. In addition, the district did not solicit requests for proposals for various professional services, has not periodically conducted a competitive selection process for various professional services, and did not always enter into written contracts with the providers selected. The district does not have a formal bidding policy and bids were not solicited for several purchases.
Accounting Controls and Procedures	Weaknesses exist with the district's accounting controls and procedures. The Board has not established adequate segregation of duties and review processes over the various financial accounting functions performed by the Fire Chief and Administrative Assistant. The district does not have procedures to follow up on and resolve differences between accounting records and bank reconciliations timely. Significant weaknesses exist in the district's procedures for receipting monies and making deposits.
Disbursements	Controls and procedures over district travel and training expenditures, credit card purchases, and payment for local meals need improvement. The district incurred unnecessary travel and training costs due to the former Fire Chief traveling to the location of but not attending a conference. In addition, the district paid excessive travel advances for meals and incidental expenses to district employees. The district did not maintain adequate documentation to support some disbursements made using district credit cards and district review procedures for credit card purchases need improvement. The Board has not established a policy for providing employee meals while not on travel status.

Sunshine Law	The Board's procedures for complying with the Sunshine Law, maintaining minutes of meetings, and retaining copies of certain email messages need improvement. The Board did not comply with state law regarding meeting minutes and closed sessions. The district did not retain adequate documentation to support certain Board decisions and meeting minutes do not typically include Board discussions held to support decisions made. The district has not adopted a written policy regarding public access to district records as required by state law. The district does not send the Fire Chief (the custodian of records) copies of email messages that are considered to be a public record under state law.
District Policies And Procedures	District policies and procedures need improvement. The Board has not established written bylaws or other formal policies and procedures for the administration of the district. The district's Standard Operating Guidelines, which serve as a guide for operations within the district and are designed to assist employees in performing their job duties, do not include guidelines to address certain important issues. The Board did not prepare annual budgets for all district funds as required by state law and budget documents did not include all statutorily required information.
District Property and Vehicle Usage	Controls and procedures over district property and vehicle usage need improvement. District procedures for the maintenance and repair of vehicles and equipment are not adequate. The district's employment contract with the former Fire Chief stated the district must provide him with a vehicle and fuel to be used for district business and personal use. However, the contract did not include language that limited or further explained allowable/unallowable personal use and any associated record-keeping or reporting requirements. The district has not developed procedures to identify capital asset purchases and dispositions throughout the year and records to account for district property are not adequate.
Employment Contracts	The district entered into multi-year employment contracts without terms allowing the district to terminate the employee for reasons other than for cause.
Electronic Data Security	The district does not have security controls in place to lock computers after a specified number of incorrect logon attempts. In addition, the district does not periodically test for recovery of data from backup files.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Smithville Area Fire Protection District

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Appendixes

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Board of Directors
Smithville Area Fire Protection District

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Smithville Area Fire Protection District. We have audited certain operations of the district in fulfillment of our duties. The district engaged Accounting Solutions Group, LLC, a Certified Public Accounting firm, to audit the district's financial statements for the year ended December 31, 2016. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2016. The objectives of our audit were to:

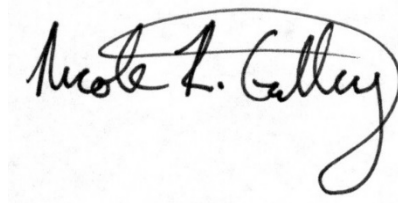
1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; inspection of capital assets; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and its audited financial report and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Smithville Area Fire Protection District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
In-Charge Auditor:	Julie A. Moulden, MBA, CPA
Audit Staff:	Austin T. Olson

Smithville Area Fire Protection District

Management Advisory Report

State Auditor's Findings

1. Incentive Payments

The Smithville Area Fire Protection District paid \$209,072 in year-end incentive payments¹ (including fringe benefits), to all full-time district employees (including the Fire Chief and Assistant Fire Chief) between December 2011 and December 2015. While these payments were authorized by the Board of Directors, the actual payments exceeded initial estimates presented to the Board for approval by \$32,500 (before taxes). In addition, we found the incentive payments made were based on inaccurate or unreasonable calculations, which inflated the total amount paid by \$86,360.

These payments are likely bonuses and in violation of the Missouri Constitution, because they were not part of a formal pay plan and seem to represent additional payments for services previously rendered because there is no documentation of additional hours worked by district employees to support the payments. In November 2011, the Board approved a one-time payment in lieu of a raise (incentive payment) based on 10 percent of the annual budget carryover as recommended in a proposal from the former Fire Chief. Board meeting minutes indicated these incentive payments continued to be authorized annually between 2012 and 2015. According to the former Fire Chief's proposal to the Board, he recommended that the district implement an annual employee incentive program to encourage district employees to be "conservation minded in all aspects of the (district's) operations." There is no documentation indicating the employees were informed of the purpose of the incentive payments or that the employees were subsequently evaluated on the success of the program prior to the incentives being paid each year.

Incentive payment process not formalized

While the Board approved the proposed funding of these incentive payments annually based on the former Fire Chief's estimated annual budget carryover, the Board did not directly approve individual incentive payments and we saw no documentation to indicate the Board received detailed information on individual incentive payments made or was informed the actual incentive payments significantly exceeded the initial estimates provided. In addition, the process to award these incentive payments to district employees was not formalized or documented to clearly define how the annual budget carryover amount used to determine these incentive payments would be calculated.

According to a November 16, 2011, letter to the Board from the former Fire Chief, the incentive payments would be based on 10 percent (increased to 15 percent in 2014) of the annual budget carryover and would be included on the employee's last paycheck before Christmas. However, the process to determine the annual budget carryover was never clearly defined. While this

¹ Annual incentive payments paid to district employees between 2011 and 2015 totaled \$174,176. The district incurred \$21,571 in additional costs for retirement benefits and \$13,325 in employer payroll taxes (Social Security and Medicare).



Smithville Area Fire Protection District
Management Advisory Report - State Auditor's Findings

2011 letter did not provide an estimated incentive payment total, letters submitted to the Board in subsequent years included an estimated incentive payment amount per employee based on 12 full-time employee (FTE) positions.

The following table shows the estimated incentive payment per district employee and the total estimated incentive payment amount presented to the Board by the former Fire Chief. In addition, this table includes the combined actual incentive payment amounts paid for the years 2012 through 2015 and documents the difference between estimates presented to the Board for approval and actual incentive payments made.

Incentive Year	Estimate per FTE	Total Estimate Presented to Board	Actual	Difference
2012	\$ 1,600	19,200	28,469	9,269
2013	1,350	16,200	21,005	4,805
2014	3,000	36,000	47,037	11,037
2015	3,600	43,200	50,589	7,389
Total	\$ 9,500	114,600	147,100	32,500

The actual incentive payments paid in each of these years exceeded the estimated amount presented to the Board. In total, between 2012 and 2015, actual incentive payments exceeded estimated amounts presented to the Board by approximately \$32,500 (before taxes).

Incentive payment
calculations

In July 2017, the State Auditor's Office (SAO) began requesting documentation from the district detailing how these annual incentive payments had been calculated. Initially, district personnel could not locate any documentation detailing how the former Fire Chief calculated the budget carryover amount used each year when determining employee incentive payments. On October 10, 2017, they located documentation detailing how the incentive payments had been calculated between 2012 and 2015. The SAO issued subpoenas to both the district and the former Fire Chief (see Appendixes B and C) to obtain documentation of how the 2011 incentive payments had been calculated. However, neither district personnel nor the former Fire Chief could locate documentation to support incentive payment calculations for 2011.

We reviewed incentive payment calculation documentation provided by the district to determine how the former Fire Chief had calculated the annual budget carryover amount used in the annual incentive payment calculation. Based on our review, the former Fire Chief determined the budget carryover amount each year based on the sum of variances between budgeted and actual revenues and expenditures. However, the budget variances documented in



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supporting documentation were not always mathematically accurate. In addition, budget variances were determined prior to the end of the year and did not always include adjustments for remaining year-end activity.

The following table shows the former Fire Chief's estimated budget carryover for each year the district authorized incentive payments based on documentation obtained from the district, with the exception of 2011, as compared to the actual budget carryover we calculated based on audited financial statements. For 2011, we calculated the estimated budget carryover of \$270,770 based on the \$27,077 in incentive payments paid that year. We determined that the estimated budget carryover amounts significantly exceeded the actual budget carryover amounts (per audited financial statements). In total, for the 5 years in which incentive payments were given, the estimated carryover exceeded the actual carryover by more than \$672,000.

	2015	2014	2013	2012	2011	Total
Estimated Carryover	\$ 337,258	313,579	209,781	284,690	270,770	1,416,078
Actual Carryover (1)	149,283	120,065	116,814	242,230	114,826	743,218
Difference	187,975	193,514	92,967	42,460	155,944	672,860
Board Approved Incentive	15%	15%	10%	10%	10%	
Excess Incentive Payment	\$ 28,196	29,027	9,297	4,246	15,594	86,360

(1) Based on the General Fund's excess of cash receipts over cash expenses reported in the district's annual financial statement audit.

Differences between the estimated carryover amount calculated by the former Fire Chief and the actual carryover amount calculated by the SAO based on audited financial statements, include:

- The former Fire Chief included property tax revenue derived from the district's general obligation bond levies in Clay County and Platte County in excess of budgeted amounts in the estimated carryover calculation. However, this revenue is restricted for the principal and interest on the district's general bond obligations and is not used for ongoing operational costs of the district. Therefore we excluded it when calculating the actual carryover balance for the General Fund.
- Variances between budgeted and actual revenues and expenditures used to calculate the estimated budget carryover were based on actual revenues and expenditures through mid-December and adjustments to these variances, if any, for additional revenues and/or expenditures incurred through the remainder of the year were not sufficient. Our actual carryover amount calculation was based on actual total revenues and expenditures for the year.



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Conclusion

Because the former Fire Chief inflated the estimated carryover each year by including restricted revenues and not including all General Fund revenues and expenditures for the year, incentive payments made to district employees between 2011 and 2015 exceeded amounts authorized by the Board by \$86,360 (before taxes).

The annual incentive payments likely represented additional compensation for services previously rendered and, as such are in violation of Article III, Section 39(3), the Missouri Constitution, and contrary to Attorney General's Opinion No. 72-1955 (June 14, 1955), which states, "... a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

Recommendation

The Board of Directors should ensure all employee compensation is authorized by the Board, documented in a formal pay plan as appropriate, and in compliance with state law.

Auditee's Response

The "incentive payment" program has not been followed since 2015. No member of the current Board of Directors approved the implementation or execution of the program and the current Fire Chief has no plans to propose any similar payments.

The Board agrees that the payments, as approved and made in 2011 through 2015, were an improper use of public funds in violation of the Missouri Constitution. The Board also agrees that it appears the payment amounts were calculated improperly, and were overpayments of even the amounts "approved" by the former Board.

The current Board and the Fire Chief are committed to a pay plan that fairly compensates the district's employees, helps ensure the professionalization of the staff, and complies with state and federal law.

2. Fire Station #3

The Board authorized the issuance of general obligation bonds in 2015 with the proceeds to be used for the construction of a new fire station, Station #3, at a cost of approximately \$1.8 million. However, the Board did not ensure the district had sufficient funding available to staff the station and cover ongoing and future operational and maintenance costs associated with it. Additionally, the district did not retain any documents related to preplanning and development of the station.

Station #3, located at 18315 Collins Road in Smithville, Missouri, was placed into operation in May 2017 with minimal equipment and no staff. As of August 1, 2018, this station continues to be unstaffed and all emergencies are responded to from Station #2. While district officials have indicated they will not be able to staff Station #3 without a tax increase, which requires approval



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by district citizens, they have not completed a cost analysis to support this statement.

In 2009, the district received a donation of 2 acres of land for the construction of a new fire station and in November 2012 voters approved issuance of \$3 million in general obligation bonds to construct and furnish a new fire station and acquire fire trucks and other firefighting and rescue equipment. However, the associated general property tax levy increase necessary to finance increased staffing and the subsequent operations and maintenance of the new fire station failed at that election (November 2012) and again in a special election in August 2013. The district has not attempted to pass a general property tax levy increase since August 2013.

In July 2013, the district paid an architectural firm to prepare a preliminary design of the new fire station. The district opted to move forward with the construction of the new fire station in July 2014, even though the general property tax levy increase had failed to pass. The district published a request for qualifications (RFQ) for an architectural firm to assist in the construction of the station in September 2014. However, as discussed further in MAR finding number 4.1, the evaluation of RFQ's received was not documented. The district authorized the issuance of the general obligation bonds in December 2015.

According to the former Fire Chief, the district decided to move forward with the construction of the new fire station in 2015, even though the general property tax levy increase had failed to pass, because construction costs and costs to purchase equipment for the new fire station continued to increase annually thereby decreasing the bond's purchasing power. In addition, the district wanted to place the station in operation in hopes it would improve the district's fire protection rating and lower the cost of homeowners insurance for district citizens.

District officials could not provide any documentation to support how they determined the bond amount necessary to fund the construction of the new fire station and purchase additional equipment. In addition, the district has not performed an analysis of the proposed additional costs that would be associated with staffing, operating, and maintaining the new fire station and documented that an increase to the district's general operating tax levy is necessary to fund the new fire station's operations. The SAO obtained assurances from the district that this documentation does not exist after we were forced to issue subpoenas to the district and former Fire Chief (see Appendixes B and C) after making multiple requests to obtain the documentation.

Long-term financial planning, including determining funding needs for all operating and maintenance costs of the district, is essential to ensure district resources are used effectively and efficiently. Failure to adequately plan for



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future needs and potential contingencies may result in wasted resources and/or underutilized assets.

Recommendation

The Board of Directors should determine additional funding necessary to pay for expenses associated with ongoing and future operations and maintenance costs, including staffing, for Station #3. In addition, the Board should evaluate options to fund these additional costs.

Auditee's Response

The Board of Directors agrees that the 2015 authorization of general obligation bonds committed the district to the construction of a fire station without a clear funding plan for staffing the station. None of 2015 Board members remain on the Board. Since that time, the district has increased the number of directors from three to five, hired a new Fire Chief, and increased staffing levels. With new, stabilized leadership in place, and construction on station #3 complete, the Board will evaluate options for funding operations at the new station. This will be a part of the district's current engagement with a consultant to develop a strategic plan for the district's next 3 to 5 years. The Board expects this to play a big role in addressing the audit concerns over operations and staffing at Fire Station #3. Through this process, the Board hopes to demonstrate commitment and competence to the citizens of the district, and present a funding plan appropriate for the district's future.

3. Firefighter Safety and Training

The district has not established adequate policies and procedures for firefighter safety and health, training, and respiratory protection.

3.1 Safety and training programs

The district has not established a written occupational safety and health program or a written training, education, and professional development program. All volunteer district firefighters are required to have basic firefighter certification. All full-time district firefighters are required to have firefighter I and II certifications. The district has numerous training sessions on a variety of topics available in-house; however, a written training program has not been developed.

A written safety program is necessary to protect firefighters from injury and occupational diseases resulting from exposure to hazardous materials and environments. A written training program is necessary to provide firefighters with the best possible preparatory knowledge, skills, and abilities in order to provide district citizens with safe, efficient, and effective emergency response services. In addition, written safety and training programs could limit the district's potential liability for insurance and legal claims.

3.2 Respiratory protection

The district has not implemented a written respiratory protection program and has not performed testing on its respirators as recommended by the manufacturer.



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The district did not perform annual performance and fit testing² on the respirators (self-contained breathing apparatuses [SCBA]) used by district employees between 2013 and 2016. The former Fire Chief stated he was not aware these tests were needed. These tests were scheduled by the current Fire Chief upon being appointed as Acting Fire Chief in March 2017. Performance tests were performed in April 2017 and fit tests were performed in June 2017.

A written respiratory protection program is necessary to ensure (1) fit testing and performance testing are performed on the SCBA's in accordance with the manufacturer's recommendations, (2) the SCBA's are properly inspected and maintained, and (3) employees are trained on potential respiratory hazards and proper use of the respirators. The manufacturer recommends fit testing prior to initial use of the respirator, whenever a different respirator face piece is used, and at least annually thereafter. In addition, the manufacturer recommends SCBA's be tested on a breathing machine at least annually.

Recommendations

The Board of Directors:

- 3.1 Seek assistance from available resources, including the state Fire Marshal's Office in the Missouri Division of Fire Safety and the University of Missouri Fire and Rescue Training Institute, and develop a written occupational safety and health program and a written training program for district firefighters.
- 3.2 Establish a written respiratory protection program and ensure self-contained breathing apparatuses are tested in accordance with the manufacturer's recommendations.

Auditee's Response

- 3.1 *The district will be evaluating and developing a training and professional development program, including a program on occupational safety and health, for future implementation through the development of new Standard Operating Guidelines (SOGs) which are in the process of being rewritten.*
- 3.2 *Annual SCBA testing had resumed prior to this audit's findings being issued, with testing occurring in 2017 and 2018. A written policy will be developed during the Board's strategic planning and the development of new SOGs.*

² A fit test ensures the seal between the respirator's face piece and the face are adequate to prevent leaks. A performance test ensures the SCBA maintains positive pressure in the face piece throughout the breathing cycle to ensure the wearer will not inhale any of the external atmosphere.



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4. Procurement Procedures and Contracts

Controls and procedures over procurement and district contracts need improvement.

4.1 Professional services and contracts

The district has not established policies and procedures for the selection of vendors providing professional services. In addition, the district did not solicit requests for proposals for various professional services, has not periodically conducted a competitive selection process for various professional services, and did not always enter into written contracts with the providers selected. Our review of disbursements for professional services incurred during the year ended December 31, 2016, noted the following issues:

Service Provided	Cost (1)	Competitively Procured	Written Contract
Litigation services	\$ 16,973	No	Yes
Information systems and information technology services	9,996	No	Yes
Auditing services	5,200	No	Yes
Legal services	2,430	No	No

(1) Total amount expended for the year ended December 31, 2016.

Until March 2017, the same attorney provided legal services to the district for approximately 6 years without solicitation of proposals during that period and the district had not entered into a written contract for these services. In March 2017, the Board informally solicited proposals for a new attorney based on a list of attorneys recommended. While the Board received proposals from 3 separate law firms, district officials did not document the evaluation process used to select the new attorney and did not enter into a written contract with the attorney for these services. The Board President indicated the attorney selected was the least expensive of the attorneys interested in representing the district. In addition, the district has used the same independent CPA firm since 1991 to perform its annual financial statement audits and no proposals have been solicited during that period.

In addition, while the district published a notice requesting qualifications of architectural firms for design and consulting services associated with the construction of Station #3 in September 2014; the district did not document the evaluation process used to determine the most qualified architectural firm. The district received qualifications from 5 architectural firms and selected the architectural firm that had previously provided preliminary designs for Station #3 in July 2013. The district paid the firm \$110,785 for the design services. The SAO obtained assurances from the district that this evaluation does not exist after we were forced to issue subpoenas to the district and former Fire Chief (see Appendixes B and C) after making multiple requests to obtain the documentation.



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Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make better-informed decisions to ensure necessary services are obtained from the best qualified provider taking expertise, experience, and cost into consideration. In addition, documentation of the evaluation and selection process should be retained to demonstrate compliance with applicable laws or regulations and support decisions made. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

4.2 Bidding

The district does not have a formal bidding policy and bids were not solicited for the following purchases made during the year ended December 31, 2016.

Item	Cost
Comprehensive general and automobile liability insurance	\$ 30,078
Pumper 12 repairs	14,000
Pumper 11 repairs	14,084

In addition, while the former Fire Chief indicated all bidding requirements were followed for the installation of a solar electric system and solar panels at Station #3 (\$146,495), the installation of a paging and alert system at Station #2 (\$20,973), the replacement of the roof at Station #1 (\$33,176), and the purchase of a pumper hose (\$10,698), district personnel could not provide any documentation showing the district published a notice for these bids, as required by state law. The SAO obtained assurances from the district that this documentation does not exist after we were forced to issue subpoenas to the district and former Fire Chief (see Appendixes B and C) after making multiple requests to obtain the documentation.

Section 321.220(4), RSMo, requires the district to publish notice for bids on purchases of \$10,000 or more. In addition, competitive bidding helps ensure all parties are given an equal opportunity to participate in the district's business. Documented formal bidding procedures provide a framework for economical management of district resources and help ensure the district receives fair value by contracting with the lowest or best bidders. Complete documentation should be maintained for all bids received and reasons noted why the bid was selected.

Recommendations

The Board of Directors:

- 4.1 Periodically solicit proposals for professional services and enter into written contracts for those services. In addition, the Board should establish a policy to address the selection of professional services.



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- 4.2 Establish formal bidding policies and procedures, including documentation requirements related to bid specifications, the bids or quotes received, and justification for bids selected and maintain documentation of decisions made.

Auditee's Response

- 4.1 *The district has begun the process of rebidding its legal, accounting, and informational technology providers and plans to have new agreements in place by the end of 2018. New agreements will be in writing. Written guidance on the subject will be developed and implemented with the SOGs rewrite that is in progress.*
- 4.2 *Bid policies and procedures will be developed in conjunction with the SOGs rewrite that is in progress.*

5. Accounting Controls and Procedures

Weaknesses exist with the district's accounting controls and procedures. The district receives monies for sales and property taxes, permits, inspections, reports, and other miscellaneous items.

5.1 Segregation of duties and oversight

The Board has not established adequate segregation of duties and review processes over the various financial accounting functions performed by the Fire Chief and Administrative Assistant.

The Administrative Assistant is responsible for all duties related to collecting and recording monies received, preparing and making deposits, making disbursements based on authorization by the Fire Chief, and performing monthly bank reconciliations. The Fire Chief typically documents his review and approval of authorized disbursements, but does not perform a documented review of other accounting functions and records.

While a Board member signs all checks, a documented review and approval of individual invoices and other supporting documentation is not performed. In addition, the list of disbursements approved by the Board each month does not include payroll disbursements (approximately \$53,440 per month during the year ended December 31, 2016).

The lack of segregation of duties and adequate oversight allowed many of the issues described throughout this report to occur.

To reduce the risk of loss, theft, or misuse of funds, and ensure all transactions are accounted for properly and assets are adequately safeguarded, adequate controls, including proper segregation of duties, and Board oversight of accounting functions is necessary. In addition, the Board should require a complete and accurate list of all disbursements be provided for its review approval and ensure the list is compared to individual invoices and other supporting documentation.



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5.2 Bank reconciliations

The district does not have procedures to follow up on and resolve differences between accounting records and bank reconciliations timely. The Capital Project Fund's book balance was overstated by \$3,204,132 for almost 2 years. In December 2015, the district received \$3,204,132 in bond proceeds and the district's accountant posted a journal entry in the accounting system to record this transaction. In January 2016, the Administrative Assistant recorded the receipt of these bond proceeds again in the accounting system, not realizing the accountant had already posted this transaction to the system, resulting in an overstatement of \$3,204,132. In October 2016, the district's accountant provided the Administrative Assistant the journal entry necessary to reverse the duplicate entry; however, this reversing entry was posted incorrectly to the financial records and the accounting error not corrected until November 2017.

Failure to resolve differences and reconciling items timely increases the risk that other errors or misstatements will not be detected and corrected timely.

5.3 Receipting and depositing

Significant weaknesses exist in the district's procedures for receipting monies and making deposits. Receipt slips were not issued for some monies received. In addition, deposits were not made timely or intact and receipts are not kept in a secure location until deposited.

- District personnel do not always issue receipt slips for monies received. A cash count performed on May 9, 2017, identified 7 of 10 receipts, including 6 checks and 1 cash receipt totaling \$7,925 of the \$8,000 counted, had not been receipted. The Administrative Assistant indicated she issues receipt slips for all monies she receives; however, receipt slips are not always issued for monies received when she is not present.
- The Administrative Assistant does not deposit receipts intact or timely and does not account for the numerical sequence of receipt slips issued. The Administrative Assistant indicated deposits are typically prepared about every 2 weeks. Our review of the March 9, 2016, deposit noted receipt slips 380367, 380466, 380468, and 380470 issued between February 19 and March 1, 2016, and totaling \$320, were not deposited until March 9, 2016. In addition, receipt slip 380469 for a \$25 check, receipted on February 25, 2016, was not included in this deposit and was not deposited until April 12, 2016. The Administrative Assistant could not provide an explanation as to why this receipt was excluded from the March 9, 2016, deposit.
- The Administrative Assistant does not always record the method of payment on manual receipt slips. As a result, the composition of receipts (cash, check, or money order) cannot be reconciled to the composition of deposits.



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- Checks and money orders received are not restrictively endorsed at the time of receipt and are only endorsed when deposits are prepared.
- Receipts are not always kept in a secure location until deposited. The Administrative Assistant indicated monies received when she is not present are placed on her desk, which is accessible by all district personnel.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies and the likelihood that errors will go undetected. Procedures should be established to ensure all monies are properly receipted, maintained in a secure location, and deposited intact and timely upon receipt.

Recommendations

The Board of Directors:

- 5.1 Segregate accounting duties to the extent possible and implement appropriate review and monitoring procedures. In addition, the Board should ensure complete lists of disbursements are prepared and compared to invoices and other supporting documentation.
- 5.2 Ensure any differences between accounting records and reconciliations are investigated and resolved timely.
- 5.3 Ensure receipt slips are issued for all monies received with the method of payment indicated on the receipt slip, and the composition of deposits is reconciled to the composition recorded on receipt slips. The district should also ensure receipts are maintained in a secure location until deposited, checks and money orders are restrictively endorsed immediately upon receipt, and deposits are made timely and intact.

Auditee's Response

- 5.1 *The Board continues to examine the feasibility of segregation of financial duties, but small support staff limits that option. The new Board approves all disbursements on a monthly basis, including payroll disbursements.*
- 5.2 *The Board has evaluated its reconciliation procedures and has directed staff to perform reconciliations and investigate and resolve any discrepancies identified timely. Written guidance on the subject will be developed and implemented with the SOGs rewrite that is in progress.*
- 5.3 *The district discontinued fees for burn permits, which was the only cash accepted by the district. Now, all payments received are by*



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check. Policies on receipting, depositing, and restrictive endorsements will be implemented as part of the SOGs rewrite.

6. Disbursements

6.1 Travel and training expenditures

Controls and procedures over district travel and training expenditures, credit card purchases, and payment for local meals need improvement.

The district incurred unnecessary travel and training costs due to the former Fire Chief traveling to the location of but not attending a conference. In addition, the district paid excessive travel advances for meals and incidental expenses to district employees. Travel costs totaled \$6,169 for the year ended December 31, 2016. As discussed in MAR finding number 8.2, the district does not have a travel policy to address per diem rates for meal and incidental expenses.

The district paid the conference registration fees of \$615, lodging totaling \$738, and a travel advance of \$444 for meals and incidentals for the former Fire Chief to attend the Fire-Rescue International's annual conference held in Dallas, Texas, from August 13, 2014, through August 16, 2014. The Fire Chief stated the former Fire Chief did not arrive at the conference until the first day's session had ended and did not attend any of the remaining sessions of the conference, and the district has no record of his attendance. While the district received a refund of \$50 from the former Fire Chief because he returned from the conference one day early, the district wasted \$1,747 due to the former Fire Chief incurring unnecessary travel costs.

The Fire Chief indicated the district prepays for meals and incidental expenses at the federal Continental United States (CONUS) per diem rate when employees travel. However, our review noted rates for the first and last day of travel were not reduced in accordance with the CONUS schedule, the daily amount advanced was more than CONUS rates authorized, and the number of days advanced appeared wasteful or unnecessary. For example:

- The Fire Chief, in his previous role as the Deputy Fire Chief, was advanced \$623 including \$483 for meals and incidentals and \$140 for parking for the Fire Department Instructor's conference in Indianapolis, Indiana, in April 2016, although the federal CONUS rate allowable was \$352 for this 7 day trip. According to the Fire Chief, he provided documentation to the former Fire Chief to support the monies advanced for parking fees, however district personnel could not locate it.



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Date	Amount Advanced	CONUS Rate*	Amount Overpaid
April 17, 2016	\$ 69	41	28
April 18, 2016	69	54	15
April 19, 2016	69	54	15
April 20, 2016	69	54	15
April 21, 2016	69	54	15
April 22, 2016	69	54	15
April 23, 2016	69	41	28
Total	\$ 483	352	131

* CONUS rates were obtained from the United States General Service Administration website.

- The former Fire Chief was advanced \$358 for meals and incidentals for a Missouri Fire Chief's training conference held in Ridgedale, Missouri, from February 25, 2016, through February 27, 2016. While the former Fire Chief was advanced per diem through February 28, 2016, the conference ended at 3:30 P.M. on February 27, 2016, and therefore per diem for the additional day was not considered necessary.

Date	Amount Advanced	CONUS Rate*	Amount Overpaid
February 24, 2016	\$ 62	41	21
February 25, 2016	74	54	20
February 26, 2016	74	54	20
February 27, 2016	74	41	33
February 28, 2016	74	0	74
Total	\$ 358	190	168

* CONUS rates were obtained from the United States General Service Administration website.

To ensure travel and training expenditures are necessary and legitimate, the district should reimburse documented travel expenses rather than providing travel advances to district employees. In addition, the district should implement a procedure to require submission of training certificates to provide proof of attendance and support training expenditures incurred by the district. Taxpayers have placed a fiduciary trust in the Board to spend public funds only on items necessary and beneficial to the district.

6.2 Credit cards

The district did not maintain adequate documentation to support some disbursements made using district credit cards and district review procedures for credit card purchases need improvement. The district spent \$14,822 using credit cards between December 2015 and May 2017.

According to the district's guidelines for credit card purchases, receipts for each credit card purchase are required to be turned in to the Administrative



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Assistant and attached to the credit card bill. Both the Fire Chief and Deputy Fire Chief were issued a district credit card.

Our review of 161 credit card transactions made between December 2015 and May 2017 identified 34 transactions totaling \$2,793 where adequate documentation to support the transaction was not retained. For these transactions, either the receipt slip retained was illegible, or information documenting how the purchase related to the operation of the district was not included. These transactions included food and drink purchases at local restaurants, food and gift cards for a Christmas event, and purchases at a local surplus store.

In addition, we noted 32 transactions totaling \$880 that did not have any receipt submitted to support the purchase. These transactions included purchases at convenience stores, restaurants, auto supply stores, the post office, and hotels. As a result, monthly statements cannot be reconciled to actual purchases and the appropriateness of purchases cannot be evaluated.

Neither the Board nor someone independent of the disbursement process reviews and documents their approval of individual transactions charged to the district credit card or ensures supporting documentation for all credit card transactions is reconciled to the credit card statement.

All credit card disbursements should include proper supporting documentation that is reconciled to billing statements, and be approved by the Board to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.

6.3 Local meals

The Board has not established a policy for providing employee meals while not on travel status. Our review of all credit card transactions between December 2015 and May 2017 discussed in section 6.2 also noted the former Fire Chief and the Deputy Fire Chief spent approximately \$760 for food and drink purchases at local restaurants. Most of these transactions were not supported by information demonstrating how the purchase related to the operation of the district or detailing the persons in attendance. It could not be determined why the purchases were necessary.

To ensure expenditures are necessary and appropriate, the Board should develop a comprehensive policy regarding food purchases and evaluate the need for paying local meal expenses. Food expenses should be reasonable and necessary for conducting district business. Guidelines should establish the situations in which local food purchases are allowed, limits on the purchases, and required documentation. At a minimum, documentation should include a business purpose and a list of persons in attendance.



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Recommendations

The Board of Directors:

- 6.1 Reimburse documented travel expenses rather than providing travel advances, require employees to submit documentation of training attendance, and obtain reimbursement for all costs associated with the training not attended or completed.
- 6.2 Establish controls and procedures for the review and approval of all credit card purchases and ensure all purchases are supported by appropriate documentation and are reconciled to billing statements.
- 6.3 Develop a comprehensive policy regarding food purchases and ensure purchases made with district credit cards are reasonable and prudent uses of public funds.

Auditee's Response

- 6.1 *The Board is actively discussing the changes recommended, including a move to reimbursement, rather than advancement, of travel expenses. The Board will require documentation of training attendance be submitted and the district be reimbursed for costs incurred if the training is not attended. These recommendations will be considered and incorporated into the SOGs rewrite that is in progress.*
- 6.2 *These recommendations will be considered and incorporated into the SOGs rewrite.*
- 6.3 *These recommendations will be considered and incorporated into the SOGs rewrite.*

7. Sunshine Law

The Board's procedures for complying with the Sunshine Law, maintaining minutes of meetings, and retaining copies of certain email messages need improvement. The Board met in closed session 35 times between February 16, 2016, and April 24, 2018.

7.1 Closed meetings and minutes

The Board did not comply with state law regarding meeting minutes and closed sessions.

- The Board did not prepare meeting minutes for 20 of 35 closed sessions held. Minutes of closed sessions were generally only prepared and retained if the Board took a vote in the session.
- The Board did not document in open meeting minutes the specific reasons or section of law allowing the meetings to be closed for 15 of 35 closed sessions held.



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Section 610.022, RSMo, requires governmental bodies to prepare and maintain minutes of closed meetings and requires public bodies announce the specific reasons allowed by law for going into a closed meeting and to enter the vote and reason into the minutes.

7.2 Board decisions

The district did not retain adequate documentation to support certain Board decisions and meeting minutes do not typically include Board discussions held to support decisions made. For example, on August 16, 2012, the Board approved a resolution to place a \$3 million general obligation bond issue on the November 2012 ballot to construct a new fire station, purchase a new pumper, and pay bond issuance costs. However, the meeting minutes leading up to this decision do not document any discussions the Board had regarding plans to construct a new fire station. As noted in MAR finding number 2, the district could not provide any planning documents, such as a cost analysis or estimated construction costs, to support the Board's decision to move forward with this project.

Failure to maintain adequate documentation to support Board decisions can lead to subsequent uncertainty about the Board's intentions and possible incorrect interpretation of Board actions taken by the general public or other outside entities. Because minutes are the official record of actions taken by the Board, care should be taken to ensure they are accurate and provide sufficient information to identify issues discussed and decisions made, and ensure outside users understand what occurred.

7.3 Public access policy and requests for records

The district has not adopted a written policy regarding public access to district records as required by state law. A written policy regarding public access to district records would establish guidelines for the district to make records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees that may be assessed for providing copies of public records. In addition, while we did not identify specific concerns with Sunshine Law requests, the district does not maintain a log or other record of public records requests to ensure all requests are handled in compliance with the Sunshine Law.

Section 321.200.1, RSMo, requires all board meeting minutes and other records be available for public inspection at the district firehouse. Section 610.023, RSMo, lists requirements for making records available to the public, including designating a custodian of records to receive these requests. Section 610.026, RSMo, allows the district to charge fees for providing access to and/or copies of public records and provides requirements related to the fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law. To ensure compliance with state law, the district should document sufficient information in a log to determine if requests are adequately and timely completed. Necessary information includes, but is not limited to, the date of request, a brief description of the



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request, the date the request is completed or reason why the request cannot be completed, and any associated costs.

7.4 Email

The district does not send the Fire Chief (the custodian of records) copies of email messages that are considered to be a public record under state law. Section 610.025, RSMo, states that the custodian of records must be provided email messages sent between a majority of the public body's members. As a result, these communications are not available for public inspection and copying as required by the Sunshine Law.

Recommendations

The Board of Directors:

- 7.1 Prepare minutes for all closed meetings and ensure the specific reasons for closing a meeting are documented in open meeting minutes.
- 7.2 Ensure meeting minutes include sufficient information necessary to provide a complete and accurate record of significant matters discussed and actions taken.
- 7.3 Develop written policies regarding procedures to obtain access to, or copies of, public records and establish a request log.
- 7.4 Ensure email messages sent between a majority of the Board's members are sent to the Fire Chief and made available for public inspection and copying in accordance with state law.

Auditee's Response

- 7.1 *The Board recognized and addressed this deficiency prior to the audit findings, having hired a professional stenographer to attend and take minutes of regular meetings. Moving forward, the Board will ensure specific reasons for closing a meeting are documented in the open meeting minutes.*
- 7.2 *The Board agrees that the deficiencies uncovered by the audit revealed that prior Board decisions were not adequately reflected in the meeting minutes. This Board, no member of which served prior to April 2016, has included complete agendas for meetings and taken appropriate steps to ensure that minutes capture and appropriately describe the actions of the Board.*
- 7.3 *The Board agrees that a new public records policy is needed, and will be developed as part of the SOGs rewrite that is in progress.*
- 7.4 *The Board has taken steps to ensure emails related to district business are properly archived and that the custodian of records is*



Smithville Area Fire Protection District
Management Advisory Report - State Auditor's Findings

included on district correspondence. These policies will be examined and promulgated as part of the SOGs rewrite.

8. District Policies and Procedures

District policies and procedures need improvement.

8.1 Bylaws

The Board has not established written bylaws or other formal policies and procedures for the administration of the district. Instead, the Board President indicated the Board follows "Rules for Missouri Fire Protection Districts" provided by the University of Missouri Extension office.

Section 321.220(12), RSMo, provides that fire protection districts have the authority to adopt and amend bylaws necessary for ". . . carrying on of the business, objects and affairs of the board and of the district . . ." In addition, good business practice dictates the district adopt bylaws to govern board elections, meetings, and rules for transacting district operations and financial matters and to ensure compliance with the bylaws. Bylaws can be used as a management tool for establishing district policies and procedures.

8.2 Standard operating guidelines

The district's SOGs, which serve as a guide for operations within the district and are designed to assist employees in performing their job duties, do not include guidelines to address certain important issues, including the following.

- SOGs do not address employee performance evaluations. The district does not perform annual performance evaluations for any district employees, except the Fire Chief. Performance evaluations are necessary to adequately assess employee performance and provide documented feedback to employees. Performance evaluations also assist in personnel decisions and provide support for those decisions.
- The district does not have a travel policy to address meal and incidental expense per diems, mileage reimbursements, acceptable lodging rates, and submission of related supporting documentation. A travel policy should be adopted to ensure the district only pays for actual and reasonable travel expenses. The policy should outline items such as daily meal allowances and incidentals or per diem rates, mileage reimbursements, and acceptable lodging rates. In addition, the policy should outline the documentation required to be submitted for expenses.
- The district does not have a policy on the use of internet and email, or personal use of district provided portable electronic devices including laptops, tablets, and cell phones to ensure compliance with Internal Revenue Service (IRS) regulations for limited personal use of a district-provided device.



Smithville Area Fire Protection District Management Advisory Report - State Auditor's Findings

Complete and up-to-date written policies and procedures are necessary to provide a basic understanding between all parties regarding rights and responsibilities, provide guidance should questions or disputes arise, and help ensure policies are fairly and consistently applied to all district employees.

8.3 Budgets

The Board did not prepare annual budgets for all district funds as required by state law. In addition, budget documents did not include all statutorily required information.

The district has three funds (General, Capital Improvement, and Debt Service). Our review of district budgets from 2011 to 2017 noted that the district had not prepared budgets for the Capital Improvement or Debt Service Funds for any of those years.

The budgets prepared for the General Fund did not include a budget summary or debt service information. In addition, the budgets only included a comparative statement of estimated receipts and disbursements for the prior year when state law requires a comparative statement of actual or estimated receipts and disbursements for the 2 preceding years.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the format. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of district operations. It also assists in setting tax levies and informing the public about district operations and current finances. In addition, Section 67.080, RSMo, provides that no expenditures of public monies should be made unless it is authorized in the budget.

Recommendations

The Board of Directors:

- 8.1 Adopt written bylaws.
- 8.2 Maintain complete, comprehensive, and up-to-date SOGs to help employees carry out district operations.
- 8.3 Prepare annual budgets for all funds that include all information required by state law.

Auditee's Response

- 8.1 *The district is evaluating the necessity of adopting bylaws through discussions with legal counsel and state organizations. While bylaws can provide guidance on governance issues for organizations, state law dictates the district's procedure on electing board members, district officers, and defining the powers of the Board.*



Smithville Area Fire Protection District
Management Advisory Report - State Auditor's Findings

- 8.2 *The process to follow these recommendations has been initiated by hiring a consultant to assist the district in a comprehensive revision of the district's SOGs. Apart from the audit findings, the Board has discovered the gaps in the SOGs regarding district operations—in too many areas there simply is no guidance on district policy. Working with this consultant, the district will enact and revise its SOGs so that they reflect the practices of the district, and provide guidance to the Board, the Fire Chief, and district staff.*
- 8.3 *Beginning with fiscal year 2019, the Board will review and pass a budget related to expenditures and revenues for all district funds and ensure all information required by state law is included.*

9. District Property and Vehicle Usage

Controls and procedures over district property and vehicle usage need improvement. District-owned capital assets, net of depreciation, including land, buildings, equipment, and other property were valued at \$4,280,411 at December 31, 2016.

9.1 Maintenance and repairs

District procedures for the maintenance and repair of vehicles and equipment are not adequate. An inspection of all district vehicles and equipment is performed on a daily basis and any maintenance and repair issues noted are documented on the Daily Truck Check Maintenance Appendix. Items are removed from the appendix when repaired or replaced. In addition, district personnel indicated items were also removed from the appendix at the request of the former Fire Chief if he determined the issue would not be repaired or replaced. However, the appendix does not document when and how identified issues were resolved.

Comprehensive maintenance records should be kept and periodically reviewed to ensure that preventive maintenance procedures are performed. Maintenance and repair records would also help the district in making budgetary decisions and in deciding when to dispose of a particular vehicle or item of equipment.

9.2 Vehicle usage

The district's employment contract with the former Fire Chief stated the district must provide the former Fire Chief with a vehicle and fuel to be used for district business and personal use. The contract did not include language that limited or further explained allowable/unallowable personal use and any associated record-keeping or reporting requirements. The former Fire Chief was not required to maintain a vehicle usage log or any other record of business and personal use of the district vehicle. In addition, the district did not report the value of the former Fire Chief's personal use of a district vehicle on W-2 forms as required by the IRS. Prior to October 2016, this vehicle was not marked as a public safety vehicle.



Smithville Area Fire Protection District Management Advisory Report - State Auditor's Findings

In addition, the district's employment contract with the current Fire Chief also states the district must provide the Fire Chief with a vehicle and that it is provided for instances where the Fire Chief would be willing and able to respond directly to the incident as needed. The contract does not prohibit personal use of the vehicle. The current Fire Chief is not required to maintain a vehicle usage log or any other record of business and personal use of the vehicle. As a result, his personal use should be considered a taxable benefit and should be included on W-2 forms as required by the IRS. Prior to October 2016, this district vehicle was not appropriately marked.

As a general rule, district vehicles should be used for a public purpose, for the benefit of the district's citizens, and not for personal gain. If the district intends to allow the Fire Chief to use a district vehicle for anything other than official district purposes, the Board should follow IRS reporting guidelines.

IRS reporting guidelines indicate that use of a qualified nonpersonal use vehicle (including commuting) is required to be included in gross income as a working condition fringe benefit unless specific requirements for the type of vehicle are met (i.e., vehicle is clearly marked as a public safety vehicle, employee is always on call, personal use outside of the firefighter's jurisdiction is prohibited, and the employee is required to use the vehicle for commuting). Since the district vehicles were not appropriately marked prior to October 2016, and the district did not meet the other requirements, the personal use of the vehicle is required to be reported as a taxable fringe benefit. District officials should submit amended W-2 forms for the unreported compensation. The district may also be subject to penalties and/or fines for failure to report all taxable benefits.

9.3 Capital assets

The district has not developed procedures to identify capital asset purchases and dispositions throughout the year and records to account for district property are not adequate. Capital asset records are maintained by the district's accountant for depreciation purposes and includes the approximate values for financial statement valuation and for property and liability insurance purposes; however, these records lack some necessary information such as purchase date, vendor, model or serial number, and disposition information such as the date and method of disposal. In addition, assets are not tagged or otherwise identified as district property and an annual physical inventory is not performed.

Adequate capital asset records and procedures are necessary to provide controls over district property. Capital asset records should be maintained on a perpetual basis, accounting for property acquisitions and dispositions as they occur. Records should include a detailed description of the assets such as acquisition costs, descriptions, make and model number, and asset identification numbers; the physical location of the assets; and the date and method of disposition of assets. In addition, property controls tags should be



Smithville Area Fire Protection District
Management Advisory Report - State Auditor's Findings

affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the district. The district should conduct annual physical inventories and compare the results to the detailed property records.

Recommendations

The Board of Directors:

- 9.1 Establish adequate procedures to ensure vehicles and equipment receive preventative maintenance and repairs timely. At a minimum, require maintenance logs be kept for each district vehicle and equipment and that these logs be reviewed periodically.
- 9.2 Refer to IRS guidelines regarding use of employer-provided vehicles and adopt appropriate policies and requirements. In addition, the Board should also ensure all compensation is properly reported on W-2 forms, and amend W-2 forms for unreported compensation, as appropriate.
- 9.3 Ensure complete and detailed capital asset records are maintained on a perpetual basis, assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.

Auditee's Response

- 9.1 *The Fire Chief, with the Board's approval, has deployed software for maintenance logging and review. Moreover, beginning in 2017, the Fire Chief (acting as interim Fire Chief at the time) increased attention to preventative maintenance and repairs.*
- 9.2 *The Board intends to discuss compliance with IRS guidelines with legal counsel and its accountant and amend W-2 forms as appropriate. In addition, the Board will take all appropriate action to make the district's vehicle usage policy consistent with federal law.*
- 9.3 *The Fire Chief, acting under direction of the Board, will undertake an inventory of capital assets after the drafting and approval of a SOG regarding the minimum value of assets to be tracked. This SOG will be developed as part of the SOGs rewrite that is in progress and will address maintaining capital asset records on a perpetual basis.*

10. Employment Contracts

The district entered into multi-year employment contracts without terms allowing the district to terminate the employee for reasons other than for cause.

The district entered into an employment contract with terms allowing the district to terminate the former Fire Chief for cause, but the contract did not address termination for other reasons. In addition, the contract automatically



Smithville Area Fire Protection District
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renewed each year so that following each extension, the agreement term remained 5 years. The district placed the former Fire Chief on administrative leave on August 21, 2017, until a separation of employment agreement could be negotiated. According to the agreement dated January 23, 2018, the former Fire Chief remained employed with the district until February 28, 2018. During this 6-month period, the district had no alternative other than to pay the former Fire Chief's salary and benefits totaling \$92,814.

The current Fire Chief's contract also does not address termination without cause and renews automatically each year so that following each extension, the agreement term remains 3 years.

The district should ensure employment contracts are in the best interest of the district and provide adequate protections to both the employer and employee.

Recommendation

The Board of Directors ensure employment contracts properly safeguard district interests.

Auditee's Response

The Board agrees that the sort of "auto-renewal" provision found in the former Fire Chief's contract operated to the detriment of the district. The same provision was found in the deputy chief's contract and, upon his elevation to the fire chief position, it remained in the contract, although it was shortened to 3 years. At the time of the current chief's appointment, it was necessary to provide stability and certainty to the district. The district is reviewing current contracts, and is evaluating options for amendment of the contract to adequately safeguard the district's interest and simultaneously provide for continuity of district management.

11. Electronic Data Security

The district does not have security controls in place to lock computers after a specified number of incorrect logon attempts. In addition, the district does not periodically test for recovery of data from backup files.

Log on attempt controls lock the capability to access a district computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. In addition, periodic testing to ensure the backup process is adequate would provide reasonable assurance data could be recovered or restored if necessary. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendation

The Board of Directors require each computer to have security controls in place to lock it after a specified number of incorrect logon attempts. In addition, ensure recovery of data from backup files is tested on a regular basis.



Smithville Area Fire Protection District
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Fire Chief has worked with the district's information technology (IT) provider to place adequate "lock out" protections on the district's computers for failed logon attempts. The IT provider also backs up district data every 24 hours, and keeps all data and records indefinitely on a separate server. As part of the SOGs rewrite that is in progress, new computer use policies will be implemented to address remaining concerns.

Smithville Area Fire Protection District

Organization and Statistical Information

The Smithville Area Fire Protection District was incorporated in 1989 and is organized pursuant to Chapter 321, RSMo. The district covers the City of Smithville and the surrounding area (112 square miles) and has 2 operating fire stations. The district employed 12 full-time employees (excluding the Fire Chief and Assistant Fire Chief) and 2 volunteer fire fighters at December 31, 2016.

The elected Board acts as the policy-making body for district operations. Pursuant to Section 321.120.5, RSMo, the Board of Directors was increased from 3 to 5 members in April 2018, based on approval by voters in August 2017. Board members serve 6-year terms without compensation. Current and former Board members and other key personnel serving the district are as follows:

Board of Directors, Current

Name	Date of Election	Term Expires
Debbie Childress, President	April 5, 2016	April 2022
Brian Laybourne	April 3, 2018	April 2024
Charlie Waters	April 3, 2018	April 2024
Bob Painter	April 3, 2018	April 2022
Duane Garmeson	April 3, 2018	April 2020

Board of Directors, Former

Name	Dates of Service
Greg Atkins (1)	April 2012 - January 23, 2018
Michael (Mick) Summers (2)	April 2014 - December 20, 2016
Berry Parks	April 2010 - April 19, 2016

- (1) Resigned from the Board effective January 23, 2018. This seat remained vacant until April 24, 2018, when newly elected members took office.
- (2) Resigned from the Board effective December 20, 2016. Bob Painter was appointed in March 2017 by remaining Board members to fill the unexpired term. He was subsequently elected to the Board on April 3, 2018.

Fire Chief and Assistant Fire Chief

Name	Date of Appointment
Current:	
Dave Cline, Fire Chief	March 1, 2018
Vacant, Deputy Fire Chief	N/A

Name	Dates of Service
Former:	
John Callahan, Fire Chief (1)	February 4, 2008 - February 28, 2018
Dave Cline, Deputy Fire Chief (2)	January 27, 2003 - February 28, 2018

- (1) Placed on administrative leave August 21, 2017. According to the negotiated separation of employment agreement dated January 23, 2018, he was employed by the district until February 28, 2018.
- (2) Appointed Acting Fire Chief on March 28, 2017, and appointed Fire Chief effective March 1, 2018.



Smithville Area Fire Protection District
Organization and Statistical Information

Financial Activity and
Subpoenas

Appendix A is a summary of the district's financial activity for the year ended December 31, 2016 (obtained from the district's audited financial statements).

Appendixes B and C are copies of subpoenas served to the district and the former Fire Chief in October 2017 to obtain testimony and records requested by the State Auditor's Office.

SMITHVILLE AREA FIRE PROTECTION DISTRICT, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
For The Year Ended December 31, 2016

	General Fund	Capital Projects	Debt Service	Total
REVENUE				
Taxes				
County Property Tax	\$ 782,763	\$ -	\$ 515,756	\$ 1,298,519
Sales Tax	536,231	-	-	536,231
Interest on Accounts	1,539	2,162	340	4,041
Miscellaneous Income	8,396	-	-	8,396
Grants	14,782	-	-	14,782
Total Revenue	1,343,711	2,162	516,096	1,861,969
EXPENDITURES				
Personnel Services	641,281	-	-	641,281
Insurance - Benefits	84,026	-	-	84,026
Employee Benefits - Retirement	73,591	-	-	73,591
Other Employee Benefits	15,301	-	-	15,301
Insurance - Property and Liability	93,675	-	-	93,675
Uniforms	10,917	-	-	10,917
Health and Safety	1,502	-	-	1,502
Office	2,445	-	-	2,445
Prevention and Investigation	801	-	-	801
Petroleum Products	13,082	-	-	13,082
Professional Services	26,912	47,900	-	74,812
Communications	74,322	-	-	74,322
Personnel Development	13,917	-	-	13,917
Public Utilities	18,906	-	-	18,906
Miscellaneous	4,981	-	-	4,981
Maintenance - Machinery and Equipment	51,052	-	-	51,052
Maintenance - Building and Grounds	18,046	-	-	18,046
Equipment	14,815	-	-	14,815
Construction - Station 3	-	1,820,961	-	1,820,961
Total Expenditures	1,159,572	1,868,861	-	3,028,433
Excess (Deficiency) of Cash Receipts over Cash Expenditures	184,139	(1,866,699)	516,096	(1,166,464)
DEBT SERVICE PAYMENTS				
Interest and Fees	-	-	134,374	134,374
Principal	-	-	400,000	400,000
Total Debt Service Disbursements	-	-	534,374	534,374
TRANSFERS	-	1,982	(1,982)	-
Net Change in Fund Balance	184,139	(1,864,717)	(20,260)	(1,700,838)
Fund Balance, Beginning of Year	1,055,093	2,603,731	218,159	3,876,983
Fund Balance, End of Year	\$ 1,239,232	\$ 739,014	\$ 197,899	\$ 2,176,145



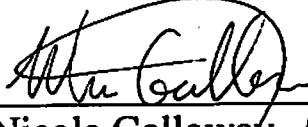
OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: Custodian of Records and Corporate Designee
Smithville Fire Protection District
341 Park Drive
Smithville, MO 64089

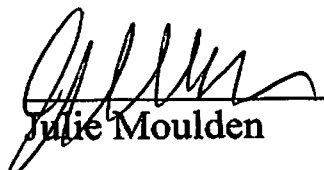
YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at 1410 Genessee St, Room 151, Kansas City, MO 64102, at 1:00 p.m. on October 30, 2017, for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 11th day of October, 2017, pursuant to Section 29.235.4(1), RSMo.



Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by Dave Cline on this 11 day of October 2017.



Julie Moulden

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control as previously requested by the State Auditor's Office (see Exhibit B):*

- 1. All documentation supporting the calculations used to determine employee bonuses given in 2011.**
- 2. All pre-planning documentation for station #3, including documentation of the following:**
 - a. Cost analysis (calculation) showing how the tax levy increase, which was requested but failed, was determined.**
 - b. Supporting documentation for original estimated cost of station #3 (\$3 million bond levy).**
- 3. Documents showing the evaluation of the bids or requests related to the proposals for architectural and engineering services for station #3**

You must also bring sufficient witnesses to testify on the record regarding the following:

- 1. The existence of the above referenced documents and the search conducted to find the records.**

*** This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.**



NICOLE GALLOWAY, CPA
Missouri State Auditor

October 3, 2017

Debbie Childress, Board President
 Dave Cline, Deputy Fire Chief
 Smithville Area Fire Protection District
 341 Park Drive
 Smithville, MO 64089

John H. Callahan, Fire Chief
 108 Platte River Road
 Farley, MO 64028

Re: Missouri State Auditor's Office Request for Records

Dear Ms. Childress, Mr. Cline, and Mr. Callahan:

As you know, this office is currently auditing the Smithville Fire Protection District. The auditors from this office have requested but not received the following from the district:

1. Calculations used to determine employee bonuses given in 2011, 2012, 2013, 2014, and 2015.
2. Pre-planning documentation for station #3, including the following:
 - a. Cost analysis (calculation) showing how the tax levy increase, which was requested but failed, was determined.
 - b. Supporting documentation for original estimated cost of station #3 (\$3 million bond levy).
3. Proof of publication and bids or requests for qualifications and proposals for the following:
 - a. Architect for station #3
 - b. Engineering services for station #3

This information was specifically requested on July 20, July 26, and August 3. Audit Manager Heather Stiles again requested this information via email on September 26. As to #3 above, while information was provided related to the proof of publication, the remaining information was incomplete. No other information requested was provided.

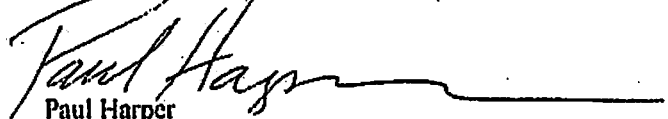
Section 29.235.1, RSMo, requires this office to conduct its audits in accordance with standards established by the Comptroller General of the United States (commonly known as the "Yellow Book"). The Yellow Book requires that auditors obtain sufficient and appropriate evidence to support all of its findings. Furthermore, under Section 29.235, RSMo, the auditor is authorized to examine all books, accounts, records, reports, and vouchers of any entity subject to audit. Section 29.235, RSMo, further authorizes the State Auditor's office to issue subpoenas as needed to conduct an audit under Chapter 29.

The auditors have requested these documents so that they can complete the audit of the district. Any further delay will increase both the time it takes to complete this audit and the cost of performing the

audit. Please send this documentation by 5 p.m. on October 6, 2017, or we will initiate further action to ensure that we can complete the audit.

If you have any questions, you may contact me by email at Paul.Harper@auditor.mo.gov or by telephone at (573) 751-4213.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Harper", followed by a long horizontal line extending to the right.

Paul Harper
General Counsel



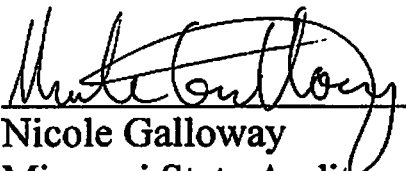
OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: John H. Callahan, Fire Chief
108 Platte River Road
Farley, MO 64028

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at 1410 Genessee St, Room 151, Kansas City, MO 64102, at 10:00 a.m. on October 30, 2017, for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 11th day of October, 2017, pursuant to Section 29.235.4(1), RSMo.


Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by John H. Callahan on this 12 day of October 2017.

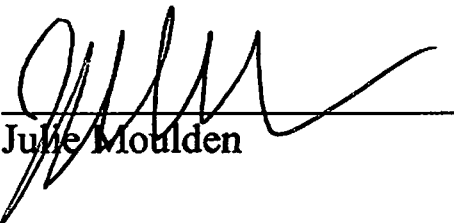

Julie Moulden

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 - a. Cost analysis (calculation) showing how the tax levy increase, which was requested but failed, was determined.**
 - b. Supporting documentation for original estimated cost of station #3 (\$3 million bond levy).**
- 3. Documents showing the evaluation of the bids or requests related to the proposals for architectural and engineering services for station #3.**
- 4. Any electronic devices owned by the district but in your possession, including but not limited to any desktop computers, laptop computers, or other portable electronic storage devices, including but not limited to jump drives and other portable storage devices.**

You must also bring sufficient witnesses to testify on the record regarding the following:

- 1. The existence of the above referenced documents and the search conducted to find the records.**
- 2. Calculations used to determine employee bonuses given in 2011, 2012, 2013, 2014, and 2015.**
- 3. Any passwords or other access to any electronic devices owned by the district.**

*** This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.**



NICOLE GALLOWAY, CPA
Missouri State Auditor

October 3, 2017

Debbie Childress, Board President
Dave Cline, Deputy Fire Chief
Smithville Area Fire Protection District
341 Park Drive
Smithville, MO 64089

John H. Callahan, Fire Chief
108 Platte River Road
Farley, MO 64028

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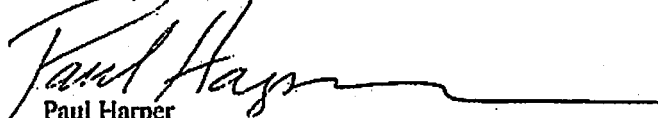
Section 29.235.1, RSMo, requires this office to conduct its audits in accordance with standards established by the Comptroller General of the United States (commonly known as the "Yellow Book"). The Yellow Book requires that auditors obtain sufficient and appropriate evidence to support all of its findings. Furthermore, under Section 29.235, RSMo, the auditor is authorized to examine all books, accounts, records, reports, and vouchers of any entity subject to audit. Section 29.235, RSMo, further authorizes the State Auditor's office to issue subpoenas as needed to conduct an audit under Chapter 29.

The auditors have requested these documents so that they can complete the audit of the district. Any further delay will increase both the time it takes to complete this audit and the cost of performing the

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Sincerely,

A handwritten signature in black ink, appearing to read "Paul Harper", followed by a long horizontal line extending to the right.

Paul Harper
General Counsel



Office of Missouri State Auditor
Nicole Galloway, CPA

**Crime Victims' Compensation System
Data Analytics**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Crime Victims' Compensation System Data Analytics

Data Validation	Some Crime Victims' Compensation (CVC) system edit checks are not working correctly or effectively. Establishing additional edit checks would further help to ensure the accuracy of CVC records.
Automation Opportunity	The Department of Public Safety (DPS) could improve the efficiency and effectiveness of processes used to ensure Missouri courts submit CVC Program fees collected to the state.
Payment Reductions	The DPS has not formally documented procedures for reducing payments to victims due to noncompliance with program rules and state law.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Crime Victims' Compensation System Data Analytics

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Sandra K. Karsten, Director
Department of Public Safety
Jefferson City, Missouri

We have audited certain operations of the Department of Public Safety, Crime Victims' Compensation (CVC) system. This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

1. Evaluate the use and effectiveness of data management, monitoring, and analytic techniques for ensuring restitution obligations are satisfied and for preventing or detecting potential CVC Program abuse or misuse.
2. Evaluate whether the CVC system maintains and reports accurate restitution data.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) the need for improvement of data management, monitoring, and analytic techniques utilized by the department to prevent and detect potential CVC Program abuse or misuse and (2) no evidence of inaccurate restitution data maintained or reported by the CVC system. The accompanying Management Advisory Report presents our findings arising from our audit of Crime Victim's Compensation System Data Analytics.

An additional report, No. 2018-064, *Crime Victims' Compensation System Data Security*, was issued in August 2018.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
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Crime Victims' Compensation System Data Analytics

Introduction

Background

The Missouri Crime Victims' Compensation (CVC) Program is designed to financially assist victims who have sustained bodily or psychological injury in paying for reasonable medical expenses, counseling expenses, funeral expenses, and lost wages or loss of support incurred as the result of being a victim of a crime. The CVC Program is a payor of last resort that pays for financial losses not covered by other sources, such as insurance, worker's compensation, or restitution from the offender.

The program was established in 1981 under the administration of the Department of Labor and Industrial Relations, Division of Worker's Compensation. By Executive Order 07-07, the program was transferred to the control of the Department of Public Safety (DPS), effective August 28, 2007. The CVC Program is in the DPS Office of the Director.

The current CVC computer system was custom-developed for the state by a third-party contractor and replaced legacy computer systems supporting the program. The department placed the current system into operation in April 2016. Ongoing technical support for the CVC system, including security guidance, the operating environment, and other services is provided by the Office of Administration - Information Technology Services Division (OA-ITSD). In addition to the CVC Program, the computer system also supports the operations of the Sexual Assault Forensic Examination (SAFE) Program and the Child Physical Abuse Forensic Examination (CPAFE) Program.

According to the Government Accountability Office (GAO), reducing improper payments, including those that are the result of fraud, is critical to safeguarding funds and helping to achieve potential cost savings. As a result, leading practices highlighted by the GAO¹ have increasingly focused on the need for program officials to take a strategic approach to managing improper payments and risks that include abuse and fraud. These leading practices can provide a guide for program managers to use when developing or enhancing efforts to combat fraud in a strategic, risk-based manner.

A critical strategic approach component involves implementing preventive and detective controls, including data analytics. Data analytics is a rapidly evolving field of information science that involves a variety of techniques to examine, analyze, and interpret large volumes of data, according to the GAO and other leading practitioners. Data analytics helps facilitate decision making by identifying patterns or trends, determining whether problems are widespread and systemic in nature, and evaluating program performance and outcomes.

¹ GAO, Report GAO-17-339SP, *Data Analytics to Address Fraud and Improper Payments*, March 2017, < <https://www.gao.gov/assets/690/683859.pdf> >.



Crime Victims' Compensation System Data Analytics Introduction

Recent trends in data development and advanced analysis are creating innovation possibilities that carry the promise of far-reaching economic and societal benefits, according to the GAO. Areas such as health care and public benefit systems may be improved or even transformed by innovations derived from new data analytics. Advanced analytics includes new tools for examining large amounts of data to uncover subtle or hidden patterns, correlations, and other insights, such as anomalies, trends, or potential abuse. The use of analytic results to improve actions or decisions is being transformed - improving decisions or actions and thereby extracting new economic and societal benefits, according to the GAO.

Program funding

The CVC system processes claims for program expenditures from the following funds:

- The Crime Victims' Compensation Federal Fund was established to account for federal monies maintained in the state treasury for the use of the CVC Program. These funds may be received in advance, when related expenditures are made, or after related expenditures are made. Appropriations from this fund authorize disbursements for crime victims' payments.
- The Crime Victims' Compensation Fund was established to award compensation to, or on behalf of, victims of crimes. Appropriations from this fund authorize payments directly to the provider of services for medical or funeral expenses, or expenses for other services as allowed as a payor of last resort for the victim. Other appropriations from this fund pay expenses of the SAFE Program, the statewide crime victim notification system, court automation, and the Office for Victims of Crime. These appropriations are not part of the CVC Program.
- The General Revenue Fund is used for expenditures of the CPAFE Program and other expenditures of the SAFE Program

Victims may file a claim for payment from the CVC Program for up to 2 years after the date of the crime. The CVC Program reimburses a maximum of \$25,000 per claim for crime-related expenses. Some benefit categories have lower limits, which are also included in the \$25,000 maximum payout,² as follows:

- \$400 per week for lost wages
- \$5,000 for funeral expenses
- \$2,500 for counseling expenses
- \$250 for personal property (such as clothing or bedding) seized by law enforcement as evidence of the crime
- Attorney's fees, up to 15 percent of the total award

² Sections 595.025 and 595.030, RSMo.



Crime Victims' Compensation System Data Analytics Introduction

The primary funding source for the CVC Program is a surcharge of \$7.50 assessed as costs on all criminal cases. For all courts, except municipal courts, the fee is collected and the entire amount is remitted to the Department of Revenue (DOR). The first \$250,000 collected each fiscal year is deposited to the State Forensic Laboratory Fund. Next, funds are allocated for payments associated with the administrative and operational costs of the Office for Victims of Crime and for the operation of the statewide automated crime victim notification system. Remaining funds are deposited equally to the Crime Victims' Compensation Fund and the Services to Victims Fund. Only the funds deposited to the Crime Victims' Compensation Fund are available to pay the expenses of the CVC Program. Receipts deposited to other funds are used for the purposes of the respective funds.

For surcharges assessed against municipal court cases, the municipality is allowed to retain 5 percent of the collections. The remaining 95 percent of collections is remitted to the DOR, where it is deposited equally between the Crime Victims' Compensation Fund and the Services to Victims Fund.³

In addition, except in cases of certain specified crimes, each case in which a plea of guilty or a finding of guilt is made, a judgement must be entered against the defendant in the amount of \$68 (for a class A or B felony), \$46 (for a class C or D felony), or \$10 (for a misdemeanor), to be deposited into the Crime Victims' Compensation Fund.

The Crime Victims' Compensation Fund is also allowed to retain interest earnings on the monies in the fund and to receive gifts and contributions for the benefit of victims.

³ Section 595.045, RSMo.

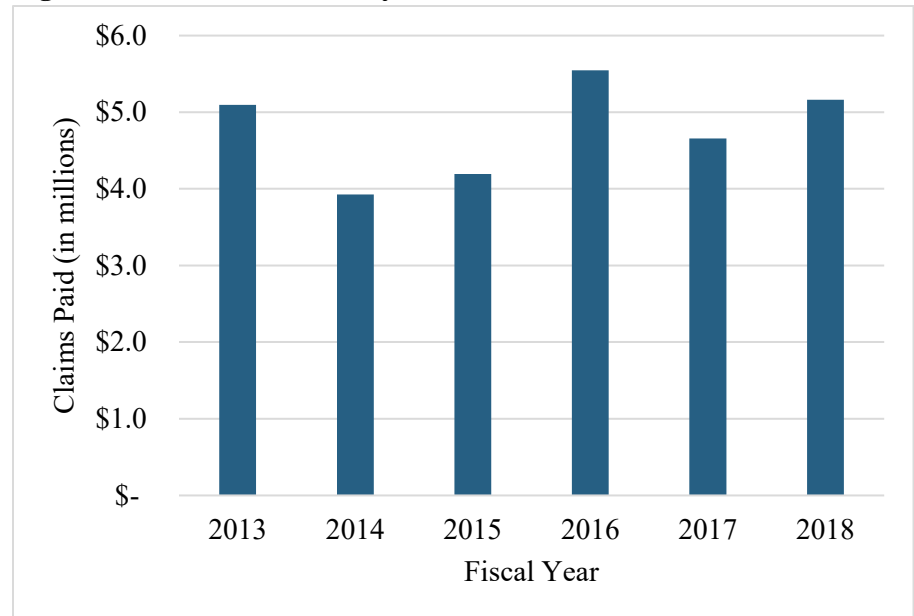


Crime Victims' Compensation System Data Analytics Introduction

Program payments

Total claims processed through the CVC computer system from the Crime Victims' Compensation Federal Fund and the Crime Victims' Compensation Fund related to the CVC Program during state fiscal years 2013 through 2018 are presented in Figure 1.

Figure 1: CVC Claims Paid by Fiscal Year



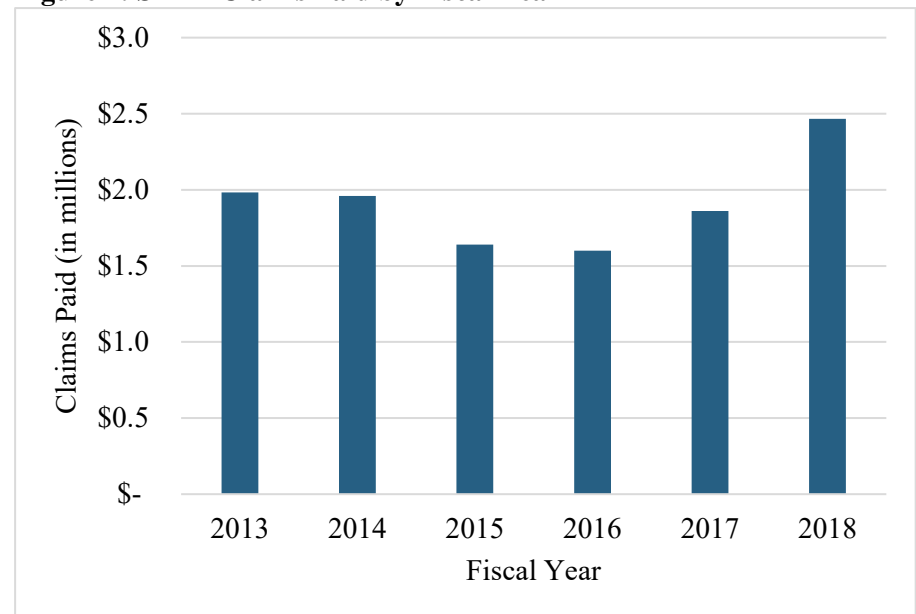
Source: Data from the state's accounting system (SAM II).



Crime Victims' Compensation System Data Analytics Introduction

Total claims processed through the CVC computer system from the Crime Victims' Compensation Federal Fund and the General Revenue Fund related to the SAFE Program during state fiscal years 2013 through 2018 are presented in Figure 2.

Figure 2: SAFE Claims Paid by Fiscal Year



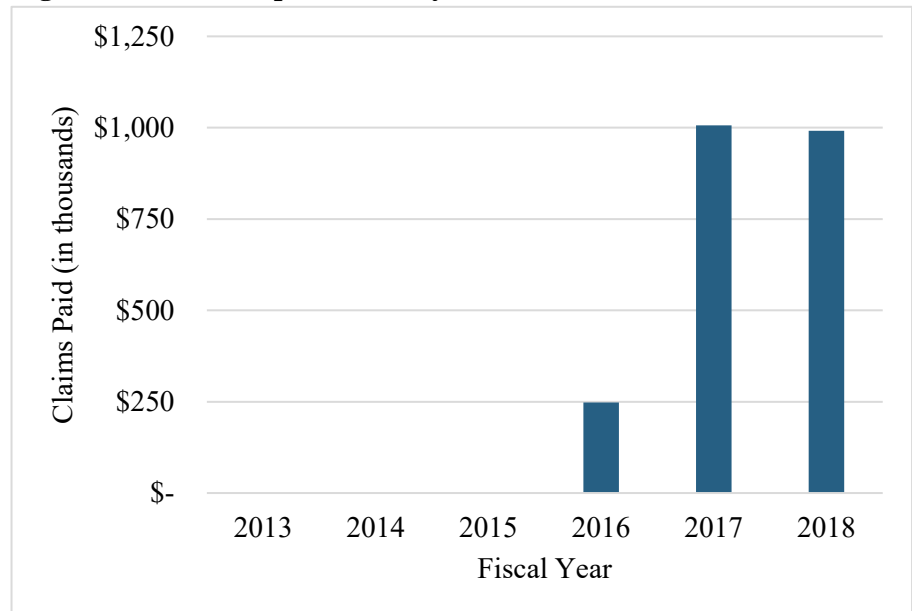
Source: Data from the state's accounting system (SAM II).



Crime Victims' Compensation System Data Analytics Introduction

Total claims processed through the CVC computer system from the General Revenue Fund related to the CPAFE Program during state fiscal years 2013 through 2018 are presented in Figure 3. The CPAFE Program was created in fiscal year 2015, with the first expenditures occurring in fiscal year 2016.

Figure 3: CPAFE Expenditures by Fiscal Year



Source: Data from the state's accounting system (SAM II).

Scope and Methodology

The scope of our audit included evaluating (1) DPS management's approach to data analytics for preventing and detecting potential CVC program abuse, (2) policies and procedures, and (3) other management functions and compliance requirements in place during the period April 2016 (when the system was implemented) to June 2018.

Our methodology included reviewing written policies and procedures, and interviewing various DPS personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.



Crime Victims' Compensation System Data Analytics Introduction

Under the supervision of DPS staff and utilizing a test environment, we entered data into the CVC system to test the functionality and accuracy of certain system data edits.⁴ We provided DPS officials with a listing of the edits we identified that did not properly work and had discussions with them about additional edits that might be added to improve functionality.

We obtained data files containing CVC transactions for the period January 2016 through May 2018 from the OA-ITSD (the division that maintains of the data). Included in this data were transaction records for claims filed before this period but still in the process of being paid. While the DPS owns this data, it is managed by the OA-ITSD on the department's behalf. To determine the reliability of the CVC data, we evaluated the materiality of the data to our audit objectives and assessed the data by various means, including (1) interviewing knowledgeable DPS officials, (2) reviewing existing information about the data and the system that produced them, (3) performing certain analytic techniques, and (4) reviewing internal controls. Based on this evaluation, we determined the data and information were sufficiently reliable for the purposes of this audit.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- National Institute of Standards and Technology (NIST)
- U. S. Government Accountability Office (GAO)
- ISACA (previously known as the Information Systems Audit and Control Association)

⁴ An edit, also known as a data validity check, is program code that tests the input for correct and reasonable conditions; such as account numbers falling within a range; numeric data being all digits; and dates having a valid day, month, and year; etc.

Crime Victims' Compensation System Data Analytics

Management Advisory Report

State Auditor's Findings

1. Data Validation

Some Crime Victims' Compensation (CVC) system edit checks are not working correctly or effectively. Establishing additional edit checks would further help to ensure the accuracy of CVC records.

Depending on the type of input data, the CVC system may verify field values to help ensure the system only accepts accurate data. This process, referred to as an edit check, alerts a user with a message when data entered is invalid or outside the expected range of values for a specific input field. These edits are either "hard" meaning a valid value must be submitted before processing can continue, or "soft" indicating a value outside the expected range has been entered, but can still be accepted by the system after the user verifies the information is accurate.

Program limits and hierarchy

The Department of Public Safety (DPS) does not have fully-effective automated controls in place to ensure program payments adhere to established limits and the payment hierarchy.

As described in the background section, certain types of claim expenses have limits to the amount of funds that can be awarded. For example, a claim for the loss of personal property is limited to \$250. During testing, we entered a claim for loss of personal property in the amount of \$500 that was accepted by the test system.⁵

In addition, we determined the program payment hierarchy was not working correctly. Program rules⁶ specify when multiple expenses are included in a single claim, there is a specific order claim expenses should be paid until the maximum payment amount is reached. We entered a claim with seven expenditures to various parties including an attorney, the victim, and third parties such as a hospital, counselor, and a funeral home, totaling \$146,000. According to the program hierarchy, the system should have paid \$3,500 to the attorney and \$21,500 to the victim. The third party claimants, such as the hospital, counselor, and funeral home, should not have received funds because the maximum payment of \$25,000 would have been reached. Instead, the system correctly paid the attorney \$3,500, incorrectly paid the victim \$14,000, and awarded the remaining \$7,500 to the funeral home and counselor (with no award to the hospital).

When reviewing an extract of actual claim data from the live system, we did not identify any instances where a claim exceeded the limits for any expenditure line or any instances where the payment hierarchy was violated.

⁵ Testing was performed in a test system, which mirrors the controls in the production (live) system. This method ensures testing does not affect real records and eliminates the possibility of improper payments being issued.

⁶ 8 Code of State Regulations (CSR) Section 50-6.010(11)



Crime Victims' Compensation System Data Analytics Management Advisory Report - State Auditor's Findings

We asked DPS staff how they ensured no improper claim payments were processed if system controls were not working properly. Staff said training to understand the limits and hierarchy, and manual reviews and approvals of transactions during processing allowed them to detect any anomalies. According to DPS management, the Office of Administration - Information Technology Services Division (OA-ITSD) has been requested to correct the hierarchy issue impacting how payments feed through the system when multiple claims are in pending status and to add the personal property limit to the system.

Relying on manual controls over automated controls significantly increases the risk that improper payments could be processed by the CVC system and not be detected timely.

System dates

During edit testing, we identified instances where illogical dates were accepted by the system. For example, the system would accept (1) the date a crime occurred as a future date, (2) dates of birth indicating a person would be well over 200 years old, and (3) a police report date prior to the date of the crime being reported.

In addition, in the section of the system for recording claims due to time lost from work, the beginning and ending date of the time lost from work as well as the number of days missed are entered. However, the system does not ensure the number of days missed does not exceed the difference between the beginning and ending dates. DPS staff were aware of this issue, and noted that program rules only state a limit of \$400 per week in lost wages, but the rules do not specify how any non-standard (such as part-time or flextime) wages should be calculated. In addition, the number of days of lost work is manually calculated outside the system because the system does not have the capability to accept multiple periods of time lost from work (such as an initial hospitalization and later follow-up appointments) on a single claim.

While date fields may not be critical for accurate processing of claims, allowing inaccurate data to populate the system decreases the usability of the data for potential future analysis.

Amounts

Several amount fields in the system improperly accepted negative amounts. Additionally, we noted a refund could be posted for an amount that exceeded the amount of the transaction being refunded.

Improper processing of claims because of inaccurate amount fields could lead to victims receiving improper payments due to miscalculations or a claim being improperly denied.

Monitoring of controls

The DPS does not have procedures in place to monitor and verify the effectiveness of existing edit checks and system controls.



Crime Victims' Compensation System Data Analytics Management Advisory Report - State Auditor's Findings

During the testing process, we identified system edits that were not functioning properly as previously discussed. DPS staff indicated they were not aware these controls were not functioning correctly. The staff indicated the DPS relies on manual reviews of transactions to identify potential improper payments.

Periodic reviews of controls are necessary for the DPS to ensure controls are not inadvertently modified and to decrease the risk of inaccurate data being entered and processed by the CVC system.

Conclusion

Inadequate data validation and missing edit checks could allow inaccurate data to be input and processed by the CVC system. Manual reviews for unexpected results can detect inaccuracies and inconsistencies; however, by preventing inaccurate data input, staff resources can be more efficiently used for other purposes.

Recommendation

The DPS, in conjunction with the OA-ITSD, work to ensure existing edit checks function properly to help prevent the entry and processing of inaccurate data and determine if any additional edit checks could be established to improve data integrity. In addition, the DPS should implement controls to periodically verify the continued effectiveness and integrity of the edits.

Auditee's Response

As cited in the audit report, the DPS is working with the OA-ITSD to improve the performance of the CVC system. As the State Auditor's Office (SAO) noted in its report, a review of an extract of actual claim data from the live system did not identify any excessive claims or violations of the payment hierarchy. This successful performance is a credit to the careful attention and diligence of CVC claims processors. The CVC system steering committee will address the recommendation for further controls.

2. Automation Opportunity

The DPS could improve the efficiency and effectiveness of processes used to ensure Missouri courts submit CVC Program fees collected to the state. Currently, the process is mostly a manually intensive review of reports of fees submitted.

History

As discussed in the background section, the CVC Program is funded primarily by fees assessed on court cases filed in Missouri courts. The courts are responsible for collecting these fees and forwarding the collections to the Department of Revenue (DOR).

In addition to remitting fees collected to the DOR, courts are responsible for reporting to the Office of State Courts Administrator (OSCA) monthly the amount of fees collected. For courts using the statewide Judicial Information System (JIS), the OSCA obtains this data directly from the system. Other courts must report this information to OSCA manually.



Crime Victims' Compensation System Data Analytics Management Advisory Report - State Auditor's Findings

A previous audit⁷ reported the program had not established procedures to ensure all courts remitted the fees that had been collected to the DOR as required. In their response, the Department of Labor and Industrial Relations officials (then the department overseeing the CVC Program) agreed to attempt to develop a process to ensure all applicable courts remit CVC collections to the DOR.

Current procedure

The DPS currently receives monthly reports from the DOR showing all entities that remitted CVC collections during the month. Quarterly, a DPS staff member manually compares these reports to a list of counties and municipalities known to have courts to identify any entities not remitting collections. These entities are then contacted to determine if funds should have been remitted. This staff member indicated it is not uncommon for smaller entities to not hold court or collect any fees during a month, and therefore, have no collections to remit to the DOR. Other common reasons for not remitting collections include staffing and training issues.

The staff member also noted department personnel can only determine from the reports provided if the court submitted a remittance to the DOR, but not if the remittance is accurate. As a result, the DPS has only limited assurances that courts are properly remitting CVC Program fees. DPS officials noted this process requires a considerable amount of time for their staff to perform the review and follow up on discrepancies noted. Further, the officials noted the DPS has no authority to require entities to remit collections. For these reasons, DPS officials indicated they have considered suspending the process of reviewing remittances.

Data analytics can provide high rates of return, offering potential for significant return on investment of resources needed to establish and maintain such a program. Using data analytic techniques to automate the process of reviewing and monitoring remittances, in addition to improving the efficiency of the process, could help to increase collections and to decrease the amount of staff time required to perform the reviews.

Recommendation

The DPS use data analytics to increase efficiencies in the process of monitoring the collections of CVC fees and for ensuring all entities remit funds as appropriate.

Auditee's Response

When available and appropriate, the DPS welcomes the use of data analytics and other tools to improve the performance of its programs. The DPS has met with the DOR and is working with the OSCA to determine the proper allocation of responsibilities regarding monitoring the collections of CVC fees and ensuring all entities remit funds as appropriate.

⁷ SAO, Report No. 2001-028, *Crime Victims Compensation Program*, issued in March 2001.



3. Payment Reductions

The DPS has not formally documented procedures for reducing payments to victims due to noncompliance with program rules and state law. As a result, the DPS may have treated victims unequally and arbitrarily when determining compensation payments to award.

State law allows the DPS to reduce the claim amount awarded to a victim if sufficient funds are not available in the CVC Fund,⁸ and requires claim payments be reduced to the extent that other resources, such as insurance or direct restitution from the offender, are available to cover the expenses.⁹ The DPS is also allowed to reduce or deny a claim in instances where the victim "contributed to the infliction of the victim's injury or death,"¹⁰ and is specifically prohibited from paying a claim if "police records show [the report of the crime] was made more than forty-eight hours after the occurrence of such crime, unless the department of public safety finds that the report to the police was delayed for good cause."¹¹

We reviewed four cases where the DPS paid claims at a reduced rate. In each case, supporting documentation from the CVC system was obtained to determine why the claim payments were reduced.

In the first case, the claim was reduced by 50 percent because the victim refused to cooperate with the police. A police report in the case file indicates the victim gave conflicting stories to investigators about when and where the crime occurred. When the victim was asked by investigators why he/she would lie to investigators, the report says the victim stated he/she did not trust the police. No documentation was provided to support why the DPS determined a 50 percent reduction was appropriate in this case.

A second case involved a victim who reported the crime to hospital staff when seeking treatment for his/her injuries. The victim stated he/she assumed the hospital would notify the police; however, the police were not notified within 48 hours of the crime. Because of this delay, program rules and state law indicate the victim's claim should have been denied. However, a letter in the case file from the DPS indicates the claim would be paid at a 50 percent reduction because the police report was not filed timely. The letter further states the DPS considers the exception in state law related to good cause to only apply to instances of domestic violence.

⁸ Section 595.045.12, RSMo.

⁹ Section 595.035.2, RSMo.

¹⁰ Section 595.035.3, RSMo.

¹¹ Section 595.030.2, RSMo. Effective August 28, 2018, this section was amended to remove the 48-hour limit to report a crime.



Crime Victims' Compensation System Data Analytics Management Advisory Report - State Auditor's Findings

In a third case, the victim did not provide the medical provider with insurance information necessary for the provider to bill the insurance company. In this case, the DPS paid the remainder of the claim in full, but reduced this line item by 50 percent because other resources (insurance) were available to be used instead of the CVC program. The case file does not document how the DPS determined a 50 percent reduction was appropriate.

In the final case, the victim did not report the crime to police within 48 hours. The case file indicates the victim spoke with a police officer at his/her church 2 days after the crime, who told the victim to come to the police station the following day to file a report. A handwritten note in the case file initialed by the CVC Program manager states "[The victim] was not going to report on [his/her] own - Reduce 25%." A letter to the victim in the case file indicates the reduction occurred solely because a police report was not filed within 48 hours of the crime.

When asked about these cases, DPS officials indicated that, although allowed to deny the claims outright for the program violations noted, "the DPS prioritizes service to victims through the use of CVC funds" and thus approved the claims to provide assistance to the victims. While commendable, in two of these four cases the decision is in direct violation of a state law prohibiting claims if a police report is not filed within 48 hours unless the department determines there is good cause for the delay. Department personnel could not provide us a documented policy defining what constitutes good cause. The only documented information available in a case correspondence indicated the department considers the good cause exception to only apply to instances of domestic violence. Further, in these two cases the victims were treated inequitably, with one claim reduced 25 percent for the victim's failure to file timely and the other reduced 50 percent for the same reason.

While state law allows the department to waive timely filing requirements "for good cause," because the department considers good cause as applying only to instances of domestic violence, waiving the requirements for other reasons may constitute a violation of state law. Without documented policies and procedures regarding when waivers may be granted and how reductions in claims should be determined, the DPS is at risk of treating victims in similar circumstances inequitably.

Recommendation

The DPS formally develop and document internal policies and procedures regarding the circumstances in which victim's claims may be reduced, and by how much, in order to ensure victims are treated equitably, including defining the term "good cause." In addition, the DPS should ensure these policies are in compliance with state law.



Crime Victims' Compensation System Data Analytics
Management Advisory Report - State Auditor's Findings

Auditee's Response

The DPS concurs with this recommendation. It will develop a schedule of reductions to be utilized by the CVC unit when addressing claim reductions. The DPS strives to ensure that victims are treated compassionately and provided all benefits they are entitled to by law.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Callaway County Collector and
Property Tax System**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Callaway County Collector and Property Tax System

Background	<p>On March 15, 2018, information was brought to the attention of the Prosecuting Attorney regarding suspicious activity in a bank account under the custody of the County Collector. The Prosecuting Attorney contacted the Sheriff, and they referred this matter to the Federal Bureau of Investigation (FBI). The Sheriff and the Presiding Commissioner then met with the County Collector, and Pamela Oestreich subsequently resigned on March 15, 2018, as County Collector, effective immediately.</p> <p>State law requires an audit be conducted after a vacancy occurs in the office of the County Collector. In addition, due to the circumstances of the vacancy, the County Commission passed a resolution on March 19, 2018, to request the State Auditor conduct an audit of the County Collector's office. We began an audit of the office on March 26, 2018.</p> <p>An investigation by the FBI is ongoing. The Prosecuting Attorney requested the appointment of a special prosecutor and the Missouri Attorney General accepted that appointment. The U.S. Attorney for the Western District of Missouri is handling the criminal prosecution of former County Collector Pamela Oestreich. The Sheriff, current County Collector, County Auditor, County Clerk, and County Commission continue to cooperate with state and federal investigators and prosecutors.</p>
Misappropriated Monies	<p>Between January 1, 2016, and March 15, 2018, monies totaling at least \$316,758 were misappropriated from the County Collector's office. Cash shortages totaling at least \$244,782 were identified as well as \$71,976 in improper disbursements the County Collector made to herself.</p>
Questionable Transactions	<p>The County Collector made questionable disbursements totaling \$8,414, and abated a protested tax bill for \$7,208 after the monies had been distributed.</p>
Property Tax System Controls and Procedures	<p>We noted significant weaknesses in controls and procedures over the county's property tax system. The County Collector's annual settlements for the years ended February 28, 2018, and 2017, were not complete and accurate. The County Clerk does not prepare the current tax books and does not verify the accuracy of the current tax books. The financial activities of the County Collector were not adequately reviewed by the County Clerk, the County Auditor, or the County Commission. The County Commission and the County Clerk do not adequately review changes (e.g., additions, abatements, and deletions) entered into the property tax system.</p>

County Collector's Controls and Procedures

Significant weaknesses existed in the County Collector's accounting controls and procedures. Accounting duties were not adequately segregated and independent reviews of accounting and bank records were not performed. The County Collector did not record property tax collections totaling \$217,936, in the property tax records. The County Collector made unsupported transfers totaling \$76,778 from the general account to the installment account between January 2018 and March 2018. The County Collector did not have adequate procedures for receipting, recording, reconciling, and depositing monies; and handling cash. Bank reconciliations prepared by the County Collector for the general account were not always complete and accurate and bank reconciliations for the installment account were not always complete, accurate or timely prepared. The lists of liabilities prepared by the County Collector for the general and installment accounts were not complete and accurate. The County Collector did not issue checks in numerical sequence for the installment account.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Callaway County Collector and Property Tax System

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
County Collector
Callaway County, Missouri

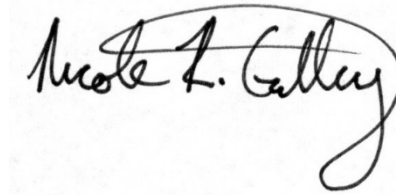
We have audited the County Collector and Property Tax System of Callaway County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. In addition, under Section 50.055, RSMo, the County Commission of Callaway County, Missouri, requested the State Auditor to audit the office of County Collector of Callaway County, Missouri. On March 15, 2018, a vacancy occurred in the office of the County Collector of Callaway County. A successor was appointed and sworn into office effective April 11, 2018. The scope of our audit included, but was not necessarily limited to, the period from January 1, 2016, through March 15, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Determine the extent of monies misappropriated from the County Collector's office.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owed to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) misappropriated monies totaling at least \$316,758. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Callaway County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Callaway County Collector and Property Tax System

Introduction

Background

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29). Property taxes and other monies collected by the Callaway County Collector's office totaled approximately \$44.1 million during the year ended February 28, 2018.

Pamela Oestreich was elected Callaway County Collector in November 1998 and took office in March 1999, and was subsequently elected to the position every 4 years thereafter. During the year ended February 28, 2018, she received compensation of \$57,092, which includes \$5,000 of commissions for collecting city property taxes. Compensation was in accordance with statutory provisions. The County Collector supervised the daily operations of the County Collector's office and employed 3 full-time employees as of February 28, 2018.

On March 15, 2018, information was brought to the attention of the Prosecuting Attorney regarding suspicious activity in a bank account under the custody of the County Collector. The Prosecuting Attorney contacted the Sheriff, and they referred this matter to the Federal Bureau of Investigation (FBI). The Sheriff and the Presiding Commissioner then met with the County Collector, and Pamela Oestreich subsequently resigned on March 15, 2018, as County Collector, effective immediately.

The Governor appointed Tim Wilkerson as County Collector and he was sworn into office on April 11, 2018. With the exception of finding recommendations, which are addressed to the current County Collector, the use of County Collector throughout the report is in reference to Pamela Oestreich.

Under Section 52.150, RSMo, the State Auditor must commence an audit within 20 days of notification by the person appointed to fill the vacancy in the County Collector's office. However, due to the circumstances of the vacancy, the County Commission passed a resolution on March 19, 2018, to request the State Auditor conduct an audit of the County Collector's office. Under Section 50.055, RSMo, second class counties such as Callaway County may request the State Auditor audit any particular officer or office of the county. This request allowed the audit process to be expedited, rather than waiting until after the appointment of a new county collector.

We began an audit of the County Collector's office on March 26, 2018. The scope of our audit included, but was not necessarily limited to, the period from January 1, 2016, through March 15, 2018. In coordination with law enforcement officials, we reviewed the activity of the County Collector's bank



Callaway County Collector and Property Tax System Introduction

accounts, including the general operating bank account (general account) and the installment payment plan bank account (installment account), and reviewed property tax records maintained by the County Collector's office. After identification of monies misappropriated and the methods used to perpetrate and conceal the theft, we also applied limited procedures to certain property tax records and bank records for the period February 1, 2012, through December 31, 2015.

Installment account

Our review identified improper deposits and disbursements involving the installment account. The installment program was established in January 2012, as authorized by a court order of the County Commission and Section 139.052, RSMo. The account is maintained by the County Collector's office to manage payments made by taxpayers on an installment basis, with transactions beginning in February 2012. For each taxpayer enrolled in the installment program, quarterly payments are made towards the taxpayer's upcoming tax liability. Beginning in January 2017, each taxpayer provided authorization for the County Collector's office to process automated quarterly payments directly from the taxpayer's bank account. Prior to 2017, the taxpayers were responsible for making quarterly payments to the County Collector's office. Taxpayers who are also county employees may participate in the program by having amounts withheld from their semimonthly pay. After each payroll cycle, the amounts withheld are transferred from a county bank account to the installment account.

Installment payments are held in escrow in the installment account and payments are tracked for each taxpayer on a spreadsheet ledger until the tax bill is fully paid, whereupon a check is issued from the installment account to transfer the monies to the general account. The County Collector's office may issue a separate check from the installment account for each taxpayer as his/her tax liability is paid in full, or one check may be issued from the installment account to transfer monies for several taxpayers. Once the monies are transferred from the installment account, the payments are recorded in the property tax system for each respective taxpayer to reflect the payment of his/her tax liability, and the monies are deposited into the general account for distribution to applicable taxing authorities. As of December 2017, there were approximately 100 taxpayers and 50 county employees participating in the installment program. In addition, according to bank records, deposits and disbursements for the installment account totaled¹ \$366,122 and \$295,225 for the year ended December 31, 2017, and \$150,013 and \$111,483 for the year ended December 31, 2016.

¹ Totals have not been adjusted for errors or improper transactions discussed throughout the report.



Callaway County Collector and Property Tax System Introduction

Criminal investigation

The Prosecuting Attorney and Sheriff referred the matter to federal law enforcement authorities. An investigation by the FBI is ongoing. The Prosecuting Attorney requested the appointment of a special prosecutor and the Missouri Attorney General accepted that appointment. The U.S. Attorney for the Western District of Missouri is handling the criminal prosecution of former County Collector Pamela Oestreich. The Sheriff, current County Collector, County Auditor, County Clerk, and County Commission continue to cooperate with state and federal investigators and prosecutors.

Callaway County Collector and Property Tax System

Management Advisory Report

State Auditor's Findings

1. Misappropriated Monies

Between January 1, 2016, and March 15, 2018, monies totaling at least \$316,758² were misappropriated from the County Collector's office. During this period, we identified cash shortages totaling at least \$244,782. The County Collector also made improper disbursements to herself, totaling \$71,976, from the County Collector's installment payment plan bank account (installment account). In addition, to conceal the monies misappropriated, property tax collections totaling \$267,130 were mishandled.

See Appendix A for details regarding cash deposit shortages occurring because cash was taken after the daily deposit had been prepared but before the deposit had been taken to the bank. See Appendix B for details regarding cash receipt shortages occurring because cash was taken from the daily cash drawer before the daily deposit had been prepared. See Appendix C for details regarding improper disbursements issued to the County Collector and Appendix D for improper deposits/transfers into the installment account. The misappropriation went undetected due to a lack of segregation of duties, inadequate controls, and the absence of proper oversight. The following table provides a summary of the amounts misappropriated.

Method	Year Ended December 31,		Period Ended March 15, 2018	Total
	2016	2017		
Cash Deposit Shortages - General Account (Appendix A)	\$ 12,670	109,512	82,224	204,406
Cash Receipt Shortages - General Account (Appendix B)	17,376	22,000	1,000	40,376
Total Cash Shortages	30,046	131,512	83,224	244,782
Improper Disbursement Issued to the County Collector (Appendix C)	1,826	48,650	21,500	71,976
Total Misappropriation	\$ 31,872	180,162	104,724	316,758

Cash deposit shortages

Cash collections totaling \$204,406 and recorded on the County Collector's daily deposit records were not deposited into the County Collector's general operating account (general account).

Near the end of each business day, the cash drawers were balanced and a daily balance sheet report was prepared, typically by the Chief Deputy Collector. The daily balance sheet report was prepared to summarize the taxes collected for the day by method of payment (e.g., cash, check, or credit card) and to identify any miscellaneous deposits made into the general account. Cash collections were physically taken to a local bank usually by the County Collector, for deposit into the general account, while checks received were scanned by employees using a remote deposit system and electronically

² Amounts presented in the report findings are rounded, whereas amounts presented in Appendixes A, B, C, and D are not rounded.



Callaway County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

deposited into the general account, and credit card collections were electronically deposited into the general account. The cash deposit amount reported on the daily balance sheet report agreed to the cash amount deposited per the original daily deposit slip, unless the deposit included checks or money orders not processed through the remote deposit system.

Our review of daily balance sheet reports, County Collector's office copies of deposit slips (when available), and bank backup documentation obtained for each cash deposit for the period January 1, 2016, through March 15, 2018, identified 102 instances where the cash deposit amount per the County Collector's records was more than the actual cash amount deposited per the bank documentation. These discrepancies, identified as cash deposit shortages, totaled \$204,406 (see Appendix A). In 67 instances the cash shortage represented a portion of the total cash to be deposited for the day, and in 35 instances, the cash shortage represented the entire amount of cash to be deposited for the day.

For 84 of these deposits, a check had been issued from the installment account to substitute for the cash shortage amount. Each of these installment account checks was signed only by the County Collector. Per our understanding of the office's procedures, and discussions with office employees, there is no legitimate reason for a check from the installment account to be inserted into the general account deposit after the cash drawers had been balanced and the daily balance sheet report prepared. Our comparison of the copies of the deposit slips included with the bank backup documentation to the County Collector's office copies of the original deposit slips (when available), identified numerous instances where the cash amounts recorded on original deposit slips had been altered and the installment checks had been added to the deposit slips. For some deposits, new deposit slips had been prepared with decreased or no cash amounts and the addition of the installment checks. In addition, for installment checks issued for a portion of the cash deposit amount, the check amounts were usually round dollar amounts, such as \$1,000, \$2,000, \$3,000, etc., which is suspicious. Also, most installment account checks used to substitute for the cash deposit shortages discussed earlier, had no description or purpose written on the memo line.

We also identified 4 deposits where a check had been issued from the general account to substitute for the cash shortage amount. In addition, we identified 2 deposits where checks from both the installment account and the general account were substituted for cash in the same deposit. The disbursement of these checks from the general account is questionable and no documentation could be provided to support the purpose of these checks. For details regarding each of these questionable disbursements, see MAR finding number 2.



Callaway County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

For the remaining 12 deposits with cash shortages, we found no evidence to indicate the cash shortage amount was replaced, and for these deposits the entire cash shortage amount was unaccounted for.

Cash receipt shortages

In addition to the shortages noted in the cash deposit amounts, we identified an additional \$40,376 in cash shortages in daily receipt collections.

When real estate and personal property tax receipts were collected and recorded in the property tax system, the method of payment was also recorded in the property tax system. County Collector's office personnel did not reconcile the composition of receipts recorded in the property tax system with the composition of receipts deposited; therefore, composition differences were not investigated or documented (see MAR finding number 4.4). They did ensure the total monies deposited for the day agreed to total monies receipted in the property tax system.

Our comparison of the composition of recorded receipts to the composition of monies to be deposited per the daily balance sheet identified 30 instances, totaling \$40,376, where checks issued from the installment account were used to substitute for cash receipts collected during the day (see Appendix B). By substituting the installment account checks for the cash receipts, the total amount of monies to be deposited still agreed to the total receipts recorded per the property tax system report. Because office personnel do not reconcile the composition of receipts recorded to the composition of receipts to be deposited, cash receipts were removed from the cash drawer and substituted with checks from the installment account without detection. Each of these installment account checks used to substitute for cash receipts was signed only by the County Collector.

When a taxpayer participating in the installment program had paid his/her tax liability in full, a check was issued from the installment account to transfer the monies to the general account and the taxpayer's name was to be recorded on the memo line of the installment check. However, our review noted the taxpayer's name was not always written on the memo line of the installment account check. In addition, in late December or early January, one installment check was usually written to transfer monies to the general account for several taxpayers. For the installment checks issued to substitute for cash receipt shortages, there was no evidence or documentation to support that these checks were issued for the payment of a taxpayer's tax liability. Although some of these checks had a name written on the memo line, only the surname was identified, and the surnames were generally just common names. No correlation was found between the names noted on those installment checks and the taxpayers with paid tax liabilities on the corresponding days. In addition, as noted on Appendix B, the installment checks were usually round dollar amounts, such as \$1,000, \$2,000, \$2,500, etc. It is uncommon for



Callaway County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

Improper disbursements to the County Collector

checks issued from the installment account for the payment of a tax liability to be round dollar amounts.

Improper checks totaling \$71,976 were written to the County Collector personally from the installment account (see Appendix C). Our review noted the County Collector issued 25 checks from the installment account with the payee as "Pam Oestreich," "Pamela J. Oestreich," or "Pamela Oestreich," not as County Collector. Again, these checks were usually round dollar amounts. There is no reasonable explanation for these disbursements to be issued to the County Collector personally.

The checks issued from the installment account used to substitute for cash deposit and receipt shortages discussed earlier were paid to the order of the County Collector, and were typically restrictively endorsed with a stamp for the County Collector. In addition, the checks issued from the installment account to legitimately transfer tax monies to the general account were also paid to the order of the County Collector and restrictively endorsed with a stamp for the County Collector. In comparison, the endorsement for the checks paid to the County Collector personally consisted of Pamela Oestreich's scripted signature. Also, we found no evidence to indicate these checks paid to the County Collector personally had been deposited into the general account.

Concealment of misappropriation

Because monies were improperly disbursed from the installment account, the account balance was not sufficient to pay the total tax liability of taxpayers participating in the installment program. To conceal the installment account shortage, property tax collections totaling \$267,130, which included some railroad and utility property tax payments and a real estate property tax payment, were improperly deposited or transferred into the installment account (see Appendix D).

By improperly depositing or transferring property tax monies into the installment account, some of these monies were not properly recorded as collections in the property tax records,³ and were therefore, not distributed to various political subdivisions. See MAR finding number 4.2 for details regarding the undistributed property tax collections.

Conclusion

The lack of segregation of duties, inadequate controls, and the absence of proper oversight as discussed in the remainder of this report, resulted in cash shortages occurring in the general account and the use of installment account monies to substitute for these cash shortages; improper disbursements to the

³ Real estate and personal property tax collections are recorded in a computerized property tax system. However, railroad and utility property tax collections are recorded in a manual tax book. Collectively, the computerized system and any manual records have been referred to as property tax records.



Callaway County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

County Collector from the installment account; and some property tax collections not being properly recorded, deposited, and distributed.

Recommendation

The County Commission and the County Collector work with law enforcement officials regarding criminal prosecution related to the misappropriated monies and take the necessary actions to obtain restitution.

Auditee's Response

The County Commission and the County Collector have been working with law enforcement and will continue to work with law enforcement to pursue criminal prosecution of Pamela Oestreich for offenses committed. The County Commission will continue to pursue all available avenues to recover losses to the county and all other entities involved.

2. Questionable Transactions

The County Collector made questionable disbursements totaling \$8,414, and abated a protested tax bill for \$7,208 after the monies had been distributed.

Questionable disbursements

The County Collector issued questionable checks totaling \$8,414 from the general account. A purpose was noted on the memo line of each check, but no documentation could be provided by County Collector's office personnel to support these checks were written for the purpose indicated. Each of these checks was subsequently redeposited into the general account and used to substitute for cash shortages in deposits made to the general account. The following table identifies the questionable disbursements.

Purpose	Payee	Check Date	Check Number	Amount
Bankruptcy payment	Callaway County Collector	10/05/2016	6129	\$ 1,452
2015 real estate	Callaway County Collector	10/14/2016	6131	1,486
Bankruptcy payment	Callaway County Collector	06/12/2017	6312	413
Bankruptcy payment	Callaway County Collector	08/01/2017	6325	825
2017 land sale	Callaway County Collector	02/06/2018	6445	4,238
Total				\$ 8,414

For 3 of these checks totaling \$2,690 the purpose noted was "bankruptcy payment." The County Collector's office maintains bankruptcy payments in the general account until the tax liability has been paid in full. A check is then issued from the general account for the amount of the tax liability, the payment is recorded in the property tax system, and the check is redeposited into the general account. Our review found no related tax payments were recorded in the property tax system for these payments. The County Collector's office does not issue receipt slips for bankruptcy payments, does not maintain a ledger to account for bankruptcy activity, and office personnel could not produce documentation to support why these disbursements occurred.



Callaway County Collector and Property Tax System
Management Advisory Report - State Auditor's Findings

For the \$1,486 check issued with the purpose noted as "2015 real estate," we reviewed the activity of this account, but found no explanation for this disbursement.

For the \$4,238 check issued with the purpose noted as "2017 land sale," no documentation could be provided by County Collector's office personnel to support or explain this disbursement. A land sale occurred on August 28, 2017, involving the parties noted on the check, however, the purchaser backed out of the sale and subsequently placed a stop payment on the land sale purchase check of \$4,600. On February 6, 2018, the purchaser paid the 25 percent penalty of \$1,150 for backing out of the sale. The County Collector deposited the penalty payment check in the general account and issued a check to the County Treasurer for the same amount. Also on February 6, 2018, the County Collector issued the check for \$4,238.

Each of these checks was redeposited into the general account. In addition, as discussed in MAR finding number 1, these checks were used to substitute for cash shortage amounts after the daily deposits had been prepared for the general account. It is possible the notations were added to make the checks appear legitimate because a second signature from the County Auditor's office is required on checks issued from the general account.

Questionable handling
of protested tax

The County Collector abated a tax bill for a protested tax after the appeal had been dismissed and the monies distributed. The handling of this protested tax is questionable. The County Collector invests protested taxes in certificates of deposit until the appeal is resolved. As of March 31, 2018, the County Collector was holding protested taxes totaling approximately \$443,000 from various taxpayers.

The County Collector improperly abated a \$7,208 paid tax bill from the property tax system. The 2015 tax bill was originally paid in December 2015 under protest and was held in a certificate of deposit pending resolution of the appeal. Although the taxpayer's appeal was dismissed by the State Tax Commission in May 2016, the certificate of deposit was not redeemed until March 2017, and the tax payment was not distributed until August 2017. Property tax system reports show the County Collector abated the tax bill, and marked the payment for refund in September 2017. As a result, the October 2017 distribution of taxes was reduced by the \$7,208 abated tax bill, thereby decreasing the amounts paid to the various political subdivisions. However, County Collector's office personnel could not locate documentation to support that a refund for this tax payment had been paid. Also, no documentation could be provided to support why the County Collector abated this tax bill and marked the payment for refund when the taxpayer's appeal had been dismissed.



Callaway County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

Conclusion

No documentation could be provided to support or explain these questionable transactions. Additional review is needed to determine if these transactions were appropriately handled, or if adjustments are needed to the property tax records. The County Collector should ensure sufficient documentation is maintained to support all transactions.

Recommendation

The County Collector should review the questionable transactions to ensure they were appropriately handled and should also ensure sufficient documentation is maintained to support all transactions.

Auditee's Response

The questionable transactions noted in the audit report will be reviewed for proper handling, and in the future, sufficient documentation will be maintained to support all activity. Procedures for handling of disbursements and protested taxes will be reviewed and improved.

3. Property Tax System Controls and Procedures

We noted significant weaknesses in controls and procedures over the county's property tax system.

3.1 Annual settlements

The County Collector's annual settlements for the years ended February 28, 2018, and 2017, were not complete and accurate. The annual settlement for the year ended February 28, 2018, had not been completed by the County Collector as of her March 15, 2018, resignation date. This annual settlement was reviewed and completed by the Chief Deputy Collector.

Year ended February 28,
2018

We noted numerous errors and inaccuracies on the annual settlement for the year ended February 28, 2018. For example:

- Total collections were incorrectly summarized. Errors occurred when rolling forward amounts to the front page of the settlement. For example, amounts paid in protest were separately reported and also erroneously included in total collections. Protested taxes should not be included in total collections until the protest is resolved and the amount of tax and/or refund has been determined and applied.
- Current charges for real estate and personal property taxes were overstated by \$121,432, due to protested taxes being included as part of the tax book charge amount, but also being reported as separate line item amounts.
- Activity related to railroad and utility taxes was not accurately reported. Actual collections for railroad and utility taxes totaled \$12,602,234; however, only collections totaling \$12,467,610 were reported, for an



Callaway County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

understatement of \$134,624. In addition, actual delinquent credits for railroad and utility taxes were overstated by \$92,849.

- Activity related to delinquent credits for real estate and personal property taxes was not accurately reported. Delinquent credits for real estate and personal property taxes per the property tax system totaled \$932,298 and \$788,388; however, amounts reported on the annual settlement totaled \$827,090 and \$256,835, respectively. In addition, the amounts reported on the annual settlement for delinquent credits included delinquent credits for back taxes totaling negative \$14,643 for real estate and negative \$11,412 for personal property. Delinquent credits should not be a negative amount. Delinquent credits represent the taxes the County Collector could not collect for the current and prior years, and should agree to the back tax books prepared at the end of each year. As a result of these errors, total delinquent credits were understated by \$636,761.
- Total tax book changes for real estate property taxes reported on the annual settlement were understated by \$74,773. The County Collector made a notation on the property tax system report indicating the difference of \$74,773 was due to a "test ticket, not charged with collecting." However, audit work identified this difference was due to the improper deletion of the property tax bill discussed in section 3.4.

Year ended February 28,
2017

We also noted errors and inaccuracies on the annual settlement for the year ended February 28, 2017. For example:

- Total collections of \$40,159,579 reported on the front page of the annual settlement exceeded detailed collections reported on subsequent pages totaling \$40,151,719, by \$7,860.
- Current delinquent credits reported for railroad and utility taxes were overstated by \$26,924, and delinquent credits for railroad and utility back taxes totaling \$38,613 were not reported.
- Delinquent tax charges totaling \$1,436,286 do not agree to delinquent credits totaling \$1,241,127 reported on the annual settlement for the year ended February 29, 2016.

County Collector's office personnel could not provide an explanation for these differences. The differences are likely partially due to calculation errors and improper completion of the annual settlement form. The County Collector should ensure complete and accurate annual settlements are prepared to provide assurance all collections and distributions are accounted for properly. Incomplete and/or inaccurate annual settlement information reduces the effectiveness of the settlement as a mechanism for accounting for all monies the County Collector is charged with collecting. As noted in



Callaway County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

section 3.3, procedures should be performed by the County Clerk, the County Auditor, and the County Commission to verify the accuracy of the County Collector's annual settlements.

3.2 Tax books

The County Clerk does not prepare the current tax books and does not verify the accuracy of the current tax books. The county's property tax system vendor prepares the real estate and personal property tax books based on assessed valuations provided by the County Assessor and tax levies provided by the County Collector. A review of the current tax books should include verification of individual entries in the current tax books and recalculating tax book totals and charges. Failure to prepare and/or review the tax books and test individual tax statement computations may result in errors or irregularities going undetected.

For example, County Collector's office personnel indicated due to errors in the interest and penalty calculations on the 2017 tax bills, some taxpayers did not pay the correct amount due. These errors were not corrected before the tax bills were mailed.

Section 137.290, RSMo, requires the County Clerk to extend the current tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector should be documented.

3.3 Review of property taxes

The financial activities of the County Collector were not adequately reviewed by the County Clerk, the County Auditor, or the County Commission. Neither the County Clerk nor the County Auditor maintained an account book or other records summarizing property tax charges, transactions, and changes as required by state law. In addition, the County Clerk, the County Auditor, and the County Commission did not perform procedures to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate. As noted in section 3.1, the annual settlements for the years ended February 28, 2018, and 2017, contained numerous errors and inaccuracies.

Section 52.361, RSMo, requires the County Collector to prepare the delinquent tax books. However, the County Clerk, the County Auditor, and the County Commission did not perform procedures to verify the accuracy and completeness of the delinquent tax books prepared by the County Collector.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasurer.



Callaway County Collector and Property Tax System Management Advisory Report - State Auditor's Findings

Section 55.160, RSMo, requires the County Auditor to keep a correct account between the county and all county officers. An account book or other records summarizing all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk and/or County Auditor. Such records would help the County Clerk and County Auditor ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk, the County Auditor, and the County Commission to verify the accuracy and completeness of the County Collector's annual settlements and delinquent tax books. Such procedures are intended to establish checks and balances related to the collection of property taxes.

3.4 Property tax system changes

The County Commission and the County Clerk do not adequately review changes (e.g., additions, abatements, and deletions) entered into the property tax system. The County Assessor generally communicates needed changes to property tax records to the County Collector's office on manual forms. Office personnel then post these changes to the property tax system. No reports of actual changes made to the property tax system by the County Collector's office are provided to the County Commission for review, and no comparison of actual changes to changes documented by the County Assessor is performed. As a result, changes to the amount of taxes the County Collector is charged with collecting are not properly monitored and errors or irregularities could go undetected.

For example, in October 2017, the County Assessor identified a 2016 real estate assessment of \$2,080,000 had been incorrectly adjusted by the County Collector in the property tax system to \$665,560. This error occurred prior to the preparation of the tax bills in 2016. Due to software issues, an adjustment had historically been necessary to correct the assessed valuation for this property after the property tax records had been transferred from the County Assessor's system to the County Collector's system. However, the 2016 assessed valuation had correctly transferred, and the County Collector reduced the assessed valuation in error. As a result of this error, the taxes originally billed and paid by the taxpayer in 2016, were understated by \$74,773. This error was not detected until the County Assessor conducted reassessment procedures in 2017. The County Collector contacted the taxpayer in October 2017 with an explanation of the situation and prepared an additional tax bill for \$74,773. After the additional tax bill was sent to the taxpayer, it was deleted from the property tax system in late October 2017. The taxpayer paid the additional taxes due in late November 2017. As further discussed in MAR finding number 4.2, the payment was improperly deposited into the installment account. The mishandling of these property tax collections and deletion of the tax bill from the property tax system was likely an attempt to conceal the misappropriation discussed in MAR finding number 1. In addition, because a report of changes made by the County Collector was



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not reviewed or reconciled to records of the County Assessor's office, the improper deletion of this tax bill was not detected.

As previously noted, the County Collector has access in the property tax system to make changes such as additions, abatements, and deletions, but can also make corrections or changes to information entered into the property tax system, such as refunding a payment after it has been distributed. Because the County Collector is responsible for collecting tax monies, the ability of personnel within this office to make changes to the property tax system represents a significant weakness in internal controls. Good internal controls require the County Collector and other office personnel not have access rights allowing alteration or deletion of information. Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved changes to actual changes made to the property tax system would help ensure changes are proper.

Recommendations

- 3.1 The County Collector prepare complete and accurate annual settlements.
- 3.2 The County Clerk prepare the current tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be adequately documented.
- 3.3 The County Clerk and the County Auditor work together to maintain an account book with the County Collector. In addition, the County Clerk, the County Auditor, and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 3.4 The County Commission and the County Clerk develop procedures to ensure all property tax changes are properly approved and monitored. In addition, the County Collector should ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.

Auditee's Response

- 3.1 *The County Collector will work to prepare complete and accurate annual settlements in the future.*
- 3.2 *The County Clerk, with the assistance of the County Auditor, will verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed will be documented.*



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- 3.3 *The County Clerk and/or the County Auditor will maintain an account book and will work with the County Commission to review the accuracy and completeness of the County Collector's annual settlement. Procedures and processes for this are already being discussed between the offices involved.*
- 3.4 *The County Commission is currently accepting all personal property tax changes by court order on a monthly basis. These changes are given to the County Commissioners in the form of a report prepared by the County Assessor. The County Commission, along with the County Clerk and the County Auditor, are currently working on procedures to ensure all property tax changes (including personal property and real estate property) are properly monitored and that changes are consistent between the County Assessor's and the County Collector's software systems. The County Collector currently has new office software out for bid and will ensure that the new system offers limited access rights to only what is needed for users to perform their specific job duties and responsibilities. The County Collector will also ensure that the new software has an adequate audit reporting trail of any changes made in the system.*

4. County Collector's Controls and Procedures

4.1 Segregation of Duties

Significant weaknesses existed in the County Collector's accounting controls and procedures. Property taxes and other monies collected by the County Collector totaled approximately \$44.1 million during the year ended February 28, 2018.

Accounting duties were not adequately segregated and independent reviews of accounting and bank records were not performed. The County Collector and all deputy collectors performed the duties of receiving and recording real estate and personal property tax collections. The Chief Deputy Collector typically prepared the daily deposit and the monthly property tax distributions.

The County Collector was primarily responsible for taking deposits to the bank; all receiving, recording and disbursement duties relating to railroad and utility property taxes; preparation of the monthly bank reconciliation and list of liabilities for the general account; and preparation of the annual settlement. The County Collector was also primarily responsible for most duties relating to the installment account, including preparing disbursements, maintaining the general ledger, and preparing the monthly bank reconciliation and list of liabilities, with no independent review. Prior to 2015, office procedures required a second signature by the County Auditor or Deputy County Auditor on checks issued from the installment account; however, the County Collector changed that procedure in January 2015 when a new County Auditor took office. Only one signature, usually the County Collector's, was applied to all checks after the change.



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Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, disbursing, and reconciling monies. In addition, documented independent reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits.

4.2 Unrecorded property tax collections

The County Collector did not record property tax collections totaling \$217,936, in the property tax records. This total includes railroad and utility property tax collections totaling \$143,163 and real estate property tax collections totaling \$74,773. Since these monies were not reported as collections in the property tax records, they were not subsequently disbursed in accordance with state law and the various political subdivisions did not receive their share of these tax collections. The following table illustrates how these monies should have been distributed had they been properly recorded, deposited, and distributed.

Political Subdivision	Amount	Percentage of Total
School districts	\$ 154,891	71.1
County	23,462	10.8
Cities	9,195	4.2
Library district	7,861	3.6
Fire district	5,323	2.5
State	1,179	0.5
Others	7,486	3.4
Subtotal	209,397	
Penalties and interest	8,539	3.9
Total	\$ 217,936	100.0

As discussed in MAR finding number 1, these unrecorded property tax collections were deposited or transferred into the installment account apparently to replace monies that had been improperly disbursed from the installment account. For details regarding these property tax collections, see Appendix D. In addition, because these property tax collections were not recorded in the property tax records, these taxpayers did not receive credit for their tax payments.

Section 139.210.2, RSMo, requires all collections to be distributed to the political subdivisions by the fifteenth day of the following month, and Sections 151.150, 151.260, 153.030, and 155.060, RSMo, govern the distribution of railroad and utility property tax collections. In addition, the property tax accounts relating to the taxpayers with the unrecorded collections should be reviewed and adjustments made as determined necessary, to ensure taxpayer balances are accurate.



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4.3 Unsupported transfers

The County Collector made unsupported transfers totaling \$76,778 from the general account to the installment account between January 2018 and March 2018. The transfers included undistributed railroad and utility property tax receipts totaling \$27,584, a previously distributed railroad and utility property tax receipt of \$18,764, and other collections from the general account totaling \$30,430. For details regarding these transfers, see Appendix D.

These transfers were electronically processed from the general account to the installment account, and no independent review or approval was required for these transfers. The County Collector's office has not established procedures for electronic transfers and office personnel could not provide an explanation as to why these transfers were made.

As discussed in MAR finding number 1, these unsupported transfers were likely made to replace monies that had been improperly disbursed from the installment account. In addition, as a result of transferring \$18,764 in previously distributed railroad and utility property taxes, along with transferring other collections from the general account totaling \$30,430, a shortage of at least \$49,194 was created in the general account balance.

To ensure all property tax collections are properly accounted for, monies received should be deposited and maintained in the appropriate bank account. In addition, the County Collector should establish procedures to ensure all transfers are necessary, independently reviewed, and adequately documented.

4.4 Receipting and cash controls

The County Collector did not have adequate procedures for receipting, recording, reconciling, and depositing monies. In addition, controls over cash handling need improvement.

- Receipt slips were not issued for railroad and utility property tax collections; and bankruptcy, installment, or partial payments.
- Monies were often not deposited intact. As noted in MAR finding number 1, we noted numerous instances where cash receipt collections were replaced with checks issued from the installment account. In addition, the County Collector's office frequently cashed personal checks for county employees and other individuals. For example, personal checks totaling \$780 were cashed and included in the daily deposit for April 8, 2016. The cashed checks included third-party checks totaling \$590 payable to the County Collector's husband and a third-party check for \$170 payable to Pam Oestreich, and a \$20 personal check written for cash by the Chief Deputy Collector. According to property tax system reports for April 8, 2016, only \$698 in cash receipts was collected for the day. Therefore, to have sufficient monies to cash the \$780 in personal checks, some starting cash in the cash drawer would have been used.



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- The method of payment was not always accurately recorded in the property tax system and the composition of receipts recorded in the property tax system was not reconciled to the composition of deposits. County Collector's office personnel entered the method of payment into the property tax system. However, entry errors and some payments made with multiple payment methods were not documented. In addition, by not reconciling the composition of receipts to deposits, checks issued from the installment account and the general account were used to substitute for cash receipts without detection, as discussed in MAR finding number 1.
- The change fund was not maintained at a constant amount. A cash count of the change fund on March 27, 2018, totaled \$620, but office personnel did not know how much the change fund should have been. In addition, the change fund was used for petty cash purchases and to also replenish the long/short fund when necessary. A cash count of the long/short fund on March 27, 2018, totaled \$23. This fund receives monies from tax payments where the tax bill was overpaid by \$3 or less, and was used to cover shortages in tax payments where the tax bill was underpaid by \$3 or less. No records were maintained to support petty cash disbursements or the use of the long/short fund.
- Employees share multiple cash drawers during the busy tax season and one cash drawer the rest of the year. Because all employees have access to all drawers, there is less assurance the responsible party can be identified in the event of loss, theft or misuse of monies. Access to cash drawers should be restricted to only one person per drawer.

Failure to implement adequate receipting, recording, reconciling, and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected. If a change fund is needed, it should be set at a constant amount and a procedure established to reconcile to this amount daily. In addition, the activity of the long/short fund should be documented to ensure this activity is appropriate. Also, access to the cash drawers should be limited to ensure responsibility for any losses or unreconciled differences can be determined.

4.5 Bank reconciliations

Bank reconciliations prepared by the County Collector for the general account were not always complete and accurate, and bank reconciliations for the installment account were not always complete, accurate or timely prepared.

General account

The book balance maintained for the general account combines the balance of the general account, the balance of a bank account used to record tax collections for a local city, and all protested tax certificates of deposit. Because the actual book balance of the general account is not tracked



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separately, this balance is not readily available and it is difficult to determine whether the available cash balance is sufficient to cover liabilities. As a result, in October 2017, the County Collector was not aware the general account was overdrawn. Bank officials contacted office personnel notifying them of the overdraft as well as to indicate sufficient monies were not available to pay outstanding disbursements. The County Collector's office made a transfer of \$4,000 from the installment account to cover the overdraft and outstanding disbursements. The bank did not charge any fees for the overdraft and office personnel transferred the \$4,000 back to the installment account in January 2018.

The February 2018 bank reconciliation for the general account was not accurate. A deposit in transit of \$462 was included as a reconciling item on the bank reconciliation. Upon further review, we noted this deposit in transit of \$462 had been included on each monthly bank reconciliation since October 2017. As noted on Appendix A, we identified a cash deposit shortage of \$462 on October 19, 2017. The reconciled bank balance was overstated by \$462 for this deposit, which was not taken to the bank.

Installment account

The December 2017 bank reconciliation for the installment account was not complete or accurate. An outstanding check for \$360 was included as a reconciling item on the bank reconciliation and had been reported as an outstanding check on each monthly bank reconciliation since January 2017. This check was found in the installment account records and was originally issued in December 2016, but was voided after issuance. However, the check continued to be incorrectly reported as outstanding each month. Additionally, audit work identified two checks issued to transfer property taxes in November 2017 totaling \$1,711 and one check issued improperly in December 2017 for \$1,500 that had not been included as outstanding checks on the December 2017 bank reconciliation. These checks were also not reported in the installment account's book balance. As a result of these errors in reporting outstanding checks, the installment account reconciled bank balance at December 31, 2017, was overstated by \$2,851.

The County Collector did not prepare bank reconciliations for the installment account for January or February 2018. Based on information from the bank statements and installment account records, we calculated the reconciled bank balance at February 28, 2018, to be negative \$1,751; however, due to an outstanding check of \$3,000, the account balance was not overdrawn.

Conclusion

The preparation of complete and accurate monthly bank reconciliations and an adequate review of the reconciliations is necessary to ensure all monies have been properly deposited, accounting records are in balance, and to identify errors timely. Prompt follow up on differences and correction of errors is necessary to ensure monies are properly handled. The County Collector should consider maintaining a separate book balance just for the



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general account that does not include the local city bank account and the protested tax certificates of deposit to ensure shortages are readily identified.

4.6 Liabilities

The lists of liabilities prepared by the County Collector for the general and installment accounts were not complete and accurate. In addition, the lists included unsupported reconciling items.

General account

The February 2018 list of liabilities for the general account contained numerous errors and unsupported reconciling items. For example:

- No documentation was found to support a reconciling item for \$14,430 labeled as "deposit." A transfer for this amount was subsequently made from the general account to the installment account on March 1, 2018. There was also no documentation or explanation to support the transfer.
- Tax disbursements for February 2018 totaled \$575,312 while the amount reported on the open items listing was \$573,470, for a difference of \$1,842.
- No documentation was found to support a reconciling item for \$4,110 labeled as "railroad and utility." No railroad and utility tax activity or deposit item agreed to this amount.
- No explanation for a reconciling item identified as "American Express monthly fee" for \$100 could be provided.
- The list of liabilities also included numerous other reconciling items such as deposit and disbursement corrections, duplicate credit card transactions, and unidentified balance corrections. The County Collector improperly resolved these reconciling items by offsetting them against the interest distribution calculation for the year ended February 28, 2018. As a result, 10 reconciling items, with a net total of negative \$117, decreased the total interest amount distributed to the political subdivisions.

Installment account

We noted the following concerns with the list of liabilities for the installment account:

- The December 2017 list of liabilities included a negative \$13,110 unidentified reconciling item, that was likely included as a means to balance the liabilities listing with the reconciled bank balance.
- The County Collector did not prepare a list of liabilities for the installment account for January or February 2018. Using installment account records and bank statements for January, February, and March 2018, we prepared a list of liabilities and compared it to the bank balance.



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As of March 15, 2018, liabilities exceeded the available cash balance by \$15,006. This shortage is a result of the improper activity involving the installment account discussed in MAR finding number 1.

Conclusion

Accurate lists of liabilities should be prepared monthly for the general account and the installment account, and reconciled to cash balances to ensure sufficient cash is available for the payment of all amounts due and all monies in the bank account can be identified. Prompt follow up on differences is necessary to resolve errors and ensure monies are properly disbursed.

4.7 Numerical sequence of checks

The County Collector did not issue checks in numerical sequence for the installment account.

The County Collector did not always use the next check in the numerical sequence when preparing checks for the installment account. For example, check number 1100 was issued on January 17, 2017, check number 1433 was issued on January 18, 2017, and check number 1435 was issued on January 17, 2017. Counter checks numbered 4, 5, and 6, were used in May 2017, followed by check number 1151.

To ensure all checks are issued only for authorized purposes, checks should be issued in numerical sequence and the sequence should be accounted for properly.

Recommendations

The County Collector:

- 4.1 Segregate accounting duties and ensure documented independent reviews of detailed accounting and bank records are performed.
- 4.2 Ensure all property tax collections are promptly and accurately recorded in the property tax records and disbursed in accordance with state law. In addition, the property tax accounts relating to the taxpayers with the unrecorded collections should be reviewed to ensure taxpayer balances are accurate.
- 4.3 Establish review and approval procedures to ensure transfers are necessary and adequately documented.
- 4.4 Ensure all monies collected are properly receipted, record the method of payment accurately, and reconcile the composition of receipts to the composition of deposits. In addition, the County Collector should discontinue the practice of cashing personal checks, and improve cash handling procedures by maintaining the change fund at a constant amount, documenting the activity of the long/short fund, and limiting access to the cash drawers.



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- 4.5 Prepare accurate and timely bank reconciliations and maintain an appropriate book balance for each bank account. Any differences should be investigated and promptly resolved.
- 4.6 Prepare accurate lists of liabilities monthly and agree the reconciled bank balances to the liabilities lists. Any differences should be investigated and promptly resolved.
- 4.7 Issue checks in numerical sequence and account for the numerical sequence of checks issued.

Auditee's Response

- 4.1 *The County Collector's office will segregate duties as recommended by the State Auditor's Office, and will ensure documented independent reviews are performed.*
- 4.2 *All property tax collections will be promptly and accurately recorded in the property tax records and disbursed as state law dictates. The property tax accounts will be reviewed and adjustments made as determined necessary.*
- 4.3 *The County Collector's office will put in place review and approval procedures to make sure all transfers are necessary and properly documented.*
- 4.4 *The County Collector's office will ensure that all monies collected are accurately recorded and reconciled. The office is no longer cashing personal checks as recommended by the State Auditor's Office. Cash handling procedures will be improved to maintain a constant amount in the change fund. Activity out of the long/short fund will be documented. Access to the cash drawers will be limited to one person per drawer when possible.*
- 4.5 *The County Collector's office will maintain an accurate book balance for each bank account. Bank reconciliations will be performed timely. Differences will be investigated and resolved promptly.*
- 4.6 *Accurate lists of liabilities will be prepared monthly and bank balances will be reconciled to the liabilities list. If there is a difference, a prompt investigation will be made with an immediate plan to resolve.*
- 4.7 *Checks will be issued in numerical sequence followed by proper accounting for the numerical sequence of all checks issued.*

Appendix A

Callaway County Collector and Property Tax System
Supporting Documentation - Cash Deposit Shortages - General Account
January 1, 2016, through March 15, 2018

Note: This schedule presents only the cash portion of various deposits; most check receipts are deposited via remote deposit from the County Collector's office.

Collection Date	Cash Deposit Amount per Daily Balance Sheet	Adjustment for Checks/Money Orders Included in Cash Amount	Adjusted Cash Deposit Amount	Cash Deposit per Bank Records	Cash Shortage	Checks Issued from Installment Account to Substitute for Cash Shortage			
						Check Date	Check Number	Amount	
10/20/2016	\$ 748.70	0.00	748.70	448.70	(300.00)	10/24/2017	1351	\$ 300.00	
10/21/2016	1,357.82	0.00	1,357.82	757.82	(600.00)	10/24/2017	1352	600.00	
11/1/2016	681.56	0.00	681.56	0.00	(681.56)			0.00	(1)
11/3/2016	2,373.11	0.00	2,373.11	1,173.11	(1,200.00)	11/3/2016	1420	1,200.00	
11/4/2016	2,105.60	0.00	2,105.60	105.60	(2,000.00)	11/8/2016	1422	2,000.00	
11/7/2016	2,020.29	0.00	2,020.29	1,120.29	(900.00)	11/7/2016	1423	900.00	
11/8/2016	1,175.89	0.00	1,175.89	75.89	(1,100.00)	11/8/2016	1425	1,100.00	
11/18/2016	10,499.15	(115.69)	10,383.46	7,383.46	(3,000.00)	11/18/2016	1426	3,000.00	
1/12/2017	2,846.94	(14.44)	2,832.50	1,632.50	(1,200.00)	1/17/2017	1100	1,200.00	
1/17/2017	1,553.11	(28.68)	1,524.43	1,224.43	(300.00)	1/17/2017	1435	300.00	
1/18/2017	4,176.17	0.00	4,176.17	1,626.17	(2,550.00)	1/18/2017	1434	2,550.00	
1/26/2017	9,750.06	0.00	9,750.06	8,250.06	(1,500.00)	1/26/2017	1436	1,500.00	
2/1/2017	2,467.29	0.00	2,467.29	167.29	(2,300.00)	2/1/2017	1437	2,300.00	
2/14/2017	3,140.54	0.00	3,140.54	0.00	(3,140.54)			0.00	(1)
2/28/2017	10,300.89	(183.52)	10,117.37	9,641.37	(476.00)	2/28/2017	1438	476.00	
3/1/2017	3,439.27	0.00	3,439.27	0.00	(3,439.27)			0.00	(1)
3/2/2017	1,961.45	0.00	1,961.45	0.00	(1,961.45)			0.00	(1)
3/3/2017	3,419.28	0.00	3,419.28	0.00	(3,419.28)			0.00	(1)
3/7/2017	898.90	0.00	898.90	0.00	(898.90)			0.00	(1)
3/10/2017	9,740.31	0.00	9,740.31	6,240.31	(3,500.00)			0.00	(1)
3/17/2017	1,904.07	0.00	1,904.07	0.00	(1,904.07)			0.00	(1)
4/7/2017	3,998.97	0.00	3,998.97	3,598.97	(400.00)	4/7/2017	1442	400.00	
4/14/2017	5,075.60	0.00	5,075.60	2,075.60	(3,000.00)	4/14/2017	1443	3,000.00	
4/25/2017	2,658.96	0.00	2,658.96	658.96	(2,000.00)	4/25/2017	1444	2,000.00	
5/1/2017	3,989.84	0.00	3,989.84	0.00	(3,989.84)	5/2/2017	1445	3,989.84	(2)
5/4/2017	1,046.58	0.00	1,046.58	0.00	(1,046.58)	5/5/2017	1446	1,046.58	(2)
5/5/2017	1,642.56	0.00	1,642.56	0.00	(1,642.56)	5/5/2017	1447	1,642.56	(2)
5/9/2017 (3)	2,926.21	0.00	2,926.21	1,426.21	(1,500.00)	5/9/2017	1449	1,500.00	
5/19/2017	4,343.44	0.00	4,343.44	4,043.44	(300.00)	5/22/2017	1450	300.00	
5/23/2017	1,077.22	0.00	1,077.22	0.00	(1,077.22)	5/26/2017	5	1,077.22	(2)
5/24/2017 (4)	165.65	0.00	165.65	0.00	(165.65)	5/26/2017	6	165.65	(2)
5/30/2017	6,651.81	0.00	6,651.81	0.00	(6,651.81)	6/2/2017	1151	6,651.81	(2)
6/2/2017	3,229.17	0.00	3,229.17	729.17	(2,500.00)	6/6/2017	1153	2,500.00	
6/7/2017	1,443.45	(229.00)	1,214.45	14.45	(1,200.00)	6/7/2017	1154	1,200.00	
6/9/2017	1,218.46	(412.97)	805.49	0.00	(805.49)	6/9/2017	1156	805.49	(5)
6/12/2017	616.46	0.00	616.46	0.00	(616.46)	6/12/2017	1157	616.46	
6/19/2017	3,057.45	0.00	3,057.45	1,557.45	(1,500.00)	6/19/2017	1158	1,500.00	
7/6/2017	297.93	0.00	297.93	0.00	(297.93)	7/6/2017	1160	297.93	
7/7/2017	678.21	(429.51)	248.70	0.00	(248.70)	7/11/2017	1163	248.70	

Appendix A

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January 1, 2016, through March 15, 2018

Collection Date	Cash Deposit	Adjustment for	Adjusted Cash	Cash Deposit per	Cash	Checks Issued from Installment Account to Substitute		
	Amount per Daily	Checks/Money				for Cash Shortage		
	Balance Sheet	Cash Amount	Deposit Amount	Bank Records	Shortage	Check Date	Check Number	Amount
7/10/2017	1,294.33	0.00	1,294.33	0.00	(1,294.33)	7/10/2017	1159	1,294.33
7/11/2017	477.49	0.00	477.49	0.00	(477.49)	7/11/2017	1162	477.49
7/14/2017	1,398.84	0.00	1,398.84	0.00	(1,398.84)	7/19/2017	1167	1,398.84
7/26/2017	1,846.63	0.00	1,846.63	946.63	(900.00)	7/26/2017	1169	900.00
7/27/2017	1,746.67	0.00	1,746.67	646.67	(1,100.00)	7/27/2017	1170	1,100.00
7/28/2017	2,123.25	0.00	2,123.25	1,623.25	(500.00)	7/31/2017	1172	500.00
7/31/2017	6,820.04	(1,375.23)	5,444.81	3,345.81	(2,099.00)	7/31/2017	1175	2,100.00 (5)
8/2/2017	639.32	0.00	639.32	134.32	(505.00)	8/3/2017	1177	505.00
8/4/2017	1,715.67	0.00	1,715.67	220.67	(1,495.00)	8/4/2017	1176	1,495.00
8/16/2017	585.31	0.00	585.31	0.00	(585.31)	8/17/2017	1181	585.31
8/17/2017	255.93	0.00	255.93	0.00	(255.93)	8/17/2017	1180	255.93
8/21/2017	2,039.20	0.00	2,039.20	239.20	(1,800.00)	8/21/2017	1182	1,800.00
8/25/2017	6,217.14	0.00	6,217.14	3,217.14	(3,000.00)	8/25/2017	1183	3,000.00
8/29/2017	2,072.30	0.00	2,072.30	872.30	(1,200.00)	8/29/2017	1185	1,200.00
9/20/2017	1,265.15	0.00	1,265.15	65.15	(1,200.00)	9/20/2017	1187	1,200.00
9/21/2017	1,088.39	0.00	1,088.39	0.00	(1,088.39)			0.00 (1)
9/22/2017	38.52	0.00	38.52	0.00	(38.52)			0.00 (1)
9/25/2017	564.01	0.00	564.01	0.00	(564.01)			0.00 (1)
9/29/2017	1,978.64	0.00	1,978.64	0.64	(1,978.00)	9/29/2017	1190	1,978.00
10/19/2017	462.45	0.00	462.45	0.00	(462.45)			0.00 (1)
11/2/2017	1,816.72	0.00	1,816.72	16.72	(1,800.00)	11/2/2017	1203	1,800.00
11/7/2017	1,054.56	0.00	1,054.56	54.56	(1,000.00)	11/7/2017	1204	1,000.00
11/16/2017	5,222.11	0.00	5,222.11	3,222.11	(2,000.00)	11/17/2017	1224	2,000.00
11/22/2017	4,478.48	(234.68)	4,243.80	2,243.80	(2,000.00)	11/22/2017	1228	2,000.00
12/14/2017	4,147.23	0.00	4,147.23	647.23	(3,500.00)	12/15/2017	1237	3,500.00
12/15/2017	8,886.78	(183.25)	8,703.53	2,703.53	(6,000.00)	12/15/2017	1238	6,000.00
12/20/2017	6,464.84	0.00	6,464.84	5,464.84	(1,000.00)	12/20/2017	1239	1,000.00
12/21/2017	1,116.36	0.00	1,116.36	116.36	(1,000.00)	12/21/2017	1248	1,000.00
12/21/2017	3,931.55	0.00	3,931.55	931.55	(3,000.00)	12/21/2017	1247	3,000.00
12/26/2017	7,617.93	0.00	7,617.93	4,617.93	(3,000.00)	12/26/2017	1240	3,000.00
12/28/2017	6,370.10	0.00	6,370.10	4,370.10	(2,000.00)	12/28/2017	1243	2,000.00
12/29/2017	8,254.56	0.00	8,254.56	6,254.56	(2,000.00)	12/29/2017	1245	2,000.00
12/29/2017	11,457.11	0.00	11,457.11	10,457.11	(1,000.00)	12/29/2017	1246	1,000.00
12/29/2017	3,282.03	0.00	3,282.03	1,782.03	(1,500.00)	12/29/2017	1249	1,500.00
1/2/2018	7,048.13	0.00	7,048.13	0.00	(7,048.13)	1/17/2018	1258	7,048.13 (2)
1/3/2018	3,876.80	0.00	3,876.80	876.80	(3,000.00)	1/3/2018	1251	3,000.00
1/5/2018	6,128.31	(961.79)	5,166.52	3,166.52	(2,000.00)	1/5/2018	1253	2,000.00
1/9/2018	2,319.82	0.00	2,319.82	0.00	(2,319.82)	1/11/2018	1257	2,319.82 (2)
1/10/2018	1,613.19	(122.74)	1,490.45	0.00	(1,490.45)	1/10/2018	1256	1,490.45 (2)
1/12/2018	3,861.49	0.00	3,861.49	1,861.49	(2,000.00)	1/17/2018	1259	2,000.00
1/16/2018	9,176.60	0.00	9,176.60	176.60	(9,000.00)	1/17/2018	1261	9,000.00

Appendix A

Callaway County Collector and Property Tax System
Supporting Documentation - Cash Deposit Shortages - General Account
January 1, 2016, through March 15, 2018

Collection Date	Cash Deposit Amount per Daily Balance Sheet	Adjustment for Checks/Money Orders Included in Cash Amount	Adjusted Cash Deposit Amount	Cash Deposit per Bank Records	Cash Shortage	Checks Issued from Installment Account to Substitute for Cash Shortage		
						Check Date	Check Number	Amount
1/17/2018	4,540.45	0.00	4,540.45	540.45	(4,000.00)	1/17/2018	1263	4,000.00
1/18/2018	886.64	0.00	886.64	386.64	(500.00)	1/18/2018	1264	500.00
1/19/2018	4,295.07	0.00	4,295.07	1,795.07	(2,500.00)	1/19/2018	1265	2,500.00
1/24/2018	2,575.19	0.00	2,575.19	1,075.19	(1,500.00)	1/24/2018	1266	1,500.00
1/26/2018	5,569.37	0.00	5,569.37	569.37	(5,000.00)	1/26/2018	1269	5,000.00
2/1/2018	4,093.77	0.00	4,093.77	0.00	(4,093.77)	2/21/2018	1278	4,093.77
2/2/2018	2,867.16	(447.46)	2,419.70	0.00	(2,419.70)	2/21/2018	1279	2,419.70
2/6/2018	3,131.30	0.00	3,131.30	131.30	(3,000.00)	2/6/2018	1272	3,000.00
2/9/2018	5,410.61	0.00	5,410.61	1,910.61	(3,500.00)	2/9/2018	1276	3,500.00
2/14/2018	1,575.18	0.00	1,575.18	0.00	(1,575.18)	2/22/2018	1281	1,575.18
2/26/2018	7,748.26	0.00	7,748.26	2,748.26	(5,000.00)	2/26/2018	1282	5,000.00
2/28/2018	13,547.33	(50.00)	13,497.33	10,497.33	(3,000.00)	2/28/2018	1285	3,000.00
3/1/2018	3,581.50	0.00	3,581.50	1,581.50	(2,000.00)	3/1/2018	1287	2,000.00
3/2/2018	7,254.05	0.00	7,254.05	3,254.05	(4,000.00)	3/2/2018	1286	4,000.00
3/7/2018	1,693.44	(58.40)	1,635.04	635.04	(1,000.00)	3/7/2018	1288	1,000.00
3/9/2018	2,128.31	(33.66)	2,094.65	594.65	(1,500.00)	3/9/2018	1290	1,500.00
3/12/2018	2,601.34	0.00	2,601.34	0.00	(2,601.34)	3/15/2018	1293	2,601.34
3/13/2018	3,936.99	0.00	3,936.99	0.00	(3,936.99)	3/15/2018	1292	3,936.99
Subtotal	340,868.31	(4,881.02)	335,987.29	139,946.33	(196,040.96)			174,943.52

Collection Date	Cash Deposit Amount per Daily Balance Sheet	Adjustment for Checks/Money Orders Included in Cash Amount	Adjusted Cash Deposit Amount	Cash Deposit per Bank Records	Cash Shortage	Checks Issued from General Account to Substitute for Cash Shortage		
						Check Date	Check Number	Amount
9/19/2016	502.62	0.00	502.62	0.00	(502.62)	10/5/2016	6129	1,451.68
10/4/2016	949.06	0.00	949.06	49.06	(900.00)			
10/11/2016	2,034.73	0.00	2,034.73	549.17	(1,485.56)	10/14/2016	6131	1,485.56
6/9/2017	1,218.46	(805.49)	412.97	0.00	(412.97)	6/12/2017	6312	412.97
7/31/2017	6,820.04	(2,648.94)	4,171.10	3,345.81	(825.29)	8/1/2017	6325	825.29
2/5/2018	4,432.20	0.00	4,432.20	193.73	(4,238.47)	2/6/2018	6445	4,238.47
Subtotal	15,957.11	(3,454.43)	12,502.68	4,137.77	(8,364.91)			8,413.97
Total	\$ 356,825.42	(8,335.45)	348,489.97	144,084.10	(204,405.87)			\$ 183,357.49

- (1) No check from the installment account, general account, or any other type of deposit was found to substitute for the cash shortage.
- (2) This check was deposited into the general account via remote deposit.
- (3) Cash amount has been increased for an error of \$0.06 on the daily balance sheet.
- (4) Cash amount has been decreased for an error of \$100.00 on the daily balance sheet.
- (5) For this deposit, checks were issued from both the installment account and the general account to substitute for the cash shortage.
- (6) Check number 6129 for \$1,451.68 was issued from the general account to substitute for the cash deposit amounts for September 19, 2016, (\$502.62) and October 4, 2016, (\$949.06); however, the actual cash shortage for these dates totaled \$1,402.62, therefore, the check from the general account exceeded the cash shortage by \$49.06.

Appendix B

Callaway County Collector and Property Tax System
Supporting Documentation - Cash Receipt Shortages - General Account
January 1, 2016, through March 15, 2018

Note: The term "check" in this table includes checks, cashier's checks, and money orders.

* Credit card receipts are electronically deposited into the bank account.

** Long/(short) amounts are mostly due to the substitution of checks from the installment account for cash. However, also contributing to the long/(short) amounts are common and expected differences due to the County Collector's office cashing checks from county employees, errors due to entering the incorrect method of payment into the property tax system, payments made using a combination of payment methods, and over/under payments.

Collection Date	Recorded Receipts per Collector's Daily Journal (Property Tax System Report)				Deposit Amounts per Daily Balance Sheet (Summary report manually prepared)				Cash Long/ (Short)**	Checks Long/ (Short)**	Credit Cards Long/ (Short)**	Total Difference	Checks Issued from Installment Account to Substitute for Cash Shortage		
	Cash	Checks	Credit Cards	Total	Cash	Checks	Credit Cards*	Total					Check Date	Check Number	Amount
2/10/2016	\$ 3,984.27	6,524.07	3,631.73	14,140.07	2,114.59	8,593.75	3,431.73	14,140.07	(1,869.68)	2,069.68	(200.00)	0.00	2/10/2016	1332	\$ 1,500.00
2/16/2016	7,320.77	29,749.66	10,752.70	47,823.13	6,766.26	30,304.17	10,752.70	47,823.13	(554.51)	554.51	0.00	0.00	2/16/2016	1333	500.00
3/9/2016	2,137.61	7,297.67	3,113.66	12,548.94	1,404.31	8,032.17	3,112.46	12,548.94	(733.30)	734.50	(1.20)	0.00	3/9/2016	1335	735.00
7/13/2016	400.34	2,290.51	640.96	3,331.81	140.34	2,550.51	640.96	3,331.81	(260.00)	260.00	0.00	0.00	7/13/2016	1337	210.00
10/25/2016	1,668.99	2,092.93	556.44	4,318.36	1,473.99	2,287.93	556.44	4,318.36	(195.00)	195.00	0.00	0.00	10/24/2016	1368	195.00
10/31/2016	3,261.75	6,898.05	2,334.25	12,494.05	835.92	9,323.88	2,334.25	12,494.05	(2,425.83)	2,425.83	0.00	0.00	10/31/2016	1415	1,086.00
11/4/2016	2,705.60	13,753.30	1,877.21	18,336.11	2,105.60	14,353.30	1,877.21	18,336.11	(600.00)	600.00	0.00	0.00	11/4/2016	1421	600.00
11/23/2016	4,646.55	40,685.17	2,103.97	47,435.69	3,605.71	41,725.01	2,104.97	47,435.69	(1,040.84)	1,039.84	1.00	0.00	11/23/2016	1428	1,000.00
12/2/2016	9,517.97	122,981.75	6,024.11	138,523.83	8,299.73	124,205.09	6,019.01	138,523.83	(1,218.24)	1,223.34	(5.10)	0.00	12/2/2016	1430	1,300.00
12/9/2016	6,427.46	63,724.95	1,807.59	71,960.00	4,611.37	65,541.08	1,807.54	71,959.99	(1,816.09)	1,816.13	(0.05)	(0.01)	12/9/2016	1431	2,000.00
12/14/2016	5,504.22	80,178.02	2,595.48	88,277.72	4,123.31	81,558.93	2,595.48	88,277.72	(1,380.91)	1,380.91	0.00	0.00	12/14/2016	1087	1,000.00
12/16/2016	4,055.56	72,110.34	2,365.56	78,531.46	1,554.38	74,530.94	2,446.14	78,531.46	(2,501.18)	2,420.60	80.58	0.00	12/16/2016	1088	2,500.00
12/22/2016	6,905.48	161,835.24	1,257.40	169,998.12	3,974.11	164,766.61	1,257.40	169,998.12	(2,931.37)	2,931.37	0.00	0.00	12/22/2016	1091	2,250.00
12/28/2016	11,263.55	202,060.28	2,393.77	215,717.60	10,575.03	202,748.80	2,393.77	215,717.60	(688.52)	688.52	0.00	0.00	12/27/2016	1094	500.00
12/30/2016	17,013.26	137,629.64	6,800.40	161,443.30	15,404.20	139,238.70	6,800.40	161,443.30	(1,609.06)	1,609.06	0.00	0.00	12/30/2016	1096	2,000.00
1/3/2017	6,562.65	30,802.84	5,752.45	43,117.94	5,063.01	32,302.48	5,752.45	43,117.94	(1,499.64)	1,499.64	0.00	0.00	12/30/2016	1097	2,000.00
1/18/2017	4,681.17	3,665.71	1,382.12	9,729.00	4,176.17	4,170.71	1,382.12	9,729.00	(505.00)	505.00	0.00	0.00	1/18/2017	1433	500.00
3/6/2017	2,567.40	11,977.82	8,193.73	22,738.95	492.01	14,053.21	8,193.73	22,738.95	(2,075.39)	2,075.39	0.00	0.00	3/6/2017	1439	1,000.00 (2)
													3/6/2017	1440	1,000.00 (2)
3/20/2017	3,972.62	22,363.59	6,037.76	32,373.97	3,000.96	23,290.29	6,082.72	32,373.97	(971.66)	926.70	44.96	0.00	3/20/2017	1441	900.00
5/9/2017	4,653.07	10,548.87	3,885.82	19,087.76	2,926.15	12,232.20	3,929.41	19,087.76	(1,726.92)	1,683.33	43.59	0.00	5/9/2017	1448	1,000.00
10/18/2017	946.01	0.00	451.05	1,397.06	327.82	618.19	451.05	1,397.06	(618.19)	618.19	0.00	0.00	10/18/2017	1191	600.00
11/20/2017	8,011.85	121,523.54	11,602.52	141,137.91	5,024.63	124,509.76	11,603.52	141,137.91	(2,987.22)	2,986.22	1.00	0.00	11/20/2017	1225	2,500.00
11/22/2017	5,278.00	76,761.15	5,226.52	87,265.67	4,243.80	77,785.34	5,236.53	87,265.67	(1,034.20)	1,024.19	10.01	0.00	11/22/2017	1229	1,000.00
11/28/2017	8,239.83	144,748.15	7,652.82	160,640.80	6,202.68	146,785.30	7,652.82	160,640.80	(2,037.15)	2,037.15	0.00	0.00	11/28/2017	1230	2,000.00
11/29/2017	2,733.02	99,691.79	4,896.08	107,320.89	1,649.89	100,774.92	4,896.08	107,320.89	(1,083.13)	1,083.13	0.00	0.00	11/29/2017	1231	1,000.00
12/4/2017	9,741.15	99,627.09	11,276.41	120,644.65	6,241.22	103,127.02	11,276.41	120,644.65	(3,499.93)	3,499.93	0.00	0.00	12/2/2017	1232	1,000.00 (3)
													12/4/2017	1233	2,500.00 (3)
12/11/2017	10,401.75	177,829.36	7,293.97	195,525.08	5,295.25	182,932.86	7,296.97	195,525.08	(5,106.50)	5,103.50	3.00	0.00	12/11/2017	1234	5,000.00
2/27/2018	6,285.13	21,386.56	9,193.97	36,865.66	5,233.91	22,370.02	9,261.73	36,865.66	(1,051.22)	983.46	67.76	0.00	2/27/2018	1283	1,000.00
Total	\$ 160,887.03	1,770,738.05	131,100.45	2,062,725.53	116,866.35	1,814,713.17	131,146.00	2,062,725.52	(44,020.68)	43,975.12	45.55	(0.01)			\$ 40,376.00

(1) Adjustments have been made to decrease the cash total and increase the check total for checks/money orders included in the cash deposit amount for these deposits.

(2) This deposit included 2 checks issued from the installment account. Check number 1439 for \$1,000 issued on March 6, 2017, and check number 1440 for \$1,000 issued on March 6, 2017.

(3) This deposit included 2 checks issued from the installment account. Check number 1232 for \$1,000 issued on December 2, 2017, and check number 1233 for \$2,500 issued on December 4, 2017.

Appendix C

Callaway County Collector and Property Tax System
Supporting Documentation - Improper Disbursements Issued to the County Collector
from the Installment Account
January 1, 2016, through March 15, 2018

Check Date	Check Number	Amount	Payee
7/14/2016	1338	\$ 775.85	Pam Oestreich
9/23/2016	1340	1,050.00	Pam Oestreich
5/26/2017	4	2,500.00	Pamela J. Oestreich
6/15/2017	1155	3,000.00	Pamela Oestreich
7/11/2017	1161	1,000.00	Pamela Oestreich
7/17/2017	1165	4,000.00	Pamela Oestreich
7/19/2017	1168	2,500.00	Pamela Oestreich
8/10/2017	1178	3,750.00	Pamela Oestreich
8/17/2017	1179	2,300.00	Pamela Oestreich
9/13/2017	1184	2,000.00	Pamela Oestreich
9/15/2017	1186	4,000.00	Pamela Oestreich
9/24/2017	1188	600.00	Pamela Oestreich
9/27/2017	1189	1,000.00	Pamela Oestreich
10/6/2017	1192	4,000.00	Pamela Oestreich
10/20/2017	1193	3,000.00	Pamela Oestreich
10/26/2017	1194	3,000.00	Pamela Oestreich
10/27/2017	1195	4,500.00	Pamela Oestreich
11/1/2017	1196	3,500.00	Pamela Oestreich
11/7/2017	1205	2,200.00	Pamela Oestreich
11/13/2017	1219	1,800.00	Pamela Oestreich
1/30/2018	1270	5,500.00	Pamela Oestreich
2/16/2018	1277	3,500.00	Pamela Oestreich
2/22/2018	1280	4,000.00	Pamela Oestreich
3/8/2018	1289	4,000.00	Pamela Oestreich
3/14/2018	1291	4,500.00	Pamela Oestreich
Total		\$ <u>71,975.85</u>	

Appendix D

Callaway County Collector and Property Tax System

Supporting Documentation - Improper Deposits/Transfers into the Installment Account

January 1, 2016, through March 15, 2018

Date of Deposit/ Transfer into the Installment Account	Amount	Description	Status
1/5/2017	\$ 16,456.67	Deposit of railroad and utility property taxes	Undistributed
11/16/2017	20,850.61	Deposit of railroad and utility property taxes	Undistributed
11/16/2017	55,173.65	Deposit of railroad and utility property taxes	Undistributed
11/28/2017	74,773.20	Deposit of real estate property taxes	Undistributed
1/4/2018	14,559.18	Deposit of railroad and utility property taxes	Undistributed
1/17/2018	18,763.83	(1) Transfer from the general account of railroad and utility property taxes	Distributed
1/29/2018	10,647.61	(2) Transfer from the general account of railroad and utility property taxes	Undistributed
1/31/2018	8,539.18	(3) Deposit of railroad and utility property taxes	Undistributed
2/21/2018	16,936.12	(3) Transfer from the general account of railroad and utility property taxes	Undistributed
3/1/2018	14,430.00	(2) Transfer from the general account (unknown property tax collections)	Unknown
3/9/2018	16,000.00	(2) Transfer from the general account (unknown property tax collections)	Unknown
Total	\$ <u>267,130.05</u>		

Recap by status:

	Amount	Status
	\$ 115,579.29	Deposits of undistributed railroad and utility property taxes
	27,583.73	Transfers of undistributed railroad and utility property taxes
Subtotal	143,163.02	Total undistributed railroad and utility property taxes
	74,773.20	Deposit of undistributed real estate property taxes
Subtotal	217,936.22	Total amounts due to various political subdivisions
	18,763.83	Transfer of distributed railroad and utility property taxes
	30,430.00	Transfers of unknown property tax collections
Total	\$ <u>267,130.05</u>	

- (1) These railroad and utility property taxes were first deposited into the general account in December 2017, then distributed to various political subdivisions as part of the January 2018 monthly distribution, but then also electronically transferred to the installment account on January 17, 2018.
- (2) These monies were first deposited into the general account and then electronically transferred to the installment account.
- (3) A railroad and utility property tax payment of \$25,475.30 was split between a deposit into the installment account of \$8,539.18, and a deposit into the general account of \$16,936.12 on January 31, 2018. The \$16,936.12 deposited into the general account was subsequently transferred to the installment account on February 21, 2018.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Lewis County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Lewis County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the year ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-096

**The County of Lewis
Monticello, Missouri
Financial Statements, Independent Auditor's Reports and Supplementary Information
For the year ended December 31, 2017**



**The County of Lewis
Monticello, Missouri
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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Lewis County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Lewis County, Missouri, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Lewis County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Lewis County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

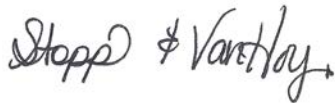
In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Lewis County, Missouri as of December 31, 2017, or changes in financial position thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Lewis County, Missouri as of December 31, 2017, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2018 on our consideration of Lewis County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lewis County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lewis County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
August 9, 2018

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

<u>Fund</u>	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	\$ 672,835	\$ 1,845,303	\$ 1,637,668	\$ 880,470
Special Road and Bridge	135,683	1,106,530	1,040,546	201,667
Road and Bridge Capital	7,831	668,949	322,833	353,947
Assessment	38,488	184,234	171,450	51,272
Records Preservation	8,382	3,196	1,328	10,250
Law Enforcement Operating	163,509	877,698	841,471	199,736
Law Enforcement Training	5,324	6,493	8,344	3,473
County Farm	51,333	57,979	12,515	96,797
Domestic Violence	9,532	9,306	9,482	9,356
Prosecuting Attorney Training	501	1,098	1,187	412
Prosecuting Attorney Bad Check	6,987	1,947	2,685	6,249
D.W.I.	7,244	1,007	-	8,251
Law Enforcement Restitution	65,274	39,654	57,320	47,608
Collector's Tax Maintenance	17,028	14,262	7,591	23,699
Recorder's Technology	7,863	1,967	3,043	6,787
Sheriff Civil Fees	15,273	18,911	11,667	22,517
Sheriff Revolving	23,587	3,443	8,595	18,435
Election Services	2,657	9,179	9,748	2,088
D.A.R.E.	4,702	4,796	2,250	7,248
Inmate Security	44,581	19,858	29,185	35,254
Total	<u>\$ 1,288,614</u>	<u>\$ 4,875,810</u>	<u>\$ 4,178,908</u>	<u>\$ 1,985,516</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	General Revenue Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 305,784	\$ 353,546
Sales Taxes	910,069	1,035,780
Intergovernmental	75,010	98,472
Charges for Services	252,650	254,704
Interest	8,150	8,490
Other Receipts	105,100	94,311
Transfers In	38,000	-
Total Receipts	<u>\$ 1,694,763</u>	<u>\$ 1,845,303</u>
<u>Disbursements</u>		
County Commission	\$ 100,334	\$ 100,178
County Clerk	88,980	79,128
Elections	14,150	12,414
Building and Grounds	219,768	89,758
Employee Fringe Benefits	225,150	186,002
Treasurer	51,915	50,740
Collector	84,804	84,832
Recorder of Deeds	71,200	67,020
Circuit Clerk	23,000	11,746
Public Administrator	56,966	53,756
Prosecuting Attorney	137,650	117,724
Juvenile Officer	45,007	45,007
Coroner	26,504	22,155
Emergency Management	13,768	10,551
Other County Government	451,638	304,157
Emergency Fund	350,000	-
Transfers Out	402,500	402,500
Total Disbursements	<u>\$ 2,363,334</u>	<u>\$ 1,637,668</u>
Receipts Over (Under) Disbursements	\$ (668,571)	\$ 207,635
Cash and Cash Equivalents January 1	<u>672,835</u>	<u>672,835</u>
Cash and Cash Equivalents December 31	<u>\$ 4,264</u>	<u>\$ 880,470</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	Special Road and Bridge Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 368,000	\$ 370,429
Sales Taxes	170,000	175,962
Intergovernmental	473,680	528,872
Charges for Services	-	-
Interest	2,900	2,568
Other Receipts	15,400	28,699
Transfers In	30,000	-
Total Receipts	<u>\$ 1,059,980</u>	<u>\$ 1,106,530</u>
<u>Disbursements</u>		
Salaries	\$ 322,197	\$ 320,979
Employee Fringe Benefits	165,886	150,526
Supplies	187,600	118,277
Insurance	9,000	8,720
Road and Bridge Materials	357,200	332,835
Equipment Repairs	100,000	67,681
Rentals	-	475
Equipment Purchases	42,500	32,031
Road and Bridge Construction	-	-
Other Disbursements	10,200	9,022
Transfers Out	-	-
Total Disbursements	<u>\$ 1,194,583</u>	<u>\$ 1,040,546</u>
Receipts Over (Under) Disbursements	\$ (134,603)	\$ 65,984
Cash and Cash Equivalents		
January 1	<u>135,683</u>	<u>135,683</u>
Cash and Cash Equivalents		
December 31	<u>\$ 1,080</u>	<u>\$ 201,667</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	Road and Bridge Capital Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	260,000	264,050
Intergovernmental	811,660	393,796
Charges for Services	-	-
Interest	1,400	2,528
Other Receipts	6,500	8,575
Transfers In	-	-
Total Receipts	<u>\$ 1,079,560</u>	<u>\$ 668,949</u>
<u>Disbursements</u>		
Salaries	\$ -	\$ -
Employee Fringe Benefits	-	-
Supplies	-	-
Insurance	-	-
Road and Bridge Materials	296,000	188,176
Equipment Repairs	-	-
Rentals	-	-
Equipment Purchases	160,929	112,929
Road and Bridge Construction	554,919	622
Other Disbursements	44,200	21,106
Transfers Out	30,000	-
Total Disbursements	<u>\$ 1,086,048</u>	<u>\$ 322,833</u>
Receipts Over (Under) Disbursements	\$ (6,488)	\$ 346,116
Cash and Cash Equivalents		
January 1	<u>7,831</u>	<u>7,831</u>
Cash and Cash Equivalents		
December 31	<u>\$ 1,343</u>	<u>\$ 353,947</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	Assessment Fund		Records Preservation Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	150,000	159,059	-	-
Charges for Services	100	1,150	3,100	3,096
Interest	400	470	100	100
Other Receipts	1,500	1,055	-	-
Transfers In	22,500	22,500	-	-
Total Receipts	<u>\$ 174,500</u>	<u>\$ 184,234</u>	<u>\$ 3,200</u>	<u>\$ 3,196</u>
<u>Disbursements</u>				
Salaries	\$ 90,030	\$ 91,979	\$ -	\$ -
Employee Fringe Benefits	52,170	38,825	-	-
Materials and Supplies	20,000	10,808	6,000	1,029
Services	7,675	7,786	-	-
Capital Outlay	20,000	22,052	5,000	299
Other Disbursements	-	-	500	-
Transfer Out	-	-	-	-
Total Disbursements	<u>\$ 189,875</u>	<u>\$ 171,450</u>	<u>\$ 11,500</u>	<u>\$ 1,328</u>
Receipts Over (Under) Disbursements	\$ (15,375)	\$ 12,784	\$ (8,300)	\$ 1,868
Cash and Cash Equivalents				
January 1	<u>38,488</u>	<u>38,488</u>	<u>8,382</u>	<u>8,382</u>
Cash and Cash Equivalents				
December 31	<u>\$ 23,113</u>	<u>\$ 51,272</u>	<u>\$ 82</u>	<u>\$ 10,250</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	Law Enforcement Operating Fund		Law Enforcement Training Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	334,000	351,149	-	-
Intergovernmental	102,000	105,509	-	-
Charges for Services	-	-	5,800	6,443
Interest	1,000	1,837	75	50
Other Receipts	36,000	39,203	-	-
Transfers In	380,000	380,000	-	-
Total Receipts	<u>\$ 853,000</u>	<u>\$ 877,698</u>	<u>\$ 5,875</u>	<u>\$ 6,493</u>
<u>Disbursements</u>				
Salaries	\$ 504,565	\$ 453,787	\$ -	\$ -
Employee Fringe Benefits	179,020	175,702	-	-
Materials and Supplies	50,100	38,480	-	-
Services	83,900	76,651	6,500	4,861
Capital Outlay	141,000	76,247	500	2,346
Other Disbursements	19,500	20,604	3,000	1,137
Transfer Out	38,000	-	-	-
Total Disbursements	<u>\$ 1,016,085</u>	<u>\$ 841,471</u>	<u>\$ 10,000</u>	<u>\$ 8,344</u>
Receipts Over (Under) Disbursements	\$ (163,085)	\$ 36,227	\$ (4,125)	\$ (1,851)
Cash and Cash Equivalents				
January 1	<u>163,509</u>	<u>163,509</u>	<u>5,324</u>	<u>5,324</u>
Cash and Cash Equivalents				
December 31	<u>\$ 424</u>	<u>\$ 199,736</u>	<u>\$ 1,199</u>	<u>\$ 3,473</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	County Farm Fund		Domestic Violence Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	400	111	-	-
Charges for Services	57,405	56,076	9,640	9,306
Interest	400	336	-	-
Other Receipts	100	1,456	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 58,305</u>	<u>\$ 57,979</u>	<u>\$ 9,640</u>	<u>\$ 9,306</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	6,000	1,765	-	-
Services	22,250	10,750	9,532	9,482
Capital Outlay	60,000	-	-	-
Other Disbursements	20,000	-	-	-
Transfer Out	-	-	-	-
Total Disbursements	<u>\$ 108,250</u>	<u>\$ 12,515</u>	<u>\$ 9,532</u>	<u>\$ 9,482</u>
Receipts Over (Under) Disbursements	\$ (49,945)	\$ 45,464	\$ 108	\$ (176)
Cash and Cash Equivalents				
January 1	<u>51,333</u>	<u>51,333</u>	<u>9,532</u>	<u>9,532</u>
Cash and Cash Equivalents				
December 31	<u>\$ 1,388</u>	<u>\$ 96,797</u>	<u>\$ 9,640</u>	<u>\$ 9,356</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	<u>Prosecuting Attorney Training Fund</u>		<u>Prosecuting Attorney Bad Check Fund</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,050	1,098	2,000	1,870
Interest	50	-	75	77
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,100</u>	<u>\$ 1,098</u>	<u>\$ 2,075</u>	<u>\$ 1,947</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	1,300	1,187	6,000	2,545
Capital Outlay	-	-	2,000	140
Other Disbursements	-	-	-	-
Transfer Out	-	-	-	-
Total Disbursements	<u>\$ 1,300</u>	<u>\$ 1,187</u>	<u>\$ 8,000</u>	<u>\$ 2,685</u>
Receipts Over (Under) Disbursements	\$ (200)	\$ (89)	\$ (5,925)	\$ (738)
Cash and Cash Equivalents				
January 1	<u>501</u>	<u>501</u>	<u>6,987</u>	<u>6,987</u>
Cash and Cash Equivalents				
December 31	<u>\$ 301</u>	<u>\$ 412</u>	<u>\$ 1,062</u>	<u>\$ 6,249</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	D.W.I. Fund		Law Enforcement Restitution Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,000	952	40,100	39,138
Interest	-	55	700	516
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,000</u>	<u>\$ 1,007</u>	<u>\$ 40,800</u>	<u>\$ 39,654</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	5,000	4,300
Services	-	-	15,000	13,895
Capital Outlay	5,000	-	67,000	33,220
Other Disbursements	-	-	15,000	5,905
Transfer Out	2,000	-	-	-
Total Disbursements	<u>\$ 7,000</u>	<u>\$ -</u>	<u>\$ 102,000</u>	<u>\$ 57,320</u>
Receipts Over (Under) Disbursements	\$ (6,000)	\$ 1,007	\$ (61,200)	\$ (17,666)
Cash and Cash Equivalents				
January 1	<u>7,244</u>	<u>7,244</u>	<u>65,274</u>	<u>65,274</u>
Cash and Cash Equivalents				
December 31	<u>\$ 1,244</u>	<u>\$ 8,251</u>	<u>\$ 4,074</u>	<u>\$ 47,608</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	Collector's Tax Maintenance Fund		Recorder's Technology Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	12,000	14,153	1,800	1,880
Interest	100	109	62	87
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 12,100</u>	<u>\$ 14,262</u>	<u>\$ 1,862</u>	<u>\$ 1,967</u>
<u>Disbursements</u>				
Salaries	\$ 5,000	\$ 3,813	\$ -	\$ -
Employee Fringe Benefits	1,600	1,165	-	-
Materials and Supplies	1,000	1,505	5,900	1,146
Services	12,100	934	3,600	1,897
Capital Outlay	-	-	-	-
Other Disbursements	9,421	174	-	-
Transfer Out	-	-	-	-
Total Disbursements	<u>\$ 29,121</u>	<u>\$ 7,591</u>	<u>\$ 9,500</u>	<u>\$ 3,043</u>
Receipts Over (Under) Disbursements	\$ (17,021)	\$ 6,671	\$ (7,638)	\$ (1,076)
Cash and Cash Equivalents				
January 1	<u>17,028</u>	<u>17,028</u>	<u>7,863</u>	<u>7,863</u>
Cash and Cash Equivalents				
December 31	<u><u>\$ 7</u></u>	<u><u>\$ 23,699</u></u>	<u><u>\$ 225</u></u>	<u><u>\$ 6,787</u></u>

See Notes to the Financial Statements

The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017

	Sheriff Civil Fees Fund		Sheriff Revolving Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	11,000	18,715	5,000	3,220
Interest	175	196	225	223
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 11,175</u>	<u>\$ 18,911</u>	<u>\$ 5,225</u>	<u>\$ 3,443</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	2,500	3,240	5,000	390
Services	5,000	5,641	3,000	2,807
Capital Outlay	5,000	2,786	15,000	4,371
Other Disbursements	10,000	-	4,000	1,027
Transfer Out	-	-	-	-
Total Disbursements	<u>\$ 22,500</u>	<u>\$ 11,667</u>	<u>\$ 27,000</u>	<u>\$ 8,595</u>
Receipts Over (Under) Disbursements	\$ (11,325)	\$ 7,244	\$ (21,775)	\$ (5,152)
Cash and Cash Equivalents				
January 1	<u>15,273</u>	<u>15,273</u>	<u>23,587</u>	<u>23,587</u>
Cash and Cash Equivalents				
December 31	<u>\$ 3,948</u>	<u>\$ 22,517</u>	<u>\$ 1,812</u>	<u>\$ 18,435</u>

See Notes to the Financial Statements

The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017

	Election Services Fund		D.A.R.E. Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	7,800	7,847	-	-
Charges for Services	1,300	1,275	-	3,700
Interest	20	57	-	46
Other Receipts	50	-	2,500	1,050
Transfers In	-	-	2,000	-
Total Receipts	<u>\$ 9,170</u>	<u>\$ 9,179</u>	<u>\$ 4,500</u>	<u>\$ 4,796</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	11,200	6,000	-	-
Services	600	3,748	6,100	2,250
Capital Outlay	-	-	-	-
Other Disbursements	-	-	3,000	-
Transfer Out	-	-	-	-
Total Disbursements	<u>\$ 11,800</u>	<u>\$ 9,748</u>	<u>\$ 9,100</u>	<u>\$ 2,250</u>
Receipts Over (Under) Disbursements	\$ (2,630)	\$ (569)	\$ (4,600)	\$ 2,546
Cash and Cash Equivalents				
January 1	<u>2,657</u>	<u>2,657</u>	<u>4,702</u>	<u>4,702</u>
Cash and Cash Equivalents				
December 31	<u>\$ 27</u>	<u>\$ 2,088</u>	<u>\$ 102</u>	<u>\$ 7,248</u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017**

	Inmate Security Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	-	-
Charges for Services	18,187	19,423
Interest	300	435
Other Receipts	-	-
Transfers In	-	-
Total Receipts	<u>\$ 18,487</u>	<u>\$ 19,858</u>
<u>Disbursements</u>		
Salaries	\$ -	\$ -
Employee Fringe Benefits	-	-
Materials and Supplies	650	2,776
Services	22,200	18,877
Capital Outlay	36,000	7,532
Other Disbursements	-	-
Transfer Out	-	-
Total Disbursements	<u>\$ 58,850</u>	<u>\$ 29,185</u>
Receipts Over (Under) Disbursements	\$ (40,363)	\$ (9,327)
Cash and Cash Equivalents		
January 1	<u>44,581</u>	<u>44,581</u>
Cash and Cash Equivalents		
December 31	<u><u>\$ 4,218</u></u>	<u><u>\$ 35,254</u></u>

See Notes to the Financial Statements

**The County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2017**

Note 1 - Summary of Significant Accounting Policies

The County of Lewis, Missouri ("County") was established in 1833. The County's is a county-organized, third-class county. The county seat is Monticello. The County's government is composed of a three-member board of commissioners and the following separately elected Constitutional Officers: Assessor, Circuit Clerk, County Clerk, Collector, Coroner, Treasurer, Recorder of Deeds, Sheriff, Surveyor, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts administration, recording of deeds and other instruments, public safety, economic development, road and bridge maintenance, public welfare, and social and human services.

The financial statements referred to above include only the primary government of Lewis County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of the County and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2017**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

**The County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2017**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017 for the purposes of taxation was:

	<u>General Revenue</u>	<u>Special Road and Bridge</u>
Real Estate	\$ 79,790,760	\$ 44,541,260
Personal Property	42,160,570	23,854,630
Railroad and Utilities	21,281,456	13,526,454
	<u>\$ 143,232,786</u>	<u>\$ 81,922,344</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2017 for the purpose of County taxation, was as follows:

General Revenue	\$ 0.2685
Special Road and Bridge	0.2561

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2017**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2017, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 1,985,516	\$ 2,324,492
Investments	<u>-</u>	<u>-</u>
Total Deposits and Investments as of December 31, 2017	<u>\$ 1,985,516</u>	<u>\$ 2,324,492</u>

Note: The bank balances provided are inclusive of all funds of the County, and as such, may also include balances of unaudited funds which are not included in the scope of this report.

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2017; all deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

**The County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2017**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

Note 3 - Capital Leases

In August 2010, the county entered into a lease-purchase agreement to finance the purchase of a 2010 John Deere 770G Motor Grader at a cost of \$152,298, net of trade-in. The agreement requires seven annual payments of \$25,688, which includes interest payable annually at 4.25%. The lease was paid off in 2017.

In June 2012, the county entered into a lease-purchase agreement to finance the purchase of a 2012 John Deere 770G Motor Grader at a cost of \$199,236, net of trade-in. The agreement requires seven annual payments of \$25,241, which includes interest payable at 2.80%.

In March 2017, the County entered into a lease-purchase agreement to finance the purchase of a 2017 John Deere 770G Motor Grader at a cost of \$173,964, net of trade-in. The agreement requires four annual payments of \$36,303, which includes interest payable at 3.25%.

The following is the changes in long-term debt for the year ended December 31, 2017:

	Balance at 1/1/2017	Amount Borrowed	Amount Repaid	Balance at 12/31/2017	Interest Paid During Year
2010 770G John Deere Grader	\$ 24,622	\$ -	\$ (24,622)	\$ -	\$ 1,066
2012 770G John Deere Grader	71,624	-	(23,210)	48,414	2,031
2017 770G John Deere Grader	-	173,964	(40,000)	133,964	-
	<u>\$ 96,246</u>	<u>\$ 173,964</u>	<u>\$ (87,832)</u>	<u>\$ 182,378</u>	<u>\$ 3,097</u>

**The County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2017**

Note 3 - Capital Leases (continued)

The following is the future minimum payments for all leases obligations as of December 31, 2017:

2012 770G John Deere Grader			
Year Ending December 31,	Principal	Interest	Total
2018	\$ 23,868	\$ 1,373	\$ 25,241
2019	24,546	695	25,241
Total	<u>\$ 48,414</u>	<u>\$ 2,068</u>	<u>\$ 50,482</u>

2017 770G John Deere Grader			
Year Ending December 31,	Principal	Interest	Total
2018	\$ 31,883	\$ 4,420	\$ 36,303
2019	32,935	3,368	36,303
2020	34,021	2,282	36,303
2021	35,145	1,158	36,303
Total	<u>\$ 133,984</u>	<u>\$ 11,228</u>	<u>\$ 145,212</u>

Note 4 - Interfund Transfers

Transfers between funds for the year ended December 31, 2017 are as follows:

Fund	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ 402,500
Assessment Fund	22,500	-
Law Enforcement Operating Fund	380,000	-
	<u>\$ 402,500</u>	<u>\$ 402,500</u>

Note 5 - Local Government Employees Retirement System (LAGERS)

Plan Description

The County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, RSMo. Sections 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri, 65102, by calling (800) 447-4334, or by visiting the LAGERS website at www.molagers.org.

**The County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2017**

Note 5 - Local Government Employees Retirement System (LAGERS) (continued)

Benefits Provided

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police) and early retirement age is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and the amount of credited service time.

Contributions

Full-time employees of the County do not contribute to the pension plan. The January 1st statutorily required employer contribution rates were 9.4% (General) and 9.4% (Police) of annual covered payroll for the year ended December 31, 2017. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the year ended December 31, 2017, the County contributed \$111,865 to LAGERS.

Note 6 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

**The County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2017**

Note 6 - State of Missouri County Employees Retirement Fund (CERF) (continued)

Contributions

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to CERF. All participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2017, the County collected and remitted to CERF employee contributions of \$29,497 for the year ended.

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes annually (instead of monthly) to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366 for the year ended December 31, 2017.

Note 8 - Post-Employment Benefits

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County collected and remitted \$8,703 of premiums on behalf of participants for the year ended December 31, 2017.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. The County is not currently involved in any pending litigation.

Compensated Absences

The County provides employees with up to 15 days of paid vacation based upon the number of years of continuous service. Employees receive five days of vacation after the first year of service, ten days of vacation per year after two years of employment, 15 days of vacation per year after seven years of employment. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The county allows employees to have a maximum of thirty days. However, upon termination, employees do not get reimbursed for sick leave. These have not been subjected to auditing procedures.

**The County of Lewis
Monticello, Missouri
Notes to the Financial Statements
For the year ended December 31, 2017**

Note 9 - Claims, Commitments, and Contingencies (continued)

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 9, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

To the County Commission and
Officeholders of Lewis County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Lewis County, Missouri as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Lewis County, Missouri's basic financial statements, and have issued our report thereon dated August 9, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lewis County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lewis County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Lewis County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to a significant deficiency as item 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lewis County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lewis County, Missouri's Response to Findings

Lewis County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Lewis County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri
August 9, 2018

**The County of Lewis
Monticello, Missouri
Schedule of Findings and Responses
For the year ended December 31, 2017**

Financial Statement Findings

2017 - 001 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County Clerk will work with the Treasurer and the County Commission to develop risk assessment procedures to address fraud risk within the County. The County Clerk's office expects to complete the development of procedures by December 31, 2018. The County Clerk is Chris Flanagan and the contact number is (573) 767-5205.

**The County of Lewis
Monticello, Missouri
Summary Schedule of Prior Year Findings and Responses
For the year ended December 31, 2017**

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Lewis County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2016 and 2015.

Prior Year Financial Statement Findings

FS 16/15-001 **Condition:** Actual expenditures exceeded budgeted expenditures for two funds in 2016. The detailed list of funds can be found in Note 1.D. to the financial statements. RSMo. 50.740 prohibits expenditures in excess of the approved budgets. Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget.

Management's response and planned corrective actions: The County accepts the recommendation and will make the necessary changes. The County Clerk is Chris Flanagan, and the office number is (573) 767-5205.

Status: Management has corrected this issue.

FS 16/15-002 **Condition:** Budgeted expenditures exceeded budgeted revenues plus anticipated beginning fund balance for one fund in 2016 and three funds in 2015. Budgeted expenditures exceeded budgeted revenues for multiple funds in 2016 and 2015. The detailed list of funds can be found in Note 1.D. to the financial statements. RSMo. 50.740 prohibits budgeted expenditures in excess of budgeted revenues plus anticipated beginning fund balance. Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County refrain from adopting a budget with a deficit fund balance.

Management's response and planned corrective actions: The County accepts the recommendation and will make the necessary changes. The County Clerk is Chris Flanagan, and the office number is (573) 767-5205.

Status: Management has corrected this issue.

Prior Year Federal Award Finding and Questioned Costs

SA 16/15-001	Federal Grantor:	U.S. Department of Transportation
	Pass-Through Grantor:	Highway and Transportation Commission
	Federal CFDA Number:	20.205
	Program Title:	Highway Planning and Construction
	Pass-through Entity	
	Identifying Number:	BRO-56
	Award Year:	2016
	Questioned Costs:	None

**The County of Lewis
Monticello, Missouri
Summary Schedule of Prior Year Findings and Responses
For the year ended December 31, 2017**

Prior Year Federal Award Finding and Questioned Costs (continued)

SA 16/15-001 **Criteria:** Title 2 U.S. Code of Federal Regulations Part 200 requires auditees to prepare an accurate SEFA
(cont.) containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the
pass-through entity.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors for CFDA number 20.205.

Effect: Federal expenditures reported in the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting to ensure an accurate SEFA is prepared.

Management's response and planned corrective actions: Title 2 U.S. Code of Federal Regulations Part 200 is being reviewed and training sessions will be initiated by the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period. The County Clerk is Chris Flanagan, and the office number is (573) 767-5205.

Status: This finding is no longer applicable.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Osage County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Osage County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-095

**The County of Osage
Linn, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2017 & 2016**



**The County of Osage
Linn, Missouri
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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Osage County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Osage County, Missouri, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Osage County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Osage County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Osage County, Missouri as of December 31, 2017 and 2016, or changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Osage County, Missouri as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 1, 2018 on our consideration of Osage County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Osage County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Osage County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
August 1, 2018

The County of Osage
Linn, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017

<u>Fund</u>	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	\$ 193,482	\$ 2,115,723	\$ 2,005,307	\$ 303,898
Special Road and Bridge	442,365	1,490,249	1,351,993	580,621
Assessment	87,967	240,852	222,747	106,072
911	109,034	685,833	665,104	129,763
Emergency Management	34,316	105,343	103,763	35,896
Law Enforcement Training	1,420	1,074	1,081	1,413
Conceal and Carry	15,533	2,485	5,558	12,460
Civil Fees	3,599	9,777	3,559	9,817
Recorder Technology	13,247	8,380	8,952	12,675
Tax Maintenance	9,120	10,455	11,704	7,871
Prosecuting Attorney Administrative Handling	11,856	3,152	5,120	9,888
Prosecutor Training	1,922	271	1,027	1,166
Domestic Violence	3,393	2,004	2,500	2,897
Annex Building	205,830	308,370	96,421	417,779
Jail Renovation	276,192	610,914	589,924	297,182
Roll Back Reserve	427,280	22,274	-	449,554
Election Services	4,380	1,180	-	5,560
Lease Purchase	1,842	4	1,846	-
Use Tax	294,601	263,338	150,000	407,939
Inmate Security	1,363	14,119	13,115	2,367
Health Insurance Savings Carryover	21,978	29,337	-	51,315
Special Elections	5	23,589	23,589	5
Total	<u>\$ 2,160,725</u>	<u>\$ 5,948,723</u>	<u>\$ 5,263,310</u>	<u>\$ 2,846,138</u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2016

<u>Fund</u>	Cash and Equivalents January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Equivalents December 31, 2016
General Revenue	\$ 185,369	\$ 1,999,211	\$ 1,991,098	\$ 193,482
Special Road and Bridge	473,604	1,385,118	1,416,357	442,365
Assessment	78,191	205,963	196,187	87,967
911	141,551	619,021	651,538	109,034
Emergency Management	22,953	101,836	90,473	34,316
Law Enforcement Training	734	\$ 1,646	\$ 960	1,420
Conceal and Carry	7,742	18,998	11,207	15,533
Civil Fees	1,251	8,759	6,411	3,599
Recorder Technology	12,577	7,836	7,166	13,247
Tax Maintenance	10,339	10,007	11,226	9,120
Prosecuting Attorney Administrative Handling	18,424	3,246	9,814	11,856
Prosecutor Training	1,575	347	-	1,922
Domestic Violence	3,465	2,428	2,500	3,393
Annex Building	137,362	287,446	218,978	205,830
Jail Renovation	274,630	568,514	566,952	276,192
Roll Back Reserve	405,380	21,900	-	427,280
Election Services	3,890	2,485	1,995	4,380
Lease Purchase	6,283	27	4,468	1,842
Use Tax	210,497	234,104	150,000	294,601
Inmate Security	2,795	2,189	3,621	1,363
Health Insurance Savings Carryover	-	21,978	-	21,978
Special Elections	5	49,707	49,707	5
Total	<u>\$ 1,998,617</u>	<u>\$ 5,552,766</u>	<u>\$ 5,390,658</u>	<u>\$ 2,160,725</u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	General Revenue Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 299,900	\$ 330,216	\$ 283,000	\$ 298,795
Sales Taxes	507,580	548,694	506,328	507,581
Intergovernmental	104,916	106,177	162,185	58,229
Charges for Services	281,892	283,423	291,031	309,257
Interest	4,600	10,499	1,750	4,542
Other Receipts	165,807	111,805	50,750	88,585
Transfers In	702,500	724,909	685,000	732,222
Total Receipts	<u>\$ 2,067,195</u>	<u>\$ 2,115,723</u>	<u>\$ 1,980,044</u>	<u>\$ 1,999,211</u>
<u>Disbursements</u>				
County Commission	\$ 99,512	\$ 99,100	\$ 100,509	\$ 96,441
County Clerk	117,463	109,661	115,413	113,719
Elections	66,250	78,110	161,775	125,312
Buildings and Grounds	95,610	95,282	85,635	91,566
Employee Fringe Benefits	142,000	-	139,308	138,887
County Treasurer	51,428	49,808	51,025	49,480
County Collector	116,222	113,551	115,061	114,892
Recorder of Deeds	55,525	52,509	59,581	59,519
Circuit Clerk	11,700	10,627	13,195	16,289
Court Administration	-	-	-	-
Public Administrator	31,154	31,449	30,651	30,666
Sheriff	601,822	590,663	480,215	468,208
Jail	221,358	216,720	196,836	201,491
Prosecuting Attorney	131,431	127,570	127,278	126,428
Juvenile Officer	26,000	24,142	26,000	25,165
County Coroner	24,346	26,454	24,848	20,225
Health and Welfare	195,742	179,002	183,480	186,619
Other Expenditures	65,461	194,059	45,051	119,591
Transfers Out	58,788	6,600	56,008	6,600
Emergency Fund	61,700	-	57,500	-
Total Disbursements	<u>\$ 2,173,512</u>	<u>\$ 2,005,307</u>	<u>\$ 2,069,369</u>	<u>\$ 1,991,098</u>
Receipts Over (Under)				
Disbursements	\$ (106,317)	\$ 110,416	\$ (89,325)	\$ 8,113
Cash and Equivalents, Jan 1	<u>193,482</u>	<u>193,482</u>	<u>185,369</u>	<u>185,369</u>
Cash and Equivalents, Dec 31	<u><u>\$ 87,165</u></u>	<u><u>\$ 303,898</u></u>	<u><u>\$ 96,044</u></u>	<u><u>\$ 193,482</u></u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Special Road and Bridge Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 450,000	\$ 425,751	\$ 410,250	\$ 448,824
Sales Taxes	-	-	-	-
Intergovernmental	960,300	927,842	1,039,100	927,975
Charges for Services	-	-	2,000	-
Interest	2,600	5,719	800	2,561
Other Receipts	130,108	130,937	279,970	5,758
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,543,008</u>	<u>\$ 1,490,249</u>	<u>\$ 1,732,120</u>	<u>\$ 1,385,118</u>
<u>Disbursements</u>				
Salaries	\$ 438,116	\$ 418,910	\$ 437,617	\$ 392,689
Employee Fringe Benefits	98,407	87,923	92,978	86,512
Supplies	21,340	18,187	9,944	13,379
Insurance	19,634	14,631	19,000	19,998
Road and Bridge Materials	259,000	227,078	219,785	194,233
Equipment Repairs	336,500	362,195	290,290	340,618
Rentals	-	-	-	-
Equipment Purchases	202,600	171,896	265,000	71,000
Road and Bridge Construction	275,000	21,671	419,345	276,882
Other Expenditures	20,000	9,502	20,000	11,046
Transfers Out	20,000	20,000	10,000	10,000
Total Disbursements	<u>\$ 1,690,597</u>	<u>\$ 1,351,993</u>	<u>\$ 1,783,959</u>	<u>\$ 1,416,357</u>
Receipts Over (Under)				
Disbursements	\$ (147,589)	\$ 138,256	\$ (51,839)	\$ (31,239)
Cash and Equivalents, Jan 1	<u>442,365</u>	<u>442,365</u>	<u>473,604</u>	<u>473,604</u>
Cash and Equivalents, Dec 31	<u><u>\$ 294,776</u></u>	<u><u>\$ 580,621</u></u>	<u><u>\$ 421,765</u></u>	<u><u>\$ 442,365</u></u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Assessment Fund				911 Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	568,000	611,037	570,000	568,460
Intergovernmental	210,921	228,713	205,000	195,806	-	2,000	15	3,605
Charges for Services	2,000	2,462	5,000	2,019	20	-	8,000	-
Interest	600	1,355	200	603	35	72	20	36
Other Receipts	-	1,722	-	935	15,763	36,654	-	11,450
Transfers In	6,600	6,600	6,600	6,600	36,070	36,070	35,470	35,470
Total Receipts	<u>\$ 220,121</u>	<u>\$ 240,852</u>	<u>\$ 216,800</u>	<u>\$ 205,963</u>	<u>\$ 619,888</u>	<u>\$ 685,833</u>	<u>\$ 613,505</u>	<u>\$ 619,021</u>
Disbursements								
Salaries	\$ 117,930	\$ 116,069	\$ 118,045	\$ 116,071	\$ 356,655	\$ 353,197	\$ 381,472	\$ 362,829
Employee Fringe Benefits	17,849	17,363	14,022	14,339	50,523	44,037	48,927	45,450
Materials and Supplies	30,000	19,901	19,000	28,640	25,760	25,011	27,500	22,419
Services	67,520	69,414	48,900	37,137	7,254	10,621	7,357	8,927
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	99,024	99,738	90,716	86,913
Transfers Out	-	-	-	-	132,500	132,500	125,000	125,000
Total Disbursements	<u>\$ 233,299</u>	<u>\$ 222,747</u>	<u>\$ 199,967</u>	<u>\$ 196,187</u>	<u>\$ 671,716</u>	<u>\$ 665,104</u>	<u>\$ 680,972</u>	<u>\$ 651,538</u>
Receipts Over (Under)								
Disbursements	\$ (13,178)	\$ 18,105	\$ 16,833	\$ 9,776	\$ (51,828)	\$ 20,729	\$ (67,467)	\$ (32,517)
Cash and Equivalents, Jan 1	<u>87,967</u>	<u>87,967</u>	<u>78,191</u>	<u>78,191</u>	<u>109,034</u>	<u>109,034</u>	<u>141,551</u>	<u>141,551</u>
Cash and Equivalents, Dec 31	<u>\$ 74,789</u>	<u>\$ 106,072</u>	<u>\$ 95,024</u>	<u>\$ 87,967</u>	<u>\$ 57,206</u>	<u>\$ 129,763</u>	<u>\$ 74,084</u>	<u>\$ 109,034</u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Emergency Management Fund				Law Enforcement Training Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	94,175	101,726	103,000	101,079	-	-	-	-
Charges for Services	-	2,147	-	-	1,500	1,074	1,500	1,396
Interest	145	301	-	146	-	-	-	-
Other Receipts	25	1,169	-	611	-	-	-	250
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 94,345</u>	<u>\$ 105,343</u>	<u>\$ 103,000</u>	<u>\$ 101,836</u>	<u>\$ 1,500</u>	<u>\$ 1,074</u>	<u>\$ 1,500</u>	<u>\$ 1,646</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	42,402	50,941	44,192	45,682	-	-	-	-
Services	7,750	6,125	8,750	9,321	1,000	1,081	2,000	960
Other Expenditures	7,842	10,627	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	35,470	36,070	35,470	35,470	-	-	-	-
Total Disbursements	<u>\$ 93,464</u>	<u>\$ 103,763</u>	<u>\$ 88,412</u>	<u>\$ 90,473</u>	<u>\$ 1,000</u>	<u>\$ 1,081</u>	<u>\$ 2,000</u>	<u>\$ 960</u>
Receipts Over (Under)								
Disbursements	\$ 881	\$ 1,580	\$ 14,588	\$ 11,363	\$ 500	\$ (7)	\$ (500)	\$ 686
Cash and Equivalents, Jan 1	<u>34,316</u>	<u>34,316</u>	<u>22,953</u>	<u>22,953</u>	<u>1,420</u>	<u>1,420</u>	<u>734</u>	<u>734</u>
Cash and Equivalents, Dec 31	<u>\$ 35,197</u>	<u>\$ 35,896</u>	<u>\$ 37,541</u>	<u>\$ 34,316</u>	<u>\$ 1,920</u>	<u>\$ 1,413</u>	<u>\$ 234</u>	<u>\$ 1,420</u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Conceal and Carry Fund				Civil Fees Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,000	2,485	9,000	18,998	5,500	9,777	9,500	8,759
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,000</u>	<u>\$ 2,485</u>	<u>\$ 9,000</u>	<u>\$ 18,998</u>	<u>\$ 5,500</u>	<u>\$ 9,777</u>	<u>\$ 9,500</u>	<u>\$ 8,759</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	9,000	5,558	16,000	11,207	9,000	3,559	9,000	6,411
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 9,000</u>	<u>\$ 5,558</u>	<u>\$ 16,000</u>	<u>\$ 11,207</u>	<u>\$ 9,000</u>	<u>\$ 3,559</u>	<u>\$ 9,000</u>	<u>\$ 6,411</u>
Receipts Over (Under)								
Disbursements	\$ (2,000)	\$ (3,073)	\$ (7,000)	\$ 7,791	\$ (3,500)	\$ 6,218	\$ 500	\$ 2,348
Cash and Equivalents, Jan 1	<u>15,533</u>	<u>15,533</u>	<u>7,742</u>	<u>7,742</u>	<u>3,599</u>	<u>3,599</u>	<u>1,251</u>	<u>1,251</u>
Cash and Equivalents, Dec 31	<u>\$ 13,533</u>	<u>\$ 12,460</u>	<u>\$ 742</u>	<u>\$ 15,533</u>	<u>\$ 99</u>	<u>\$ 9,817</u>	<u>\$ 1,751</u>	<u>\$ 3,599</u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Recorder Technology Fund				Tax Maintenance Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,800	8,380	7,400	7,836	10,000	10,343	10,400	9,948
Interest	-	-	-	-	50	112	20	59
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 7,800	\$ 8,380	\$ 7,400	\$ 7,836	\$ 10,050	\$ 10,455	\$ 10,420	\$ 10,007
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	600	944	600	-	16,850	8,694	12,600	6,746
Services	7,200	8,008	7,200	7,166	844	3,010	400	4,480
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 7,800	\$ 8,952	\$ 7,800	\$ 7,166	\$ 17,694	\$ 11,704	\$ 13,000	\$ 11,226
Receipts Over (Under)								
Disbursements	\$ -	\$ (572)	\$ (400)	\$ 670	\$ (7,644)	\$ (1,249)	\$ (2,580)	\$ (1,219)
Cash and Equivalents, Jan 1	13,247	13,247	12,577	12,577	9,120	9,120	10,339	10,339
Cash and Equivalents, Dec 31	<u>\$ 13,247</u>	<u>\$ 12,675</u>	<u>\$ 12,177</u>	<u>\$ 13,247</u>	<u>\$ 1,476</u>	<u>\$ 7,871</u>	<u>\$ 7,759</u>	<u>\$ 9,120</u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Prosecuting Attorney Administrative Handling Fund				Prosecutor Training Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,500	2,995	5,000	3,173	300	271	600	347
Interest	70	118	25	73	-	-	-	-
Other Receipts	-	39	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,570	\$ 3,152	\$ 5,025	\$ 3,246	\$ 300	\$ 271	\$ 600	\$ 347
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,000	5,120	5,500	9,814	-	-	-	-
Services	-	-	6,000	-	300	1,027	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	6,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 3,000	\$ 5,120	\$ 17,500	\$ 9,814	\$ 300	\$ 1,027	\$ -	\$ -
Receipts Over (Under)								
Disbursements	\$ (430)	\$ (1,968)	\$ (12,475)	\$ (6,568)	\$ -	\$ (756)	\$ 600	\$ 347
Cash and Equivalents, Jan 1	11,856	11,856	18,424	18,424	1,922	1,922	1,575	1,575
Cash and Equivalents, Dec 31	\$ 11,426	\$ 9,888	\$ 5,949	\$ 11,856	\$ 1,922	\$ 1,166	\$ 2,175	\$ 1,922

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Domestic Violence Fund				Annex Building Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	285,000	305,454	288,000	284,256
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,300	2,004	2,600	2,428	-	-	-	-
Interest	-	-	-	-	780	2,916	370	770
Other Receipts	-	-	-	-	-	-	-	2,420
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,300</u>	<u>\$ 2,004</u>	<u>\$ 2,600</u>	<u>\$ 2,428</u>	<u>\$ 285,780</u>	<u>\$ 308,370</u>	<u>\$ 288,370</u>	<u>\$ 287,446</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,500	2,500	2,500	2,500	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	50,000	2,443	100,000	18,218
Debt Payments	-	-	-	-	117,000	93,978	200,760	200,760
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 167,000</u>	<u>\$ 96,421</u>	<u>\$ 300,760</u>	<u>\$ 218,978</u>
Receipts Over (Under)								
Disbursements	\$ (200)	\$ (496)	\$ 100	\$ (72)	\$ 118,780	\$ 211,949	\$ (12,390)	\$ 68,468
Cash and Equivalents, Jan 1	<u>3,393</u>	<u>3,393</u>	<u>3,465</u>	<u>3,465</u>	<u>205,830</u>	<u>205,830</u>	<u>137,362</u>	<u>137,362</u>
Cash and Equivalents, Dec 31	<u><u>\$ 3,193</u></u>	<u><u>\$ 2,897</u></u>	<u><u>\$ 3,565</u></u>	<u><u>\$ 3,393</u></u>	<u><u>\$ 324,610</u></u>	<u><u>\$ 417,779</u></u>	<u><u>\$ 124,972</u></u>	<u><u>\$ 205,830</u></u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Jail Renovation Fund				Roll Back Reserve Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	570,000	610,914	576,000	568,514	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,900	2,274	1,100	1,900
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	20,000	20,000	20,000	20,000
Total Receipts	<u>\$ 570,000</u>	<u>\$ 610,914</u>	<u>\$ 576,000</u>	<u>\$ 568,514</u>	<u>\$ 21,900</u>	<u>\$ 22,274</u>	<u>\$ 21,100</u>	<u>\$ 21,900</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	25,000	20,681	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Payments	147,000	149,243	146,988	146,952	-	-	-	-
Transfers Out	420,000	420,000	420,000	420,000	-	-	-	-
Total Disbursements	<u>\$ 592,000</u>	<u>\$ 589,924</u>	<u>\$ 566,988</u>	<u>\$ 566,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (22,000)	\$ 20,990	\$ 9,012	\$ 1,562	\$ 21,900	\$ 22,274	\$ 21,100	\$ 21,900
Cash and Equivalents, Jan 1	<u>276,192</u>	<u>276,192</u>	<u>274,630</u>	<u>274,630</u>	<u>427,280</u>	<u>427,280</u>	<u>405,380</u>	<u>405,380</u>
Cash and Equivalents, Dec 31	<u>\$ 254,192</u>	<u>\$ 297,182</u>	<u>\$ 283,642</u>	<u>\$ 276,192</u>	<u>\$ 449,180</u>	<u>\$ 449,554</u>	<u>\$ 426,480</u>	<u>\$ 427,280</u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Election Services Fund				Lease Purchase Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	4	4	8	27
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	1,200	1,180	4,500	2,485	-	-	-	-
Total Receipts	<u>\$ 1,200</u>	<u>\$ 1,180</u>	<u>\$ 4,500</u>	<u>\$ 2,485</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 8</u>	<u>\$ 27</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,200	-	2,750	1,995	1,846	1,846	6,283	4,468
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,200</u>	<u>\$ -</u>	<u>\$ 2,750</u>	<u>\$ 1,995</u>	<u>\$ 1,846</u>	<u>\$ 1,846</u>	<u>\$ 6,283</u>	<u>\$ 4,468</u>
Receipts Over (Under)								
Disbursements	\$ (1,000)	\$ 1,180	\$ 1,750	\$ 490	\$ (1,842)	\$ (1,842)	\$ (6,275)	\$ (4,441)
Cash and Equivalents, Jan 1	<u>4,380</u>	<u>4,380</u>	<u>3,890</u>	<u>3,890</u>	<u>1,842</u>	<u>1,842</u>	<u>6,283</u>	<u>6,283</u>
Cash and Equivalents, Dec 31	<u><u>\$ 3,380</u></u>	<u><u>\$ 5,560</u></u>	<u><u>\$ 5,640</u></u>	<u><u>\$ 4,380</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8</u></u>	<u><u>\$ 1,842</u></u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Use Tax Fund				Inmate Security Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	233,000	260,523	188,000	233,053	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	8,000	14,074	6,000	2,189
Interest	1,000	2,716	-	1,051	-	45	-	-
Other Receipts	-	99	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 234,000</u>	<u>\$ 263,338</u>	<u>\$ 188,000</u>	<u>\$ 234,104</u>	<u>\$ 8,000</u>	<u>\$ 14,119</u>	<u>\$ 6,000</u>	<u>\$ 2,189</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	4,350	13,115	1,000	3,621
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	150,000	150,000	150,000	150,000	-	-	-	-
Total Disbursements	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 4,350</u>	<u>\$ 13,115</u>	<u>\$ 1,000</u>	<u>\$ 3,621</u>
Receipts Over (Under)								
Disbursements	\$ 84,000	\$ 113,338	\$ 38,000	\$ 84,104	\$ 3,650	\$ 1,004	\$ 5,000	\$ (1,432)
Cash and Equivalents, Jan 1	<u>294,601</u>	<u>294,601</u>	<u>210,497</u>	<u>210,497</u>	<u>1,363</u>	<u>1,363</u>	<u>2,795</u>	<u>2,795</u>
Cash and Equivalents, Dec 31	<u>\$ 378,601</u>	<u>\$ 407,939</u>	<u>\$ 248,497</u>	<u>\$ 294,601</u>	<u>\$ 5,013</u>	<u>\$ 2,367</u>	<u>\$ 7,795</u>	<u>\$ 1,363</u>

See Notes to the Financial Statements

The County of Osage
Linn, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Health Insurance Savings Carryover Fund				Special Elections Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	25,000	29,010	18,444	21,967	-	-	-	-
Charges for Services	-	-	-	-	-	23,589	-	49,707
Interest	15	327	-	11	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 25,015</u>	<u>\$ 29,337</u>	<u>\$ 18,444</u>	<u>\$ 21,978</u>	<u>\$ -</u>	<u>\$ 23,589</u>	<u>\$ -</u>	<u>\$ 49,707</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	23,589	-	49,707
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,589</u>	<u>\$ -</u>	<u>\$ 49,707</u>
Receipts Over (Under)								
Disbursements	\$ 25,015	\$ 29,337	\$ 18,444	\$ 21,978	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>21,978</u>	<u>21,978</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Cash and Equivalents, Dec 31	<u><u>\$ 46,993</u></u>	<u><u>\$ 51,315</u></u>	<u><u>\$ 18,444</u></u>	<u><u>\$ 21,978</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>

See Notes to the Financial Statements

**The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies

Organized in 1841, the County of Osage was created by an Act of the Missouri Territory. It is a third-class county, and the county seat is Linn. Osage County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Osage County, Missouri.

Osage County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Osage County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Osage County's legal entity. The Osage County Senate Bill B40 Board is controlled by a separate board which has issued separately audited financial statements. For information, please contact the Osage County Senate Bill 40 Board by calling (573) 897-3095 (or write to 205 East Main Street, Linn, Missouri 65051).

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Osage County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

**The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

If Osage County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Osage County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Emergency Management Fund, Law Enforcement Training Fund, Recorder Technology Fund, Prosecuting Attorney Administrative Handling Fund, Prosecutor Training Fund, and Inmate Security Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2016: Emergency Management Fund and Inmate Security Fund. The following fund did not have a prepared budget for 2017 or 2016: Special Elections Fund.

**The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Osage County's boundaries for the calendar year 2017 and 2016, respectively, for the purposes of County taxation was as follows:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 137,020,665	\$ 127,633,590
Personal Property	50,591,818	48,845,955
Railroad and Utilities	30,584,111	31,529,234
	<u>\$ 218,196,594</u>	<u>\$ 208,008,779</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2017 and 2016, respectively, for the purpose of County taxation, was as follows:

	<u>2017</u>	<u>2016</u>
General Revenue Fund	\$ 0.0622	\$ 0.0692
Special Road and Bridge Fund	0.2130	0.2154

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Osage County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Osage County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2017, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 2,220,676	\$ 2,333,885
Investments	<u>625,462</u>	<u>625,462</u>
Total Deposits and Investments as of December 31, 2017	<u>\$ 2,846,138</u>	<u>\$ 2,959,347</u>

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2016, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 1,535,263	\$ 1,644,458
Investments	<u>625,462</u>	<u>625,462</u>
Total Deposits and Investments as of December 31, 2016	<u>\$ 2,160,725</u>	<u>\$ 2,269,920</u>

Note: Bank balances are inclusive of all funds of Osage County, and as such, include balances of unaudited funds which are not included in the scope of this report.

The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2017 and 2016, 100% of Osage County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Osage County or its agent but not in the government's name. Osage County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Osage County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Osage County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Osage County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Osage County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2017 Balance	% of Portfolio	2016 Balance	% of Portfolio
Legends Bank	Cert. of Deposit	\$ 100,000	16.0%	\$ 100,000	16.0%
Legends Bank	Cert. of Deposit	100,000	16.0%	100,000	16.0%
Legends Bank	Cert. of Deposit	100,000	16.0%	100,000	16.0%
Legends Bank	Cert. of Deposit	100,000	16.0%	100,000	16.0%
Legends Bank	Cert. of Deposit	100,000	16.0%	100,000	16.0%
Legends Bank	Cert. of Deposit	101,462	16.2%	101,462	16.2%
		<u>\$ 601,462</u>		<u>\$ 601,462</u>	

**The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2017 and 2016 are as follows:

	2017		2016	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 724,909	\$ 6,600	\$ 732,222	\$ 6,600
Special Road and Bridge Fund	-	20,000	-	10,000
Assessment Fund	6,600	-	6,600	-
911 Fund	36,070	132,500	35,470	125,000
Emergency Management Fund	-	36,070	-	35,470
Jail Renovation Fund	-	420,000	-	420,000
Roll Back Reserve Fund	20,000	-	20,000	-
Election Services Fund	1,180	-	2,485	-
Use Tax Fund	-	150,000	-	150,000
Special Elections Fund	-	23,589	-	49,707
Total	<u>\$ 788,759</u>	<u>\$ 788,759</u>	<u>\$ 796,777</u>	<u>\$ 796,777</u>

Note 4 - Long-Term Debt

Capital Leases

On February 25, 2009, Osage County entered into a cancelable lease purchase agreement with Legends Bank. The lease purchase is for \$1,665,000 with a maturity date of January 2018. The lease purchase agreement calls for monthly payments of \$16,730, which includes interest of 3.5%. The proceeds of the lease purchase were used to renovate the county courthouse. The County paid this lease purchase off in 2017 ahead of schedule.

On June 6, 2013, Osage County entered into a cancelable lease purchase agreement with Legends Bank. The lease purchase is for \$134,332 with a maturity date of June 2017. The lease purchase agreement calls for 48 monthly payments of \$2,990, which includes interest of 3.25%. The proceeds of the lease purchase were used to purchase 6 police vehicles.

On January 1, 2015, Osage County entered into a cancelable lease purchase agreement with FS Leasing. The lease purchase is for \$1,587,800 with a maturity date of October 2027. The lease purchase agreement calls for 26 semi-annual payments of unequal amounts, which includes interest of 3.25%. The proceeds of the lease purchase were used to refund the Series 2009 Certificates of Participation.

On August 5, 2015, Osage County entered into a cancelable lease purchase agreement with Legends Bank. The lease purchase is for \$76,747 with a maturity date of August 2017. The lease purchase agreement calls for 24 monthly payments of \$3,304, which includes interest of 3%. The proceeds of the lease purchase were used to purchase 911 equipment.

On February 28, 2017, Osage County entered into a cancelable lease purchase agreement with Legends Bank. The lease purchase is for \$90,008 with a maturity date of January 2020. The lease purchase agreement calls for 32 monthly payments of \$2,990, which includes interest of 3.75%. The proceeds of the lease purchase were used to purchase 3 police vehicles.

Although the agreements provide cancellation of the leases if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its option to cancel.

**The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 4 - Long-Term Debt (continued)

Capital Leases (continued)

The following is the changes in long-term debt for the year ended December 31, 2017:

Capital Lease Obligations	Balance January 1	Additions	Retirements	Balance December 31	Interest Paid
Courthouse renovation	\$ 93,061	\$ -	\$ 93,061	\$ -	\$ 952
6 police vehicles	14,590	-	14,590	-	119
2009 COP refunding	1,373,900		104,800	1,269,100	43,800
911 equipment	26,112	-	26,112	-	288
3 police vehicles	-	90,008	18,414	71,594	2,516
	<u>\$ 1,507,663</u>	<u>\$ 90,008</u>	<u>\$ 256,977</u>	<u>\$ 1,340,694</u>	<u>\$ 47,675</u>

The following is the changes in long-term debt for the year ended December 31, 2016:

Capital Lease Obligations	Balance January 1	Additions	Retirements	Balance December 31	Interest Paid
Courthouse renovation	\$ 287,184	\$ -	\$ 194,123	\$ 93,061	\$ 7,067
6 police vehicles	49,363	-	34,773	14,590	1,107
2009 COP refunding	1,473,800		99,900	1,373,900	48,087
911 equipment	64,329	-	38,217	26,112	1,429
	<u>\$ 1,874,676</u>	<u>\$ -</u>	<u>\$ 367,013</u>	<u>\$ 1,507,663</u>	<u>\$ 57,690</u>

The following is the future minimum payments for all leases obligations:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 143,173	\$ 42,464	\$ 185,637
2019	148,861	37,585	186,446
2020	120,760	33,042	153,802
2021	122,000	29,165	151,165
2022	121,100	25,209	146,309
2023-2027	684,800	62,527	747,327
	<u>\$ 1,340,694</u>	<u>\$ 229,992</u>	<u>\$ 1,570,686</u>

**The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 5 - Operating Leases

On January 11, 2017, Osage County entered into an operating lease agreement with Caterpillar Financial for a motor grader. The lease agreement calls for 5 annual payments of \$26,350 beginning January 2017 and ending January 2022.

On January 11, 2017, Osage County entered into an operating lease agreement with Caterpillar Financial for a motor grader. The lease agreement calls for 5 annual payments of \$26,350 beginning January 2017 and ending January 2022.

Future minimum payments for the year ended December 31, 2017, are as follows:

Year Ending December 31	Caterpillar Grader Lease #1	Caterpillar Grader Lease #2
2017	\$ 26,350	\$ 26,350
2018	26,350	26,350
2019	26,350	26,350
2020	26,350	26,350
2021	26,350	26,350
	<u>\$ 131,750</u>	<u>\$ 131,750</u>

Note 6 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

**The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 6 - County Employees' Retirement Fund (CERF) (continued)

Benefits Provided (continued)

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

In accordance with state statutes, the plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 are required to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2017 and 2016, the County collected and remitted to CERF, employee contributions of \$87,212 and \$86,343, respectively, for the years then ended.

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, Osage County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Osage County has contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2017 and 2016.

Note 8 - Other Retirement Plan

Osage County have voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 457 plan were \$32,207 and \$35,811, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 401(a) plan were \$11,307 and \$11,408, respectively.

Note 9 - Post-Employment Benefits

Osage County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Osage County.

Note 10 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

**The County of Osage
Linn, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 10 - Claims, Commitments and Contingencies (continued)

Compensated Absences

The County provides employees with up to 24 days of paid vacation based upon the number of years of continuous service. Vacation days do carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue eight hours of sick leave per month for a total of twelve days for the year. The County allows employees to carry forward any and all unused sick leave up to 720 hours. However, upon termination, employees do not get reimbursed for sick leave. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 11 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 12 - Subsequent Events

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 1, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

To the County Commission and
Officeholders of Osage County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Osage County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Osage County, Missouri's basic financial statements, and have issued our report thereon dated August 1, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Osage County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Osage County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Osage County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies as items 2017-002 and 2017-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Osage County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2017-001.

Osage County, Missouri's Responses to Findings

Osage County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Osage County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri
August 1, 2018

**The County of Osage
Linn, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2017 & 2016**

Financial Statement Findings

2017-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit.

Condition: During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Emergency Management Fund, Law Enforcement Training Fund, Recorder Technology Fund, Prosecuting Attorney Administrative Handling Fund, Prosecutor Training Fund, and Inmate Security Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2016: Emergency Management Fund and Inmate Security Fund. The following fund did not have a prepared budget for 2017 or 2016: Special Elections Fund.

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds and not preparing budgets for certain funds.

Cause: Oversight

Recommendation: We recommend that the County adopt a budget for all funds and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Commission, County Treasurer, and County Clerk will review all funds throughout the year and make all necessary budget amendments as necessary in accordance with the Mo Revised Statutes. The expected completion date is December 31, 2018. The phone number for the County Clerk is (573) 897-2139.

2017-002 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2018. The phone number for the County Clerk is (573) 897-2139.

**The County of Osage
Linn, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2017 & 2016**

Financial Statement Findings (continued)

2017-003 **Criteria:** Management of the County is responsible for establishing and maintaining internal controls in the financial reporting system and for the fair presentation of the financial statements.

Condition: During our audit we were required to make several material audit adjustments to cash and revenue to ensure the financial statements of the County were not misstated. The County has not been reporting the value of certificates of deposits within the available cash balance on the budgets.

Effect: Due to errors reported in cash and revenue, the 2017 and 2016 financial statements of the County were misstated.

Cause: Lack of controls over financial reporting.

Recommendation: We recommend management of the County develop controls over financial reporting to ensure cash and revenue are be accurately reported.

Management's Response: The County Clerk and County Treasurer will work together to ensure that cash and revenue are accurately reported in the financial statements. The phone number for the County Clerk is (573) 897-2139.

**The County of Osage
Linn, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Osage County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013 & 2012.

Prior Year Financial Statement Findings

FS 13/12-01 **Criteria:** Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, Statements on Auditing Standards: Clarification and Recodification, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will begin the process of internal control documentation in 2014 with the direction from the County Commission. The County Clerk's (Patrick Steele) office phone number is (573) 897-2139.

Status: Management has corrected this issue.

FS 13/12-02 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

**The County of Osage
Linn, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

Prior Year Financial Statement Findings (continued)

FS 13/12-02 **Cause:** Management has not prepared documentation of risk assessments, including identified risks and mitigating (cont.) controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County will begin the process of fraud risk assessment documentation in 2014 with the direction from the County Commission. The County Clerk's (Patrick Steele) office phone number is (573) 897-2139.

Status: Management has not corrected this issue and the finding is repeated as finding 2017-002 in the current year.

FS 13/12-03 **Criteria:** SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties within the office of the Collector and Treasurer.

Context: During the engagement, we noted that an individual is allowed to receive, record, deposit, as well as write, approve, sign and reconcile expenditures and receipts to the bank statement.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within each of the corresponding departments.

Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Management's Response: The County Collector's (Doris Keilholz) office and the County Treasurer's (Tim Neuner) has informed us that the County will look into making proper segregation of duties within their offices. The Collector's office phone number is 573-897-3706 and the Treasurer's office phone number is 573-897-3095.

Status: Management has corrected this issue.

**The County of Osage
Linn, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

Prior Year Federal Award Findings and Questioned Cost

SA 13/12-01 Federal Grantor: U.S. Department of Housing and Urban Development
Pass-Through Grantor: Missouri Department of Economic Development
Federal CFDA Number: 14.228
Program Title: Community Development Block Grant

Information on the federal program: The County was non-compliant with the sub-recipient monitoring requirement set forth by OMB Circular A-133.

Criteria: OMB Circular A-133 requires that pass-through entities monitor the activities of sub-recipients to ensure compliance with laws, regulations and the provisions of contracts or grant agreements.

Condition: During our testing of CDBG funds, we noted that the County did not monitor the sub-recipient's activities performed for the requirements of the Davis-Bacon Act and procurement and suspension and debarment.

Questioned Cost: Not applicable

Context: During our testing of compliance, we noted that the County did not monitor the sub-recipient's activities relating to the requirements of the Davis-Bacon Act and procurement and suspension and debarment.

Effect: The County was non-compliant with the sub-recipient monitoring requirement.

Cause: County personnel were not aware of monitoring responsibilities beyond obtaining and approving invoices.

Recommendation: The County should review the activities of the sub-recipient to ensure that the Davis-Bacon Act is being followed and that entities being used are not on the suspension and debarment list.

Management's Response: Going forward the County Clerk's (Patrick Steele) office will require clarification of monitoring processes, procedures and reimbursement. His phone number is (573) 897-2139.

Status: This finding is no longer applicable.

**The County of Osage
Linn, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

Prior Year Federal Award Findings and Questioned Cost (continued)

SA 13/12-02 Federal Grantor:	U.S. Department of Agriculture, U.S. Department of Interior, U.S. Department of Transportation, U.S. Department of Health and Human Services, and U.S. Department of Homeland
Pass-Through Grantor:	Department of Health and Senior Services, Office of Homeland Security Grants and Training, Missouri Department of Public Safety, and Highway and Transportation Commission
Federal CFDA Number:	All programs except 14.228
Program Title:	All programs except CDBG

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Cost: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by Governmental Accounting and Financial Reporting Standards.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements.

Management's Response: The County Clerk's (Patrick Steele) office will focus more attention on defining sources of funds going forward. His phone number is (573) 897-2139.

Status: This finding is no longer applicable.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Dallas County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dallas County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-094

ANNUAL FINANCIAL REPORT

DALLAS COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

DALLAS COUNTY, MISSOURI

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INTRODUCTORY SECTION

DALLAS COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Kevin Sharpe

North Commissioner – Roger Bradley

South Commissioner – Jerry Brown

Other Elected Officials

Assessor – Shelly Jasper

Circuit Clerk – Susan Potter

Collector – Sheryl Ferrell

Coroner – Lamont Swanson

County Clerk – Stephanie Hendricks

Prosecuting Attorney – Barbara Viets

Public Administrator – Carol Johnson

Recorder – Stacy Satterfield

Sheriff – Scott Rice

Treasurer – Becky Schofield

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: 816-221-4559, F: 816-221-4563
E: admin@mcbriделock.com

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Dallas County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Dallas County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Dallas County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Dallas County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Dallas County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 8, 2018, on our consideration of Dallas County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
August 8, 2018

DALLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents
	January 1, 2016	2016	2016	December 31, 2016	2017	2017	December 31, 2017
General Revenue	\$ 189,140	\$ 1,443,922	\$ 1,486,856	\$ 146,206	\$ 1,431,822	\$ 1,493,558	\$ 84,470
Special Road & Bridge	368,289	1,335,864	1,387,459	316,694	1,308,998	1,400,323	225,369
Assessment	7,076	235,269	233,726	8,619	238,226	244,752	2,093
Capital Improvement	99,321	985,261	610,650	473,932	1,247,488	1,024,511	696,909
Law Enforcement	39,931	953,937	987,836	6,032	1,050,552	994,470	62,114
Law Enforcement Civil Fees	6,970	13,116	18,235	1,851	26,350	12,178	16,023
Law Enforcement Training	3,990	4,369	420	7,939	3,316	7,604	3,651
Prosecuting Attorney Training	2,217	1,092	542	2,767	841	1,697	1,911
Bad Check	5,873	4,817	2,436	8,254	5,538	7,741	6,051
Jury	779	3,700	4,304	175	7,600	7,543	232
Local Emergency Planning Committee	11,744	2,406	1,272	12,878	2,312	3,230	11,960
Record Storage	33,954	20,235	20,789	33,400	17,707	9,135	41,972
Inmate Security	16,436	9,012	-	25,448	20,207	23,390	22,265
Law Enforcement Restitution	23,264	14,793	9,730	28,327	11,067	16,242	23,152
Tax Maintenance	61,712	19,675	16,186	65,201	18,295	19,968	63,528
Assessment 50%	28,877	34,900	23,135	40,642	36,625	25,652	51,615
Election Services	3,455	2,434	350	5,539	2,530	1,300	6,769
Sheriff's Revolving	39,847	19,912	19,089	40,670	3,566	9,165	35,071
Special Election	3,247	76,700	73,858	6,089	32,784	29,554	9,319
Prosecuting Attorney Tax Collection	2,017	4	-	2,021	4	-	2,025
Senior Citizens Tax	-	-	-	-	14,364	-	14,364
Total	<u>\$ 948,139</u>	<u>\$ 5,181,418</u>	<u>\$ 4,896,873</u>	<u>\$ 1,232,684</u>	<u>\$ 5,480,192</u>	<u>\$ 5,332,013</u>	<u>\$ 1,380,863</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 260,000	\$ 241,010	\$ 250,000	\$ 274,712
Sales taxes	648,000	668,230	678,000	695,918
Intergovernmental	176,536	164,604	140,175	101,334
Charges for services	241,300	243,176	255,050	245,536
Interest	2,000	1,395	1,300	2,328
Other	28,000	24,146	24,500	16,494
Transfers in	103,861	101,361	95,500	95,500
Total Receipts	<u>\$ 1,459,697</u>	<u>\$ 1,443,922</u>	<u>\$ 1,444,525</u>	<u>\$ 1,431,822</u>
DISBURSEMENTS				
County Commission	\$ 85,000	\$ 86,796	\$ 84,150	\$ 85,227
County Clerk	87,025	77,659	76,250	76,178
Elections	40,273	34,457	93,460	80,319
Buildings and grounds	80,000	64,751	76,000	66,273
Employee fringe benefits	145,600	135,357	143,400	145,359
Treasurer	47,750	46,785	49,030	45,916
Collector	112,700	109,096	114,535	110,088
Recorder of Deeds	49,875	48,327	49,075	48,125
Circuit Clerk	18,255	8,762	14,175	10,817
Court administration	17,668	7,867	14,224	8,729
Public Administrator	31,800	33,064	47,958	47,443
Sheriff	75,000	58,921	42,000	45,864
Prosecuting Attorney	222,040	229,891	225,756	217,047
Juvenile Officer	42,690	38,556	43,758	40,112
Coroner	21,620	25,912	22,700	21,622
Emergency management	9,100	8,520	7,934	7,633
Other	116,323	150,435	108,428	158,206
Transfers out	336,000	321,700	290,000	278,600
Emergency fund	75,000	-	75,000	-
Total Disbursements	<u>\$ 1,613,719</u>	<u>\$ 1,486,856</u>	<u>\$ 1,577,833</u>	<u>\$ 1,493,558</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (154,022)	\$ (42,934)	\$ (133,308)	\$ (61,736)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>189,140</u>	<u>189,140</u>	<u>146,206</u>	<u>146,206</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 35,118</u>	<u>\$ 146,206</u>	<u>\$ 12,898</u>	<u>\$ 84,470</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 430,200	\$ 436,885	\$ 438,500	\$ 462,030	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	835,050	892,495	688,510	791,660	107,925	110,078	109,978	112,970
Charges for services	-	-	-	-	-	-	-	-
Interest	2,600	3,101	2,800	3,765	172	177	175	561
Other	3,300	3,383	3,100	51,543	5,983	7,014	6,200	8,618
Transfers in	-	-	-	-	118,000	118,000	120,000	116,077
Total Receipts	<u>\$ 1,271,150</u>	<u>\$ 1,335,864</u>	<u>\$ 1,132,910</u>	<u>\$ 1,308,998</u>	<u>\$ 232,080</u>	<u>\$ 235,269</u>	<u>\$ 236,353</u>	<u>\$ 238,226</u>
DISBURSEMENTS								
Salaries	\$ 513,000	\$ 499,776	\$ 513,000	\$ 504,076	\$ 160,399	\$ 160,835	\$ 176,427	\$ 165,421
Employee fringe benefits	201,100	213,967	212,600	212,500	39,366	46,436	38,866	48,796
Materials and supplies	442,500	460,902	400,000	354,711	22,718	20,138	27,950	20,950
Services and other	134,619	56,792	161,093	187,670	9,759	6,317	-	9,585
Capital outlay	128,381	97,161	61,500	76,366	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	58,861	58,861	65,000	65,000	-	-	-	-
Total Disbursements	<u>\$ 1,478,461</u>	<u>\$ 1,387,459</u>	<u>\$ 1,413,193</u>	<u>\$ 1,400,323</u>	<u>\$ 232,242</u>	<u>\$ 233,726</u>	<u>\$ 243,243</u>	<u>\$ 244,752</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (207,311)	\$ (51,595)	\$ (280,283)	\$ (91,325)	\$ (162)	\$ 1,543	\$ (6,890)	\$ (6,526)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>368,289</u>	<u>368,289</u>	<u>316,694</u>	<u>316,694</u>	<u>7,076</u>	<u>7,076</u>	<u>8,619</u>	<u>8,619</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 160,978</u>	<u>\$ 316,694</u>	<u>\$ 36,411</u>	<u>\$ 225,369</u>	<u>\$ 6,914</u>	<u>\$ 8,619</u>	<u>\$ 1,729</u>	<u>\$ 2,093</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CAPITAL IMPROVEMENT FUND				LAW ENFORCEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	648,000	668,231	670,000	695,920	645,641	668,230	680,000	695,922
Intergovernmental	296,975	315,722	540,519	544,442	111,102	84,908	138,520	146,480
Charges for services	-	-	-	-	47,163	39,914	45,000	37,195
Interest	500	1,308	1,000	7,126	450	436	900	1,301
Other	-	-	-	-	15,045	449	9,012	9,654
Transfers in	-	-	-	-	160,000	160,000	160,000	160,000
Total Receipts	<u>\$ 945,475</u>	<u>\$ 985,261</u>	<u>\$ 1,211,519</u>	<u>\$ 1,247,488</u>	<u>\$ 979,401</u>	<u>\$ 953,937</u>	<u>\$ 1,033,432</u>	<u>\$ 1,050,552</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 589,804	\$ 571,289	\$ 594,000	\$ 555,289
Employee fringe benefits	-	-	-	-	188,021	196,869	193,424	194,902
Materials and supplies	446,000	371,904	571,500	542,577	55,130	55,730	51,000	108,765
Services and other	-	-	-	-	180,031	163,948	193,381	135,514
Capital outlay	175,049	138,969	135,675	138,970	-	-	-	-
Construction	58,000	57,277	335,519	312,464	-	-	-	-
Transfers out	42,500	42,500	30,500	30,500	-	-	-	-
Total Disbursements	<u>\$ 721,549</u>	<u>\$ 610,650</u>	<u>\$ 1,073,194</u>	<u>\$ 1,024,511</u>	<u>\$ 1,012,986</u>	<u>\$ 987,836</u>	<u>\$ 1,031,805</u>	<u>\$ 994,470</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 223,926	\$ 374,611	\$ 138,325	\$ 222,977	\$ (33,585)	\$ (33,899)	\$ 1,627	\$ 56,082
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>99,321</u>	<u>99,321</u>	<u>473,932</u>	<u>473,932</u>	<u>39,931</u>	<u>39,931</u>	<u>6,032</u>	<u>6,032</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 323,247</u>	<u>\$ 473,932</u>	<u>\$ 612,257</u>	<u>\$ 696,909</u>	<u>\$ 6,346</u>	<u>\$ 6,032</u>	<u>\$ 7,659</u>	<u>\$ 62,114</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT CIVIL FEES FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	14,280	13,116	16,000	20,672	4,550	4,369	4,550	3,316
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	5,678	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 14,280</u>	<u>\$ 13,116</u>	<u>\$ 16,000</u>	<u>\$ 26,350</u>	<u>\$ 4,550</u>	<u>\$ 4,369</u>	<u>\$ 4,550</u>	<u>\$ 3,316</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,250	776	2,000	1,309	-	-	-	-
Services and other	18,030	17,459	15,500	10,869	4,550	420	9,700	7,604
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 19,280</u>	<u>\$ 18,235</u>	<u>\$ 17,500</u>	<u>\$ 12,178</u>	<u>\$ 4,550</u>	<u>\$ 420</u>	<u>\$ 9,700</u>	<u>\$ 7,604</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (5,000)	\$ (5,119)	\$ (1,500)	\$ 14,172	\$ -	\$ 3,949	\$ (5,150)	\$ (4,288)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>6,970</u>	<u>6,970</u>	<u>1,851</u>	<u>1,851</u>	<u>3,990</u>	<u>3,990</u>	<u>7,939</u>	<u>7,939</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,970</u>	<u>\$ 1,851</u>	<u>\$ 351</u>	<u>\$ 16,023</u>	<u>\$ 3,990</u>	<u>\$ 7,939</u>	<u>\$ 2,789</u>	<u>\$ 3,651</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,200	1,092	1,150	841	5,000	4,617	5,400	5,431
Interest	-	-	-	-	15	23	60	77
Other	-	-	-	-	-	177	100	30
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,200</u>	<u>\$ 1,092</u>	<u>\$ 1,150</u>	<u>\$ 841</u>	<u>\$ 5,015</u>	<u>\$ 4,817</u>	<u>\$ 5,560</u>	<u>\$ 5,538</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,000	542	2,000	1,697	4,000	2,436	8,000	7,741
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ 542</u>	<u>\$ 2,000</u>	<u>\$ 1,697</u>	<u>\$ 4,000</u>	<u>\$ 2,436</u>	<u>\$ 8,000</u>	<u>\$ 7,741</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 200	\$ 550	\$ (850)	\$ (856)	\$ 1,015	\$ 2,381	\$ (2,440)	\$ (2,203)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,217</u>	<u>2,217</u>	<u>2,767</u>	<u>2,767</u>	<u>5,873</u>	<u>5,873</u>	<u>8,254</u>	<u>8,254</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,417</u>	<u>\$ 2,767</u>	<u>\$ 1,917</u>	<u>\$ 1,911</u>	<u>\$ 6,888</u>	<u>\$ 8,254</u>	<u>\$ 5,814</u>	<u>\$ 6,051</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JURY FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	2,406	-	2,312
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	100	-	-	-	-	-	-	-
Transfers in	12,000	3,700	10,000	7,600	-	-	-	-
Total Receipts	<u>\$ 12,100</u>	<u>\$ 3,700</u>	<u>\$ 10,000</u>	<u>\$ 7,600</u>	<u>\$ -</u>	<u>\$ 2,406</u>	<u>\$ -</u>	<u>\$ 2,312</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	400	218	400	800
Services and other	10,000	4,304	10,000	7,543	6,600	1,054	6,000	2,430
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 4,304</u>	<u>\$ 10,000</u>	<u>\$ 7,543</u>	<u>\$ 7,000</u>	<u>\$ 1,272</u>	<u>\$ 6,400</u>	<u>\$ 3,230</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 2,100	\$ (604)	\$ -	\$ 57	\$ (7,000)	\$ 1,134	\$ (6,400)	\$ (918)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>779</u>	<u>779</u>	<u>175</u>	<u>175</u>	<u>11,744</u>	<u>11,744</u>	<u>12,878</u>	<u>12,878</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,879</u>	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 232</u>	<u>\$ 4,744</u>	<u>\$ 12,878</u>	<u>\$ 6,478</u>	<u>\$ 11,960</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORD STORAGE FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	18,100	20,064	17,500	17,325	10,748	8,961	16,500	7,689
Interest	190	171	180	382	-	-	-	-
Other	-	-	-	-	-	51	2,400	12,518
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 18,290</u>	<u>\$ 20,235</u>	<u>\$ 17,680</u>	<u>\$ 17,707</u>	<u>\$ 10,748</u>	<u>\$ 9,012</u>	<u>\$ 18,900</u>	<u>\$ 20,207</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	4,000	2,910	4,000	-	-	-	-	-
Services and other	25,000	17,879	21,000	9,135	-	-	30,000	23,390
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 29,000</u>	<u>\$ 20,789</u>	<u>\$ 25,000</u>	<u>\$ 9,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 23,390</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (10,710)	\$ (554)	\$ (7,320)	\$ 8,572	\$ 10,748	\$ 9,012	\$ (11,100)	\$ (3,183)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>33,954</u>	<u>33,954</u>	<u>33,400</u>	<u>33,400</u>	<u>16,436</u>	<u>16,436</u>	<u>25,448</u>	<u>25,448</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 23,244</u>	<u>\$ 33,400</u>	<u>\$ 26,080</u>	<u>\$ 41,972</u>	<u>\$ 27,184</u>	<u>\$ 25,448</u>	<u>\$ 14,348</u>	<u>\$ 22,265</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	3,463	4,000	-	-	-	-	-
Charges for services	8,714	11,330	12,000	11,067	19,000	19,292	19,000	17,559
Interest	-	-	-	-	350	383	350	736
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,714</u>	<u>\$ 14,793</u>	<u>\$ 16,000</u>	<u>\$ 11,067</u>	<u>\$ 19,350</u>	<u>\$ 19,675</u>	<u>\$ 19,350</u>	<u>\$ 18,295</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	5,000	-	5,000	1,188
Services and other	8,714	9,730	35,000	9,242	25,000	16,186	27,000	18,780
Capital outlay	-	-	-	7,000	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,714</u>	<u>\$ 9,730</u>	<u>\$ 35,000</u>	<u>\$ 16,242</u>	<u>\$ 30,000</u>	<u>\$ 16,186</u>	<u>\$ 32,000</u>	<u>\$ 19,968</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 5,063	\$ (19,000)	\$ (5,175)	\$ (10,650)	\$ 3,489	\$ (12,650)	\$ (1,673)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>23,264</u>	<u>23,264</u>	<u>28,327</u>	<u>28,327</u>	<u>61,712</u>	<u>61,712</u>	<u>65,201</u>	<u>65,201</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 23,264</u>	<u>\$ 28,327</u>	<u>\$ 9,327</u>	<u>\$ 23,152</u>	<u>\$ 51,062</u>	<u>\$ 65,201</u>	<u>\$ 52,551</u>	<u>\$ 63,528</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ASSESSMENT 50% FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	33,633	34,900	35,000	36,614	1,200	1,422	1,500	710
Charges for services	-	-	-	-	1,200	986	500	1,754
Interest	-	-	-	11	20	26	24	66
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 33,633</u>	<u>\$ 34,900</u>	<u>\$ 35,000</u>	<u>\$ 36,625</u>	<u>\$ 2,420</u>	<u>\$ 2,434</u>	<u>\$ 2,024</u>	<u>\$ 2,530</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	35,901	23,135	35,906	20,575	3,500	350	6,465	1,300
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	12,309	5,077	-	-	-	-
Total Disbursements	<u>\$ 35,901</u>	<u>\$ 23,135</u>	<u>\$ 48,215</u>	<u>\$ 25,652</u>	<u>\$ 3,500</u>	<u>\$ 350</u>	<u>\$ 6,465</u>	<u>\$ 1,300</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,268)	\$ 11,765	\$ (13,215)	\$ 10,973	\$ (1,080)	\$ 2,084	\$ (4,441)	\$ 1,230
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>28,877</u>	<u>28,877</u>	<u>40,642</u>	<u>40,642</u>	<u>3,455</u>	<u>3,455</u>	<u>5,539</u>	<u>5,539</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 26,609</u>	<u>\$ 40,642</u>	<u>\$ 27,427</u>	<u>\$ 51,615</u>	<u>\$ 2,375</u>	<u>\$ 5,539</u>	<u>\$ 1,098</u>	<u>\$ 6,769</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				SPECIAL ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,100	22,129	2,500	17,799
Charges for services	15,000	19,912	5,000	3,566	-	14,476	13,000	14,910
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	95	70	75
Transfers in	-	-	-	-	50,000	40,000	-	-
Total Receipts	<u>\$ 15,000</u>	<u>\$ 19,912</u>	<u>\$ 5,000</u>	<u>\$ 3,566</u>	<u>\$ 52,100</u>	<u>\$ 76,700</u>	<u>\$ 15,570</u>	<u>\$ 32,784</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,000	19,089	20,000	9,165	50,000	73,858	15,200	29,554
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,000</u>	<u>\$ 19,089</u>	<u>\$ 20,000</u>	<u>\$ 9,165</u>	<u>\$ 50,000</u>	<u>\$ 73,858</u>	<u>\$ 15,200</u>	<u>\$ 29,554</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 10,000	\$ 823	\$ (15,000)	\$ (5,599)	\$ 2,100	\$ 2,842	\$ 370	\$ 3,230
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>39,847</u>	<u>39,847</u>	<u>40,670</u>	<u>40,670</u>	<u>3,247</u>	<u>3,247</u>	<u>6,089</u>	<u>6,089</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 49,847</u>	<u>\$ 40,670</u>	<u>\$ 25,670</u>	<u>\$ 35,071</u>	<u>\$ 5,347</u>	<u>\$ 6,089</u>	<u>\$ 6,459</u>	<u>\$ 9,319</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TAX COLLECTION FUND				SENIOR CITIZENS TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,364
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	60	-	50	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	3	4	4	4	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 63</u>	<u>\$ 4</u>	<u>\$ 54</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,364</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	50	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 63	\$ 4	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ 14,364
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,017</u>	<u>2,017</u>	<u>2,021</u>	<u>2,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,080</u>	<u>\$ 2,021</u>	<u>\$ 2,025</u>	<u>\$ 2,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,364</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DALLAS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dallas County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Collector, Circuit Clerk, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Dallas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the Collector and Treasurer, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2017</u>	<u>2016</u>
Assessment	✓	✓
Law Enforcement Restitution	N/A	✓
Sheriff's Revolving	N/A	✓
Special Election	✓	✓

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in October, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	2017	2016
Real Estate	\$ 121,170,520	\$ 112,486,620
Personal Property	35,294,826	34,418,693
Railroad and Utilities	16,580,040	16,704,001
Total	<u>\$ 173,045,386</u>	<u>\$ 163,609,314</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2017	2016
General Revenue	\$ 0.1581	\$ 0.1586
Special Road & Bridge	0.2594	0.2659
Senior Citizens Tax	0.0500	-

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash equivalents balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents includes deposits and short-term investments with maturities that are less than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$1,380,863 and \$1,232,684, respectively, and the bank balances were \$2,715,745 and \$2,090,637, respectively. Of the bank balances, \$509,416 for December 31, 2017 and \$506,297 for December 31, 2016, were covered by federal depository insurance. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$4,461,283 and \$4,601,084 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2017 and 2016, the County collected and remitted to CERF employee withholding and fees collected of \$79,595 and \$82,141, respectively, for the years then ended.

B. Other Retirement Plans

Dallas County offers voluntary 457 and 401(a) plans which are paid by a deduction from employee's salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 457 plan were \$31,288 and \$30,267, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 401(a) plan were \$10,774 and \$11,233, respectively.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 and \$9,044, respectively, for the years ended December 31, 2017 and 2016.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

Full-time employees accrue sick leave at one day per complete calendar month of employment, up to 60 hours. Part-time employees shall earn four hours of sick leave per complete calendar month of employment, up to 60 hours. Upon termination, employees are not compensated for accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of zero days per year up to twenty-one days per year depending on length of employment. Part-time employees with benefits are subject to all the vacation provisions, except that vacation leave is credited at one-half the rate shown for full-time employees. Vacation days must be used in the calendar year they are earned. Any days accrued at the end of the year will be forfeited. Employees are compensated for unused vacation time at the date of termination.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of Midwest Public Risk. The County purchases workers' compensation insurance through this organization, a non-profit corporation established for the purpose of providing insurance coverage for public entities across Missouri and Kansas. The Fund is self-insured up to \$1,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

On February 10, 2016, the County entered into an agreement with Henry M. Adkins & Son, Inc. to purchase \$89,767 of voting equipment, including maintenance. The agreement calls for a four-year payment plan with no interest.

On November 1, 2016, the County entered into a fifteen year equipment lease purchase agreement with FS Leasing, LLC for a new HVAC system for the jail in the amount of \$235,887. The lease is to be paid in annual payments of \$20,002, which includes interest of 3.124%, with the final payment scheduled on February 1, 2032.

The following schedule represents changes in long-term debt outstanding during the year ended December 31, 2016:

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
Voting Equipment	\$ -	\$ 89,767	-	\$ 89,767	-
Jail HVAC Lease	-	235,887	-	235,887	-

The following schedule represents changes in long-term debt outstanding during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
Voting Equipment	\$ 89,767	\$ -	(45,000)	\$ 44,767	-
Jail HVAC Lease	235,887	-	-	235,887	-

The following schedule represents future payments under long-term debt obligations:

Year	Principal	Interest	Total
2018	\$ 12,530	\$ 7,472	\$ 20,002
2019	57,694	7,075	64,769
2020	13,337	6,665	20,002
2021	13,742	6,260	20,002
2022	14,195	5,807	20,002
2023-2027	77,995	22,014	100,009
2028-2032	91,161	8,849	100,010
Total	<u>\$280,654</u>	<u>\$64,142</u>	<u>\$344,796</u>

8. OPERATING LEASES

The County acquires motor graders for the Road & Bridge department through operating leases. The County entered into a lease agreement in 2013 for four John Deere 772G motor graders, under which the County could purchase the graders at the end of the lease for \$688,000 in 2018. On March 20, 2018, the County traded in the graders and entered into a five year lease with Murphy tractor for six new 672G Motor Graders. The initial payment will be \$110,916 and the remaining five payments will be made annually at \$165,088, with the final payment scheduled on March 20, 2023.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 8, 2018, the date the financial statements were available to be issued. Based on this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Dallas County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Dallas County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Dallas County, Missouri's basic financial statements and have issued our report thereon dated August 8, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dallas County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dallas County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Dallas County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dallas County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 2017-001.

Dallas County, Missouri's Response to Finding

Dallas County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. Dallas County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
August 8, 2018

FINDINGS AND RECOMMENDATIONS

DALLAS COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2017-001: Budgetary Controls

Criteria: Section 50.740, RSMo prohibits expenditures in excess of the approved budgets.

Condition: Actual expenditures exceeded budgeted expenditures for four funds in 2016 and two funds in 2017. The detailed list of funds can be found in Note 1.D.10 to the financial statements.

Cause: The County approved expenditures in excess of amounts authorized by the legally adopted budgets.

Effect: Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget.

County's Response: Dallas County acknowledges that it did go over budget in the aforementioned funds. The amounts in Assessment were nominal. Assessment runs on a very tight budget and it didn't go over budget until the very last payroll of the year both times. The county does budget revisions in the fall so we do the best we can to anticipate expenditures. In the case of the Special Election Fund we had a special election called by the State in 2017 that was not anticipated and the revision did not get made in time. The 2016 election cycle includes a presidential primary which was an extra election for 2016 this was the first presidential primary for the new county clerk who did not anticipate the added expense. The Law Enforcement Restitution and Sheriff's Revolving were simply not revised. The cash was available in the funds. Revisions were just not made. All the budgets had the cash on hand no bills were paid that were not covered financially. We understand the importance of the budget and how that works with the state statutes. The county will take more steps to review the budgets so this does not happen in the future.

Auditor's Response: The response is appropriate to correct the concern.

DALLAS COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Dallas County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013 and 2012.

1. The County did not prepare a budget for the Special Election Fund, and the 911 Board Fund had expenses exceeding budget.

Status: Partially resolved. See Finding 2017-001.

2. Documentation of the County's internal controls has not been prepared.

Status: Resolved.

3. There is no formal fraud risk assessment in place.

Status: Resolved.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Andrew County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Andrew County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-093

ANNUAL FINANCIAL REPORT

ANDREW COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

ANDREW COUNTY, MISSOURI

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INTRODUCTORY SECTION

ANDREW COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Bob Caldwell

Eastern Commissioner – Frederick “Fritz” Hegeman

Western Commissioner – Gary Baumann

Other Elected Officials

Assessor – Paul Garrison

Circuit Clerk – Tena Christmas

Collector – Phil Rogers

County Clerk – Sarah Miller

Coroner – Doug Johnson

Prosecuting Attorney – Steven Stevenson

Public Administrator – Janet Rosenauer

Recorder – Rose Lancey

Sheriff – Bryan Atkins

Treasurer – Cindy Esely

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
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McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Andrew County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Andrew County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Andrew County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Andrew County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Andrew County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 31, 2018, on our consideration of Andrew County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
July 31, 2018

ANDREW COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Investments	Receipts	Disbursements	Cash and Investments	Receipts	Disbursements	Cash and Investments
	January 1, 2016			December 31, 2016			December 31, 2017
General Revenue	\$ 508,713	\$ 2,573,205	\$ 2,767,795	\$ 314,123	\$ 2,591,092	\$ 2,470,995	\$ 434,220
Special Road & Bridge	1,523,026	2,575,387	2,333,726	1,764,687	2,533,189	2,337,589	1,960,287
Assessment	197,816	289,190	257,571	229,435	299,642	293,095	235,982
Law Enforcement	954	1,516,984	1,513,659	4,279	1,625,075	1,628,536	818
Law Enforcement Training	256	4,117	2,178	2,195	3,556	5,467	284
Capital Improvement	61,158	134,766	106,169	89,755	136,894	189,143	37,506
Recorder's Record	59,234	9,468	7,154	61,548	10,110	23,041	48,617
Prosecuting Attorney Training	171	725	300	596	689	857	428
911	34,004	68	10,691	23,381	20,081	10,864	32,598
Local Emergency Planning Committee	5,261	3,091	1,986	6,366	2,855	856	8,365
Deputy Salary Supplement	(3,979)	41,186	39,074	(1,867)	32,709	31,999	(1,157)
Inmate Security	67,357	66,922	40,227	94,052	62,970	120,090	36,932
Andrew Co. Public Benefit Corporation	56,794	386,887	302,629	141,052	337,892	302,629	176,315
Aggregate Cemetery	2,273,928	119,587	94,315	2,299,200	137,020	73,197	2,363,023
Camp Geiger	-	396,956	396,956	-	-	-	-
Chinnereth Estates NID	17,373	15,440	14,096	18,717	4,942	16,341	7,318
Collector Tax Maintenance	48,070	26,469	26,195	48,344	29,113	35,873	41,584
Eden Estates NID	-	194,428	181,816	12,612	11,098	7,000	16,710
Election Services	7,547	15,250	9,548	13,249	2,799	2,765	13,283
Ford Farm	90,842	3,787	8,686	85,943	6,823	2,979	89,787
Gore Road NID	11,609	13,535	12,628	12,516	11,651	12,103	12,064
Hazardous Materials Emergency Preparedness	287	-	-	287	-	-	287
John Glenn NID	458	-	458	-	-	-	-
Johnson Grass	33,809	38,123	32,589	39,343	39,920	34,319	44,944
Orchard Estates NID	18,342	11,785	9,898	20,229	12,349	9,697	22,881
Prosecuting Attorney Bad Check	39,135	7,225	15,853	30,507	5,886	175	36,218
Senate Bill 40	109,685	266,374	177,133	198,926	209,591	164,504	244,013
Senior Citizens Services	441	70,009	69,683	767	73,040	73,404	403
Sheriff Civil	8,886	17,316	7,027	19,175	18,930	11,709	26,396
Sheriff Revolving	29,723	48,225	25,212	52,736	7,649	22,888	37,497
Jail Pod Construction	-	-	-	-	105,279	-	105,279
Total	<u>\$ 5,200,900</u>	<u>\$ 8,846,505</u>	<u>\$ 8,465,252</u>	<u>\$ 5,582,153</u>	<u>\$ 8,332,844</u>	<u>\$ 7,882,115</u>	<u>\$ 6,032,882</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 607,000	\$ 616,557	\$ 640,000	\$ 671,044
Sales taxes	525,000	707,192	550,000	710,923
Intergovernmental	171,600	198,717	176,506	161,517
Charges for services	492,857	462,086	466,585	474,828
Interest	900	718	700	492
Other	435,125	330,928	530,125	325,293
Transfers in	332,008	257,007	255,362	246,995
Total Receipts	<u>\$ 2,564,490</u>	<u>\$ 2,573,205</u>	<u>\$ 2,619,278</u>	<u>\$ 2,591,092</u>
DISBURSEMENTS				
County Commission	\$ 88,610	\$ 88,064	\$ 90,260	\$ 89,480
County Clerk	140,351	113,702	127,152	108,409
Elections	104,000	97,683	32,680	49,729
Buildings and grounds	41,200	29,853	38,225	32,177
Employee fringe benefits	245,816	236,210	244,103	230,286
Treasurer	49,780	46,077	49,780	45,997
Collector	124,075	111,129	126,075	104,952
Recorder of Deeds	78,704	75,409	80,400	88,971
Circuit Clerk	56,401	14,470	57,400	12,405
Court administration	33,935	33,572	33,935	32,353
Public Administrator	25,200	22,980	32,000	28,464
Prosecuting Attorney	156,728	140,589	153,200	136,005
Juvenile Officer	78,525	60,332	78,546	56,998
Coroner	24,735	19,282	25,380	17,614
Other County government	842,924	716,556	748,708	610,263
Transfers out	971,887	961,887	1,012,020	826,892
Emergency fund	-	-	-	-
Total Disbursements	<u>\$ 3,062,871</u>	<u>\$ 2,767,795</u>	<u>\$ 2,929,864</u>	<u>\$ 2,470,995</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (498,381)	\$ (194,590)	\$ (310,586)	\$ 120,097
CASH AND INVESTMENTS, JANUARY 1	<u>508,713</u>	<u>508,713</u>	<u>314,123</u>	<u>314,123</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 10,332</u>	<u>\$ 314,123</u>	<u>\$ 3,537</u>	<u>\$ 434,220</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 1,205,280	\$ 1,254,611	\$ 1,304,610	\$ 1,316,153	\$ -	\$ -	\$ -	\$ -
Sales taxes	395,000	403,643	418,000	409,924	-	-	-	-
Intergovernmental	1,133,376	897,602	1,271,000	780,836	301,183	269,417	310,750	281,404
Charges for services	-	-	-	-	549	274	274	208
Interest	3,000	3,844	3,500	3,899	472	475	430	513
Other	28,000	15,687	28,000	22,377	8,709	19,024	12,430	17,517
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,764,656</u>	<u>\$ 2,575,387</u>	<u>\$ 3,025,110</u>	<u>\$ 2,533,189</u>	<u>\$ 310,913</u>	<u>\$ 289,190</u>	<u>\$ 323,884</u>	<u>\$ 299,642</u>
DISBURSEMENTS								
Salaries	\$ 543,271	\$ 505,427	\$ 529,980	\$ 516,222	\$ 129,660	\$ 128,793	\$ 141,000	\$ 137,372
Employee fringe benefits	273,183	254,563	288,737	262,399	50,912	50,447	65,742	57,438
Materials and supplies	250,400	204,584	257,800	214,224	14,000	3,779	14,000	4,987
Services and other	197,100	178,401	207,100	173,465	84,000	74,552	94,800	85,798
Capital outlay	245,000	174,651	251,000	206,660	-	-	-	7,500
Construction	1,298,716	874,769	1,408,000	847,933	-	-	-	-
Transfers out	135,162	141,331	116,686	116,686	-	-	-	-
Total Disbursements	<u>\$ 2,942,832</u>	<u>\$ 2,333,726</u>	<u>\$ 3,059,303</u>	<u>\$ 2,337,589</u>	<u>\$ 278,572</u>	<u>\$ 257,571</u>	<u>\$ 315,542</u>	<u>\$ 293,095</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (178,176)	\$ 241,661	\$ (34,193)	\$ 195,600	\$ 32,341	\$ 31,619	\$ 8,342	\$ 6,547
CASH AND INVESTMENTS, JANUARY 1	<u>1,523,026</u>	<u>1,523,026</u>	<u>1,764,687</u>	<u>1,764,687</u>	<u>197,816</u>	<u>197,816</u>	<u>229,435</u>	<u>229,435</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,344,850</u>	<u>\$ 1,764,687</u>	<u>\$ 1,730,494</u>	<u>\$ 1,960,287</u>	<u>\$ 230,157</u>	<u>\$ 229,435</u>	<u>\$ 237,777</u>	<u>\$ 235,982</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	525,000	594,530	550,000	601,357	-	-	-	-
Intergovernmental	69,000	-	62,000	45,000	-	-	-	-
Charges for services	375,000	329,255	465,000	479,126	4,100	4,115	4,100	3,554
Interest	20	-	75	-	-	2	2	2
Other	18,000	18,199	82,000	10,592	-	-	-	-
Transfers in	585,000	575,000	640,795	489,000	-	-	-	-
Total Receipts	<u>\$ 1,572,020</u>	<u>\$ 1,516,984</u>	<u>\$ 1,799,870</u>	<u>\$ 1,625,075</u>	<u>\$ 4,100</u>	<u>\$ 4,117</u>	<u>\$ 4,102</u>	<u>\$ 3,556</u>
DISBURSEMENTS								
Salaries	\$ 864,800	\$ 892,193	\$ 928,450	\$ 924,955	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	331,643	314,634	425,120	336,521	-	-	-	-
Materials and supplies	113,500	91,364	120,500	106,349	-	-	-	-
Services and other	189,800	199,439	225,800	213,243	4,000	2,178	5,467	5,467
Capital outlay	62,500	16,029	87,000	47,468	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,562,243</u>	<u>\$ 1,513,659</u>	<u>\$ 1,786,870</u>	<u>\$ 1,628,536</u>	<u>\$ 4,000</u>	<u>\$ 2,178</u>	<u>\$ 5,467</u>	<u>\$ 5,467</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 9,777	\$ 3,325	\$ 13,000	\$ (3,461)	\$ 100	\$ 1,939	\$ (1,365)	\$ (1,911)
CASH AND INVESTMENTS, JANUARY 1	<u>954</u>	<u>954</u>	<u>4,279</u>	<u>4,279</u>	<u>256</u>	<u>256</u>	<u>2,195</u>	<u>2,195</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 10,731</u>	<u>\$ 4,279</u>	<u>\$ 17,279</u>	<u>\$ 818</u>	<u>\$ 356</u>	<u>\$ 2,195</u>	<u>\$ 830</u>	<u>\$ 284</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CAPITAL IMPROVEMENT FUND				RECORDER'S RECORD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	125,000	134,548	136,641	136,641	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	9,700	9,315	9,400	9,952
Interest	200	218	246	253	125	153	125	158
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 125,200</u>	<u>\$ 134,766</u>	<u>\$ 136,887</u>	<u>\$ 136,894</u>	<u>\$ 9,825</u>	<u>\$ 9,468</u>	<u>\$ 9,525</u>	<u>\$ 10,110</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	20,900	1,688	21,700	3,938
Services and other	6,170	6,169	6,000	3,555	7,400	5,466	6,560	5,401
Capital outlay	-	-	-	-	30,000	-	30,000	13,702
Construction	-	-	6,000	-	-	-	-	-
Transfers out	168,830	100,000	177,143	185,588	-	-	-	-
Total Disbursements	<u>\$ 175,000</u>	<u>\$ 106,169</u>	<u>\$ 189,143</u>	<u>\$ 189,143</u>	<u>\$ 58,300</u>	<u>\$ 7,154</u>	<u>\$ 58,260</u>	<u>\$ 23,041</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (49,800)	\$ 28,597	\$ (52,256)	\$ (52,249)	\$ (48,475)	\$ 2,314	\$ (48,735)	\$ (12,931)
CASH AND INVESTMENTS, JANUARY 1	<u>61,158</u>	<u>61,158</u>	<u>89,755</u>	<u>89,755</u>	<u>59,234</u>	<u>59,234</u>	<u>61,548</u>	<u>61,548</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 11,358</u>	<u>\$ 89,755</u>	<u>\$ 37,499</u>	<u>\$ 37,506</u>	<u>\$ 10,759</u>	<u>\$ 61,548</u>	<u>\$ 12,813</u>	<u>\$ 48,617</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	10,000	-	20,000	20,000
Charges for services	1,210	724	1,210	688	-	-	-	-
Interest	40	1	40	1	-	68	50	81
Other	-	-	-	-	-	-	300	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,250</u>	<u>\$ 725</u>	<u>\$ 1,250</u>	<u>\$ 689</u>	<u>\$ 10,000</u>	<u>\$ 68</u>	<u>\$ 20,350</u>	<u>\$ 20,081</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 9,880	\$ 10,061	\$ 10,061
Employee fringe benefits	-	-	-	-	785	811	803	803
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,250	300	1,450	857	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,250</u>	<u>\$ 300</u>	<u>\$ 1,450</u>	<u>\$ 857</u>	<u>\$ 10,785</u>	<u>\$ 10,691</u>	<u>\$ 10,864</u>	<u>\$ 10,864</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 425	\$ (200)	\$ (168)	\$ (785)	\$ (10,623)	\$ 9,486	\$ 9,217
CASH AND INVESTMENTS, JANUARY 1	<u>171</u>	<u>171</u>	<u>596</u>	<u>596</u>	<u>34,004</u>	<u>34,004</u>	<u>23,381</u>	<u>23,381</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 171</u>	<u>\$ 596</u>	<u>\$ 396</u>	<u>\$ 428</u>	<u>\$ 33,219</u>	<u>\$ 23,381</u>	<u>\$ 32,867</u>	<u>\$ 32,598</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				DEPUTY SALARY SUPPLEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,800	3,080	3,000	2,838	75,000	41,186	55,305	32,709
Charges for services	-	-	-	-	-	-	-	-
Interest	-	11	10	17	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,800</u>	<u>\$ 3,091</u>	<u>\$ 3,010</u>	<u>\$ 2,855</u>	<u>\$ 75,000</u>	<u>\$ 41,186</u>	<u>\$ 55,305</u>	<u>\$ 32,709</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 56,000	\$ 31,904	\$ 33,200	\$ 25,289
Employee fringe benefits	-	-	-	-	14,830	7,170	7,562	6,710
Materials and supplies	1,000	-	500	-	-	-	-	-
Services and other	2,100	1,986	2,200	856	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,100</u>	<u>\$ 1,986</u>	<u>\$ 2,700</u>	<u>\$ 856</u>	<u>\$ 70,830</u>	<u>\$ 39,074</u>	<u>\$ 40,762</u>	<u>\$ 31,999</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (300)	\$ 1,105	\$ 310	\$ 1,999	\$ 4,170	\$ 2,112	\$ 14,543	\$ 710
CASH AND INVESTMENTS, JANUARY 1	<u>5,261</u>	<u>5,261</u>	<u>6,366</u>	<u>6,366</u>	<u>(3,979)</u>	<u>(3,979)</u>	<u>(1,867)</u>	<u>(1,867)</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 4,961</u>	<u>\$ 6,366</u>	<u>\$ 6,676</u>	<u>\$ 8,365</u>	<u>\$ 191</u>	<u>\$ (1,867)</u>	<u>\$ 12,676</u>	<u>\$ (1,157)</u>

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ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				ANDREW CO. PUBLIC BENEFIT CORPORATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	40,000	45,404	25,110	25,110	-	-	-	-
Interest	200	210	189	195	-	-	-	-
Other	23,602	21,308	37,665	37,665	-	-	-	-
Transfers in	-	-	-	-	391,887	386,887	337,892	337,892
Total Receipts	<u>\$ 63,802</u>	<u>\$ 66,922</u>	<u>\$ 62,964</u>	<u>\$ 62,970</u>	<u>\$ 391,887</u>	<u>\$ 386,887</u>	<u>\$ 337,892</u>	<u>\$ 337,892</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	41,000	40,227	70,090	70,090	302,629	302,629	302,629	302,629
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	50,000	50,000	-	-	-	-
Total Disbursements	<u>\$ 41,000</u>	<u>\$ 40,227</u>	<u>\$ 120,090</u>	<u>\$ 120,090</u>	<u>\$ 302,629</u>	<u>\$ 302,629</u>	<u>\$ 302,629</u>	<u>\$ 302,629</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 22,802	\$ 26,695	\$ (57,126)	\$ (57,120)	\$ 89,258	\$ 84,258	\$ 35,263	\$ 35,263
CASH AND INVESTMENTS, JANUARY 1	<u>67,357</u>	<u>67,357</u>	<u>94,052</u>	<u>94,052</u>	<u>56,794</u>	<u>56,794</u>	<u>141,052</u>	<u>141,052</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 90,159</u>	<u>\$ 94,052</u>	<u>\$ 36,926</u>	<u>\$ 36,932</u>	<u>\$ 146,052</u>	<u>\$ 141,052</u>	<u>\$ 176,315</u>	<u>\$ 176,315</u>

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ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	AGGREGATE CEMETERY FUND				CAMP GEIGER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	396,956	396,956	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	63,090	119,587	184,200	137,020	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 63,090</u>	<u>\$ 119,587</u>	<u>\$ 184,200</u>	<u>\$ 137,020</u>	<u>\$ 396,956</u>	<u>\$ 396,956</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	121,850	94,315	123,850	73,197	396,956	396,956	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 121,850</u>	<u>\$ 94,315</u>	<u>\$ 123,850</u>	<u>\$ 73,197</u>	<u>\$ 396,956</u>	<u>\$ 396,956</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (58,760)	\$ 25,272	\$ 60,350	\$ 63,823	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>2,273,928</u>	<u>2,273,928</u>	<u>\$ 2,299,200</u>	<u>\$ 2,299,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,215,168</u>	<u>\$ 2,299,200</u>	<u>\$ 2,359,550</u>	<u>\$ 2,363,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CHINNERETH ESTATES NID FUND				COLLECTOR TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 14,400	\$ 13,713	\$ -	\$ 4,401	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	32,000	26,341	32,000	29,009
Interest	35	28	28	20	200	128	200	104
Other	1,734	1,699	-	521	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 16,169</u>	<u>\$ 15,440</u>	<u>\$ 28</u>	<u>\$ 4,942</u>	<u>\$ 32,200</u>	<u>\$ 26,469</u>	<u>\$ 32,200</u>	<u>\$ 29,113</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	19,114	14,096	18,577	16,341	80,000	26,195	80,000	35,873
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 19,114</u>	<u>\$ 14,096</u>	<u>\$ 18,577</u>	<u>\$ 16,341</u>	<u>\$ 80,000</u>	<u>\$ 26,195</u>	<u>\$ 80,000</u>	<u>\$ 35,873</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,945)	\$ 1,344	\$ (18,549)	\$ (11,399)	\$ (47,800)	\$ 274	\$ (47,800)	\$ (6,760)
CASH AND INVESTMENTS, JANUARY 1	<u>17,373</u>	<u>17,373</u>	<u>18,717</u>	<u>18,717</u>	<u>48,070</u>	<u>48,070</u>	<u>48,344</u>	<u>48,344</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 14,428</u>	<u>\$ 18,717</u>	<u>\$ 168</u>	<u>\$ 7,318</u>	<u>\$ 270</u>	<u>\$ 48,344</u>	<u>\$ 544</u>	<u>\$ 41,584</u>

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ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	EDEN ESTATES NID FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 48,051	\$ 53,362	\$ 8,500	\$ 6,823	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	10,000	8,866	2,500	4,275	7,500	15,209	7,500	2,767
Interest	-	-	15	-	22	41	20	32
Other	132,200	132,200	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 190,251</u>	<u>\$ 194,428</u>	<u>\$ 11,015</u>	<u>\$ 11,098</u>	<u>\$ 7,522</u>	<u>\$ 15,250</u>	<u>\$ 7,520</u>	<u>\$ 2,799</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	181,816	181,816	8,525	7,000	11,500	9,548	5,000	2,765
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 181,816</u>	<u>\$ 181,816</u>	<u>\$ 8,525</u>	<u>\$ 7,000</u>	<u>\$ 11,500</u>	<u>\$ 9,548</u>	<u>\$ 5,000</u>	<u>\$ 2,765</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 8,435	\$ 12,612	\$ 2,490	\$ 4,098	\$ (3,978)	\$ 5,702	\$ 2,520	\$ 34
CASH AND INVESTMENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>12,612</u>	<u>12,612</u>	<u>7,547</u>	<u>7,547</u>	<u>13,249</u>	<u>13,249</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 8,435</u>	<u>\$ 12,612</u>	<u>\$ 15,102</u>	<u>\$ 16,710</u>	<u>\$ 3,569</u>	<u>\$ 13,249</u>	<u>\$ 15,769</u>	<u>\$ 13,283</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FORD FARM FUND				GORE ROAD NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 12,880	\$ 13,519	\$ 13,000	\$ 11,639
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,478	3,433	3,450	6,500	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	350	354	354	323	20	16	10	12
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,828</u>	<u>\$ 3,787</u>	<u>\$ 3,804</u>	<u>\$ 6,823</u>	<u>\$ 12,900</u>	<u>\$ 13,535</u>	<u>\$ 13,010</u>	<u>\$ 11,651</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	5,350	3,330	6,500	1,287	-	-	-	-
Services and other	6,500	5,356	5,700	1,692	12,633	12,628	12,108	12,103
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 11,850</u>	<u>\$ 8,686</u>	<u>\$ 12,200</u>	<u>\$ 2,979</u>	<u>\$ 12,633</u>	<u>\$ 12,628</u>	<u>\$ 12,108</u>	<u>\$ 12,103</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,022)	\$ (4,899)	\$ (8,396)	\$ 3,844	\$ 267	\$ 907	\$ 902	\$ (452)
CASH AND INVESTMENTS, JANUARY 1	<u>90,842</u>	<u>90,842</u>	<u>85,943</u>	<u>85,943</u>	<u>11,609</u>	<u>11,609</u>	<u>12,516</u>	<u>12,516</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 82,820</u>	<u>\$ 85,943</u>	<u>\$ 77,547</u>	<u>\$ 89,787</u>	<u>\$ 11,876</u>	<u>\$ 12,516</u>	<u>\$ 13,418</u>	<u>\$ 12,064</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS FUND				JOHN GLENN NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Sales taxes	-	-	-	-	-		-	-
Intergovernmental	-	-	-	-	-		-	-
Charges for services	-	-	-	-	-		-	-
Interest	-	-	-	-	-		-	-
Other	-	-	-	-	-		-	-
Transfers in	-	-	-	-	-		-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	287	-	287	-	458	458	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ 458</u>	<u>\$ 458</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (287)	\$ -	\$ (287)	\$ -	\$ (458)	\$ (458)	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>287</u>	<u>287</u>	<u>287</u>	<u>287</u>	<u>458</u>	<u>458</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ 287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JOHNSON GRASS FUND				ORCHARD ESTATES NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 37,048	\$ 33,927	\$ 34,367	\$ 35,480	\$ 12,701	\$ 8,162	\$ 10,000	\$ 9,731
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	95	101	90	99	36	38	30	44
Other	3,000	4,095	4,000	4,341	2,600	3,585	2,500	2,574
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 40,143</u>	<u>\$ 38,123</u>	<u>\$ 38,457</u>	<u>\$ 39,920</u>	<u>\$ 15,337</u>	<u>\$ 11,785</u>	<u>\$ 12,530</u>	<u>\$ 12,349</u>
DISBURSEMENTS								
Salaries	\$ 22,600	\$ 20,098	\$ 22,600	\$ 21,632	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	4,000	3,496	4,000	3,277	-	-	-	-
Materials and supplies	7,800	3,080	7,700	2,845	-	-	-	-
Services and other	4,700	5,915	4,700	6,565	11,400	9,898	11,200	9,697
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 39,100</u>	<u>\$ 32,589</u>	<u>\$ 39,000</u>	<u>\$ 34,319</u>	<u>\$ 11,400</u>	<u>\$ 9,898</u>	<u>\$ 11,200</u>	<u>\$ 9,697</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,043	\$ 5,534	\$ (543)	\$ 5,601	\$ 3,937	\$ 1,887	\$ 1,330	\$ 2,652
CASH AND INVESTMENTS, JANUARY 1	<u>33,809</u>	<u>33,809</u>	<u>39,343</u>	<u>39,343</u>	<u>18,342</u>	<u>18,342</u>	<u>20,229</u>	<u>20,229</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 34,852</u>	<u>\$ 39,343</u>	<u>\$ 38,800</u>	<u>\$ 44,944</u>	<u>\$ 22,279</u>	<u>\$ 20,229</u>	<u>\$ 21,559</u>	<u>\$ 22,881</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				SENATE BILL 40 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 190,600	\$ 260,133	\$ 190,000	\$ 207,438
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	10,000	7,119	10,000	5,810	-	2,908	2,000	1,954
Interest	115	106	115	76	-	168	165	199
Other	-	-	-	-	-	3,165	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,115</u>	<u>\$ 7,225</u>	<u>\$ 10,115</u>	<u>\$ 5,886</u>	<u>\$ 190,600</u>	<u>\$ 266,374</u>	<u>\$ 192,165</u>	<u>\$ 209,591</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 90,725	\$ 91,058	\$ 92,588	\$ 90,235
Employee fringe benefits	-	-	-	-	16,700	11,173	15,190	13,011
Materials and supplies	-	-	-	-	34,000	17,875	30,500	16,761
Services and other	39,000	177	39,000	175	72,915	57,027	77,410	44,497
Capital outlay	-	-	-	-	27,500	-	27,500	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	15,676	-	-	-	-	-	-
Total Disbursements	<u>\$ 39,000</u>	<u>\$ 15,853</u>	<u>\$ 39,000</u>	<u>\$ 175</u>	<u>\$ 241,840</u>	<u>\$ 177,133</u>	<u>\$ 243,188</u>	<u>\$ 164,504</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (28,885)	\$ (8,628)	\$ (28,885)	\$ 5,711	\$ (51,240)	\$ 89,241	\$ (51,023)	\$ 45,087
CASH AND INVESTMENTS, JANUARY 1	<u>39,135</u>	<u>39,135</u>	<u>30,507</u>	<u>30,507</u>	<u>109,685</u>	<u>109,685</u>	<u>198,926</u>	<u>198,926</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 10,250</u>	<u>\$ 30,507</u>	<u>\$ 1,622</u>	<u>\$ 36,218</u>	<u>\$ 58,445</u>	<u>\$ 198,926</u>	<u>\$ 147,903</u>	<u>\$ 244,013</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZENS SERVICES FUND				SHERIFF CIVIL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 70,000	\$ 70,009	\$ 71,000	\$ 73,040	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	16,000	17,277	15,000	18,868
Interest	-	-	-	-	40	39	40	62
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 70,000</u>	<u>\$ 70,009</u>	<u>\$ 71,000</u>	<u>\$ 73,040</u>	<u>\$ 16,040</u>	<u>\$ 17,316</u>	<u>\$ 15,040</u>	<u>\$ 18,930</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	70,000	69,683	70,664	73,404	24,000	7,027	30,000	11,709
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 70,000</u>	<u>\$ 69,683</u>	<u>\$ 70,664</u>	<u>\$ 73,404</u>	<u>\$ 24,000</u>	<u>\$ 7,027</u>	<u>\$ 30,000</u>	<u>\$ 11,709</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 326	\$ 336	\$ (364)	\$ (7,960)	\$ 10,289	\$ (14,960)	\$ 7,221
CASH AND INVESTMENTS, JANUARY 1	<u>441</u>	<u>441</u>	<u>767</u>	<u>767</u>	<u>8,886</u>	<u>8,886</u>	<u>19,175</u>	<u>19,175</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 441</u>	<u>\$ 767</u>	<u>\$ 1,103</u>	<u>\$ 403</u>	<u>\$ 926</u>	<u>\$ 19,175</u>	<u>\$ 4,215</u>	<u>\$ 26,396</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF REVOLVING FUND				JAIL POD CONSTRUCTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	46,220	48,101	40,000	7,555	-	-	-	-
Interest	113	124	100	94	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	105,300	105,279
Total Receipts	<u>\$ 46,333</u>	<u>\$ 48,225</u>	<u>\$ 40,100</u>	<u>\$ 7,649</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,300</u>	<u>\$ 105,279</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	1	-	-	-	-	-	-
Capital outlay	24,836	25,211	50,000	22,888	-	-	-	-
Construction	-	-	-	-	-	-	1	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 24,836</u>	<u>\$ 25,212</u>	<u>\$ 50,000</u>	<u>\$ 22,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 21,497	\$ 23,013	\$ (9,900)	\$ (15,239)	\$ -	\$ -	\$ 105,299	\$ 105,279
CASH AND INVESTMENTS, JANUARY 1	<u>29,723</u>	<u>29,723</u>	<u>52,736</u>	<u>52,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 51,220</u>	<u>\$ 52,736</u>	<u>\$ 42,836</u>	<u>\$ 37,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,299</u>	<u>\$ 105,279</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Andrew County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Collector and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Andrew County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the Collector and Treasurer, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2017</u>	<u>2016</u>
Senior Citizens Services	✓	N/A
Sheriff Revolving	N/A	✓

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	2017	2016
Real Estate	\$ 182,334,452	\$ 177,441,447
Personal Property	59,904,311	56,526,263
Railroad and Utilities	30,437,022	25,877,186
Total	<u>\$ 272,675,785</u>	<u>\$ 259,844,896</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2017	2016
General Revenue	\$ 0.2478	\$ 0.2393
Special Road & Bridge	0.4917	0.4914
Johnson Grass	0.0147	0.0148
Senate Bill 40	0.0776	0.0783
Senior Citizens Services	0.0273	0.0276

In addition to the levies above, the County imposes special assessment taxes on residents of Neighborhood Improvement Districts (NIDs) located within the County. These taxes have been recorded as property tax revenues in the financial statements.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds, other than the funds of the Aggregate Cemetery Fund, are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

The Aggregate Cemetery Fund holds cash deposits and investments allowed by the Cemetery Trust Agreement. The terms of the trust agreement authorize investments in United States Government securities and stocks currently traded on the New York Stock Exchange. A court opinion docketed in 2001 authorized the County Commission to buy, sell or trade stocks and bonds as long as the shares of original stock making up the corpus of the trust were maintained. The Aggregate Cemetery Fund stated at cost was \$2,363,023, and the balance at market was \$3,120,765, as of December 31, 2017. The Aggregate Cemetery Fund stated at cost was \$2,299,200, and the balance at market was \$2,931,491, as of December 31, 2016.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits, excluding the Aggregate Cemetery Fund as stated at cost above, were \$3,669,859 and \$3,282,953, respectively, and the bank balances were \$4,054,624 and \$4,145,006, respectively. Of the bank balances, \$617,670 and \$540,515 were covered by federal depository insurance at December 31, 2017 and December 31, 2016, respectively. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$4,461,745 and \$4,436,369 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Andrew County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Andrew County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 14.5% and 14.8% (General), and 11.3% and 10.3% (Police) of annual covered payroll for 2017 and 2016 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2017 and 2016, the County contributed \$269,613 and \$269,564 to LAGERS.

4) Funding Status

As of February 28, 2017, the actuarial value of accrued liabilities exceeded the assets of the plan by \$15,948 for the General division, and the actuarial value of assets exceeded the accrued liabilities by \$180,920 for the Police division. As of February 29, 2016, the actuarial value of accrued liabilities exceeded the assets of the plan by \$92,773 for the General division, and the actuarial value of assets exceeded the accrued liabilities of the plan by \$126,566 for the Police division. These net pension assets are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2017 and 2016, the County collected and remitted to CERF employee withholdings and fees collected of \$199,348 and \$183,821, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,360 and \$2,616, respectively, for the years ended December 31, 2017 and 2016.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with up to 60 days of sick time, to accrue at one day per complete calendar month of employment. Upon termination, employees will not be compensated for any unused sick time. Vacation time will accrue at a rate between one-half day to one and one-half days per month depending on length of employment. No more than two weeks of vacation time may be carried over into the next calendar year unless approved by the County Commission. Compensatory time will accrue at a rate of one and one-half times overtime hours worked based on federal wage and hour regulations, up to a maximum of 80 hours. Upon termination, employees will be paid for any unused vacation and compensatory time.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2017:

- A. The Andrew County Public Benefit Corporation is obligated to USDA Rural Development Agency for \$5,571,045 under two notes. The two notes were issued in 2012 for \$5,200,000 and \$700,000, bearing interest at 4% and 4.25%, and are scheduled to be repaid in 40 annual payments of \$265,654 and \$37,065, respectively, ending September 2051. The building of the judicial center is pledged as collateral for the two notes. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ 74,104	\$ 228,525	\$ 302,629
2019	77,144	225,485	302,629
2020	80,308	222,321	302,629
2021	83,602	219,027	302,629
2022	87,032	215,597	302,629
2023-2027	491,730	1,021,415	1,513,145
2028-2032	601,204	911,941	1,513,145
2033-2037	735,052	778,093	1,513,145
2038-2042	898,696	614,449	1,513,145
2043-2047	1,098,775	414,370	1,513,145
2048-2052	1,343,398	169,747	1,513,145
Totals	<u>\$ 5,571,045</u>	<u>\$ 5,020,970</u>	<u>\$ 10,592,015</u>

- B. In 2017, the County Commission approved plans and awarded contracts for a jail expansion project, to be financed under a \$553,500 loan to the Andrew County Public Benefit Corporation by the USDA Rural Development Agency. The note bears interest at 3.375% and is scheduled to be repaid in 40 annual payments of \$25,423, ending January 2058. The schedule of payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	\$ 6,736	\$ 18,687	\$ 25,423
2020	6,965	18,459	25,424
2021	7,199	18,224	25,423
2022	7,442	17,981	25,423
2023	7,693	17,730	25,423
2024-2028	42,541	84,574	127,115
2029-2033	50,224	76,891	127,115
2034-2038	59,294	67,821	127,115
2039-2043	70,002	57,113	127,115
2044-2048	82,644	44,471	127,115
2049-2053	97,570	29,545	127,115
2054-2058	115,190	11,925	127,115
Totals	<u>553,500</u>	<u>463,421</u>	<u>\$ 1,016,921</u>

- C. On August 28, 2017, the County opened a bank line of credit for \$500,000 at a 3.95% fixed interest rate. On December 31, 2017, the balance was \$250,000 with a maturity date of February 24, 2018. The balance and accumulated interest was paid in full on January 29, 2018, totaling \$254,224.
- D. \$30,000 outstanding for the Gore Road Neighborhood Improvement District Bond, issued in September 2001 for \$121,000. The bond is scheduled to be paid in 19 annual payments with interest at 5.25%. The final payment is scheduled for 2020. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

Payment Date	Principal	Interest	Total
3/1/2018	\$ 10,000	\$ 788	\$ 10,788
9/1/2018	-	525	525
3/1/2019	10,000	525	10,525
9/1/2019	-	263	263
3/1/2020	10,000	263	10,263
Totals	<u>\$ 30,000</u>	<u>\$ 2,364</u>	<u>\$ 32,364</u>

- E. \$90,000 outstanding for the Orchard Estates Neighborhood Improvement District Bond, issued in March 2013 for \$110,000. The bond is scheduled to be paid in 20 annual payments with interest at 4%. The final payment is scheduled for 2033. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/1/2018	\$ 5,000	\$ 1,800	\$ 6,800
10/1/2018	-	1,700	1,700
4/1/2019	5,000	1,700	6,700
10/1/2019	-	1,600	1,600
4/1/2020	5,000	1,600	6,600
10/1/2020	-	1,500	1,500
4/1/2021	5,000	1,500	6,500
10/1/2021	-	1,400	1,400
4/1/2022	5,000	1,400	6,400
10/1/2022	-	1,300	1,300
2023-2027	25,000	10,500	35,500
2028-2032	30,000	5,400	35,400
2033	10,000	200	10,200
Totals	<u>\$ 90,000</u>	<u>\$ 31,600</u>	<u>\$ 121,600</u>

- F. \$125,200 outstanding for the Eden Estates Neighborhood Improvement District Bond, issued in September 2016 for \$132,200. The bond is scheduled to be paid in 20 annual payments with interest at 2.75%. The final payment is scheduled for 2036. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
3/1/2018	\$ 5,100	\$ 3,443	\$ 8,543
3/1/2019	5,200	3,303	8,503
3/1/2020	5,400	3,160	8,560
3/1/2021	5,500	3,011	8,511
3/1/2022	5,700	2,860	8,560
2023-2027	30,800	11,869	42,669
2028-2032	35,500	7,384	42,884
2033-2036	32,000	2,227	34,227
Totals	<u>\$ 125,200</u>	<u>\$ 37,257</u>	<u>\$ 162,457</u>

- G. In December 2015, the County entered into a \$45,980, three-year capital lease for two 2014 Dodge Chargers for the Sheriff's Office. The first of four annual payments was made with the origination of the lease in the amount of \$12,668. On March 10, 2016, the County purchased two additional Chargers for \$45,980 and entered into a \$79,292, four-year capital lease for all four vehicles. The County was released from the previously existing lease agreement. The first of four annual payments of \$21,159 was made on March 1, 2017. Payments include interest of 2.65%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ 19,556	\$ 1,603	\$ 21,159
2019	20,076	1,083	21,159
2020	20,611	548	21,159
Totals	<u>\$ 60,243</u>	<u>\$ 3,234</u>	<u>\$ 63,477</u>

H. On August 2, 2017, the County entered into an \$112,519, four-year capital lease to purchase three 2016 Dodge Chargers and a 2016 Ford Explorer for the Sheriff's Department, with four annual payments of \$30,401, including interest of 3.25%, beginning July 1, 2018.

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ 26,823	\$ 3,578	\$ 30,401
2019	27,676	2,725	30,401
2020	28,556	1,845	30,401
2021	29,464	937	30,401
Totals	<u>\$ 112,519</u>	<u>\$ 9,085</u>	<u>\$ 121,604</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2016:

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
2012 USDA Notes	\$ 5,710,608	\$ -	\$ (68,379)	\$ 5,642,229	\$ 234,250
Line of Credit	250,000	250,000	(250,000)	250,000	4,318
Gore Road NID	50,000	-	(10,000)	40,000	2,363
Orchard Estates NID	100,000	-	(5,000)	95,000	3,900
Chinnereth Estates NID	26,000	-	(13,000)	13,000	804
2014 Dodge Chargers	45,980	45,980	(12,668)	79,292	-

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
2012 USDA Notes	\$ 5,642,229	\$ -	\$ (71,184)	\$ 5,571,045	\$ 231,445
2017 USDA Notes	-	553,500	-	553,500	-
Line of Credit	250,000	250,000	(250,000)	250,000	4,498
Gore Road NID	40,000	-	(10,000)	30,000	1,838
Orchard Estates NID	95,000	-	(5,000)	90,000	3,700
Chinnereth Estates NID	13,000	-	(13,000)	-	2,685
Eden Estates NID	-	132,200	(7,000)	125,200	1,525
2014 Dodge Chargers	79,292	-	(19,049)	60,243	2,110
2016 Dodge Chargers	-	112,519	-	112,519	-

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 31, 2018, the date the financial statements were available to be issued.

On March 15, 2018, the County entered into a \$273,196 government obligation contract through Kansas State Bank for the purchase of two 2018 Mack Granite dump trucks for the Road and Bridge Department. The lease is to be paid in two payments of \$35,278 and a final payment in March 2020 of \$220,000.

COMPLIANCE SECTION

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Andrew County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Andrew County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Andrew County, Missouri's basic financial statements and have issued our report thereon dated July 31, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Andrew County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Andrew County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Andrew County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Andrew County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 2017-001.

Andrew County, Missouri's Response to Finding

Andrew County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. Andrew County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
July 31, 2018

FINDINGS AND RECOMMENDATIONS

ANDREW COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2017-001: Budgetary Compliance

Criteria: State statute prohibits the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting. The County budgets and published financial statements should present a complete and accurate picture of the County's financial position.

Condition: Actual expenditures exceeded budgeted expenditures for the following funds: Senior Citizens Services in 2017, and Sheriff Revolving in 2016.

In addition, we noted discrepancies between fund balances reported on the County budget documents and the County's published financial statements for four funds in 2016 and six funds in 2017. There were also instances where the beginning fund balances on the budget documents did not agree to the ending cash balances from the previous year's budget. The 2018 budget misstated the beginning available cash balance of the Ford Farm Fund by \$80,320, the amount of a certificate of deposit held by the County for the benefit of Ford Farm.

Cause: Adjusting journal entries were backdated to prior years in the accounting system, which is used to prepare the budgets, which resulted in differences in reporting fund balances from one year to the next. The Clerk maintains off-book ledgers for the Ford Farm Fund outside the accounting system.

Effect: In order to ensure the integrity of the budgeting process, the budget documents must present a complete and accurate financial position for each County fund and the spending limits should be adhered to.

Recommendation: We recommend the County ensure compliance with state statutes by refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission. Furthermore, we recommend the County adopt procedures to ensure the accuracy and completeness of fund balances in the budgets and published financial statements.

County Response: Any fund exceeding the budgeted expenditures is now flagged by our software company to alert us of this situation. This will be closely monitored by the County.

I spoke with the Treasurer for the Senior Citizens Board and they have assumed all responsibility for the overage in that fund. We will remain compliant in the future.

The County has designed procedures to correct adjusting journal entries and to make certain the fund balances are correct from one year to the next.

We acknowledge the error with the Ford Farm and have corrected the situation.

The County has adopted new procedures to ensure the correct fund balances in the budgets and for published financial statements.

Auditor's Evaluation: The response is appropriate to correct the concern.

ANDREW COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Andrew County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2015.

1. Actual expenditures exceeded budgeted expenditures for four funds.

Status: Repeated. See finding 2017-001.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Economic Development
Advancement Fund**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Economic Development Advancement Fund

Lack of Transparency and Oversight	The Department of Economic Development (DED) provided more than \$5.9 million from the Economic Development Advancement Fund (EDAF) during the 3 fiscal years ending June 30, 2017, to the Hawthorn Foundation (HF) for business recruitment and marketing services without adequate transparency and oversight. Detailed expenditure information for payments made by the HF and the Missouri Partnership with EDAF funding are not available to the public. In addition, the DED circumvented the General Assembly in fiscal year 2017 by ensuring the HF received funding despite having no appropriation authority to support the payments.
Evaluation of Contract Provisions	The DED does not perform an adequate evaluation of the HF contract to ensure the amount paid is an efficient and effective use of EDAF funds, or that the HF complies with all contract provisions. The DED has not performed a cost-benefit analysis to justify the outsourcing of business recruitment and marketing services or to determine if outsourcing such services to a third party is an effective and efficient use of taxpayer monies. The DED did not require the HF to fulfill the matching funding contract requirements in fiscal year 2017 and had no basis for the significant increases to the per-job performance incentive paid to the HF in that year. The DED does not have adequate controls in place to detect when new announced jobs reported by the HF and the Missouri Partnership are incomplete or inaccurate. Since the number of new announced jobs is used to determine the amount of performance incentive compensation paid to the HF, there is less assurance the amount paid in performance incentives is accurate.
Expenditures	The DED does not have controls in place to ensure payments made using EDAF funds are in compliance with state law.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Economic Development Advancement Fund

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Mike Parson, Governor
and
Members of the General Assembly
and
Robert B. Dixon, Director
Department of Economic Development
and
Carol Comer, Director
Missouri Department of Natural Resources
Jefferson City, Missouri

We have audited the Economic Development Advancement Fund in fulfillment of our duties under Chapter 29, RSMo. The Scope of our audit included, but was not necessarily limited to, the 3 years ended June 30, 2017. The objectives of our audit were to:

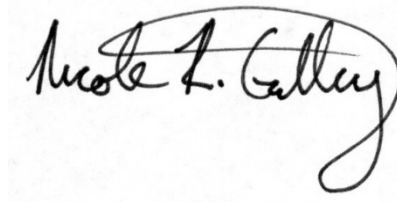
1. Evaluate internal controls over significant management and financial functions as they relate to the Economic Development Advancement Fund.
2. Evaluate compliance with certain legal provisions as they relate to the Economic Development Advancement Fund.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions, as they relate to the Economic Development Advancement Fund.

Citing past practices of not requiring vendors to provide source documentation, the Department of Economic Development did not permit us full access to the expenditures of the Hawthorn Foundation or the Missouri Partnership. As a result of this scope limitation, we could not audit certain information and could not evaluate the economy and efficiency of certain management practices and operations.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) non-compliance with legal provisions, and (3) the need for improvement in management practices and procedures.

The accompanying Management Advisory Report presents our findings arising from our audit of the Economic Development Advancement Fund.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Wayne T. Kauffman, CPA, CGAP, MBA
In-Charge Auditor:	Waleed Atout, MBA
Audit Staff:	Terese Summers, CPA, MSAS
	Joseph T. Magoffin

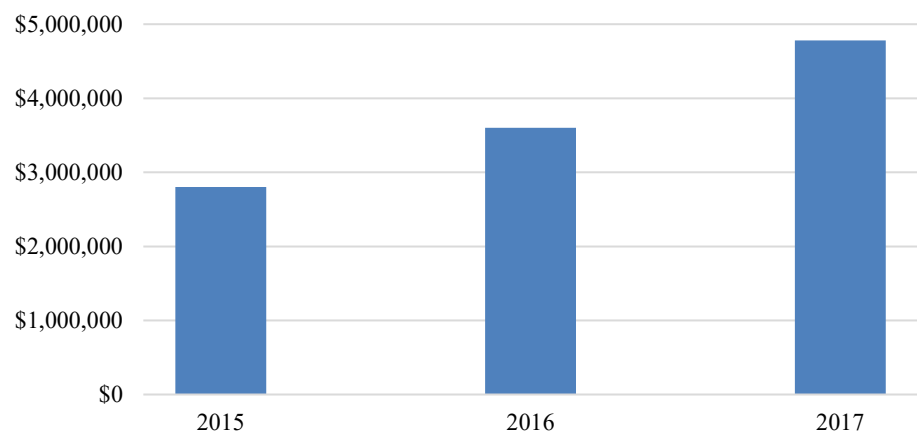
Economic Development Advancement Fund

Introduction

Background

The Economic Development Advancement Fund (EDAF) was established by Section 620.1900, RSMo. At least 50 percent of the fees and other monies deposited in the fund are to be appropriated for marketing, technical assistance, and training, contracts for specialized economic development services, and new initiatives and pilot programming to address economic trends.¹ The remaining monies may be appropriated toward the costs of staffing and operating expenses for the program activities of the Department of Economic Development (DED), and for accountability functions. State law authorizes the DED to charge a fee of up to 2.5 percent of the amount of certain tax credits issued by the department to the recipient of those tax credits.² The fee shall be paid by the recipient upon the issuance of the tax credits. However, no fee shall be charged for the tax credits issued under Section 135.460, Section 208.770, or Sections 32.100 to 32.125, RSMo, if issued for community services, crime prevention, education, job training, or physical revitalization. State law also authorizes fees or administrative charges from private activity bond allocations to be deposited in the EDAF.³ Figure 1 shows EDAF revenues for the 3 fiscal years ending June 30, 2017.⁴

Figure 1: EDAF revenue, fiscal years 2015 to 2017



Source: Prepared by the SAO using SAM II revenues.

¹ Section 620.1900.5, RSMo. All citations refer to provisions effective during the audit period. Section 620.1900, RSMo, was amended in August 2018.

² Section 620.1900.1, RSMo. Effective August 28, 2018, the fee is 4 percent for the Historical Structures Rehabilitation Tax Credits.

³ Section 620.1900.4, RSMo.

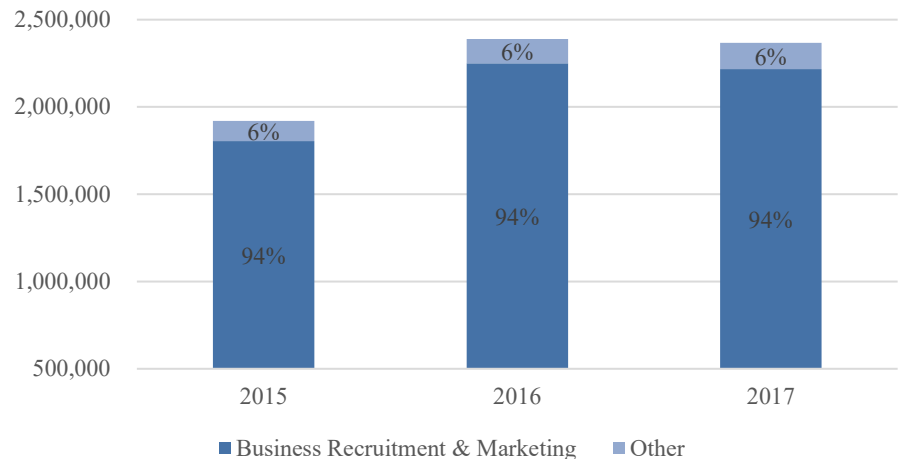
⁴ Fluctuations in revenues is mainly due to the fluctuations in number and amounts of tax credits issued by DED.



Economic Development Advancement Fund Introduction

Figure 2: EDAF expenditures,
fiscal years 2015 to 2017

Figure 2 depicts total expenditures by category,⁵ and the percentage of total expenditures for each expenditure type for the 3 fiscal years ending June 30, 2017.



Source: Prepared by SAO using SAM II expenditures.

Additional details on revenues and expenditures for these fiscal years are included in Appendixes A, B and C. As noted in Figure 2, 94 percent of the expenditures from the EDAF are for purposes of business recruitment and marketing, which primarily includes payments to a third-party vendor for marketing services. Approximately 86 percent of EDAF expenditures for the 3 years ended June 30, 2017 went to one vendor; the Hawthorn Foundation (HF).

Hawthorn Foundation

The DED entered into a contractual agreement with the HF for marketing services and financial support to enhance the business recruitment efforts of the state. The first contract with the foundation was executed in 2007 and has been renewed annually. The Office of Administration, Division of Purchasing and Materials Management has declared the HF a single feasible source provider. The HF was originally incorporated as a 501 (c) (6) not-for-profit (NFP) corporation under the Internal Revenue Code in May of 1981. The general purpose of the corporation included "the improvement of economic and business conditions within the State of Missouri, as well as the establishment and maintenance of the integrity of the state's commercial market." The DED director is an ex officio non-voting member of the HF Board of Directors.

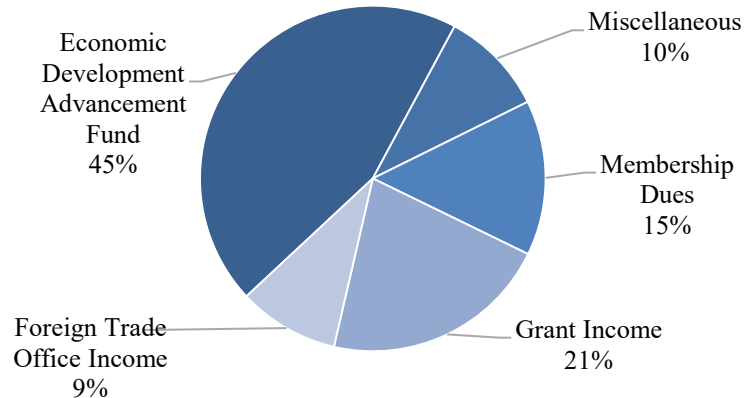
⁵ Other expenditures include payroll costs at the Department of Natural Resources for historic preservation administration personnel, DED expense and equipment, the Main Street Program, and unemployment benefits.



Economic Development Advancement Fund Introduction

During the 3 fiscal years ending June 30, 2017, the HF received approximately 45 percent of its revenues from EDAF. Figure 3 depicts total HF revenues by category for that period.

Figure 3: Hawthorn Foundation revenues by category, fiscal years 2015 through 2017



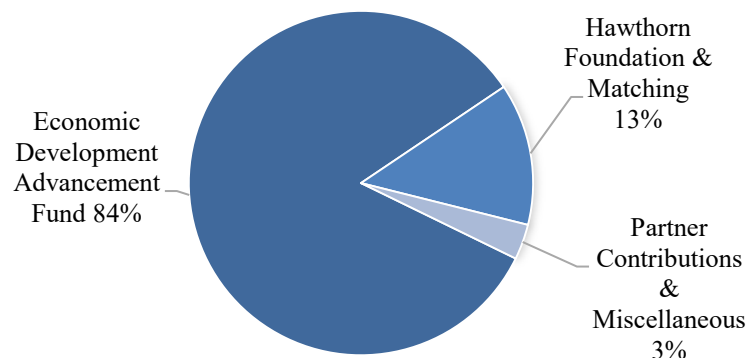
Source: Prepared by SAO using the quarterly income and expense reports submitted to the DED by the HF.

Missouri Partnership

The HF entered into a contractual agreement with its subsidiary, the Missouri Partnership (the Partnership), and passed through 100 percent of the EDAF funding received. The Partnership was created in 2007 to serve as the state's leading business recruitment and marketing organization. According to the Partnership's website, it is the most important "front wheel" in business recruitment for the HF. An independent board of directors governs the Partnership, with leadership coming from HF members.

The Partnership receives the vast majority of its funding from the EDAF. Figure 4 depicts the Partnership total revenues by category for the 3 fiscal years ending June 30, 2017.

Figure 4: Partnership revenue by source, fiscal years 2015 through 2017



Source: Prepared by the SAO using quarterly income and expense reports submitted to the DED by the Partnership.



Economic Development Advancement Fund Introduction

Scope and Methodology

Our methodology included reviewing written policies and procedures, and interviewing various DED and Department of Natural Resources personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Due to the significance of the portion of EDAF funding going toward HF and Partnership activities, we reviewed the contractual agreement between the DED and the HF, as well as the agreement between the HF and the Partnership, to determine whether all contract terms were met during the audit period. In addition, we reviewed EDAF revenues and expenditures transactions to determine compliance with Section 620.1900, RSMo. We also verified compliance with the single feasible source requirements outlined in Section 34.044, RSMo.

In an effort to evaluate the appropriateness of EDAF expenditures as well as compliance with statutory requirements the SAO requested detailed information from the DED for the expenditures made by the Partnership. These requests were denied by the DED. According to DED personnel the department does not require the HF to provide such detail and declined to ask the vendor to provide it. According to DED personnel, while the DED Director is an ex officio non-voting member of the HF Board of Directors and receives high level cost reports, the DED Director does not have access to detailed Partnership expenditure information. Our ability to achieve the audit objective of evaluating the economy and efficiency of certain management practices and procedures was hindered by not having access to the requested detailed expenditure information.

Economic Advancement Development Fund

Management Advisory Report

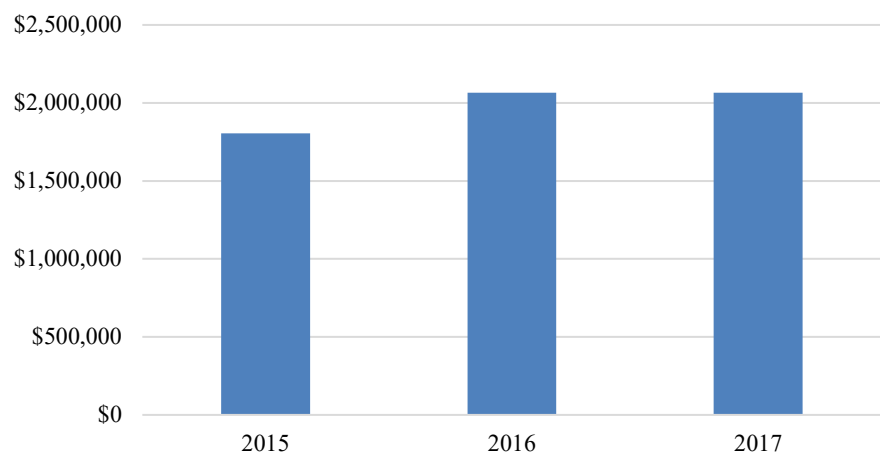
State Auditor's Findings

1. Lack of Transparency and Oversight

The Department of Economic Development (DED) provided more than \$5.9 million from the Economic Development Advancement Fund (EDAF), during the 3 fiscal years ending June 30, 2017, to the Hawthorn Foundation (HF) for business recruitment and marketing services without adequate transparency and oversight. In addition, the DED took steps to ensure the HF received funding in fiscal year 2018 without an initial appropriation, making the payments less transparent.

Figure 1.1 shows the funding received by the HF from the EDAF during the 3 fiscal years ending June 30, 2017. This money was subsequently passed through to the Missouri Partnership (Partnership).

Figure 1.1: EDAF disbursements to the HF, fiscal years 2015 to 2017



Source: Prepared by the State Auditor's Office (SAO) using the SAM II data.

1.1 Expenditure information not available to the public or to the DED

Expenditure information for disbursements made by the HF and the Partnership with funding from the EDAF is not available to the public. While the Partnership publishes an annual summary of expenses on its website, such information is not maintained and made available to the public by the DED, and the contract with the HF does not allow the DED or the public access to detailed expenditure information.

The Partnership creates a budget of revenues and expenditures with the funding source noted by category. Those budgets are provided to the Partnership Board for review. The DED Director is a non-voting member on both the HF and the Partnership Boards. The DED provided us these budgets for the period audited; however, the budgets are not typically maintained by the DED and are not made public.

We obtained the quarterly income and expense reports submitted by the HF and the Partnership to the DED for the 3 years ended June 30, 2017. According to those reports, the Partnership spent in excess of \$4.3 million on payroll and performance incentive payments (approximately 60 percent of

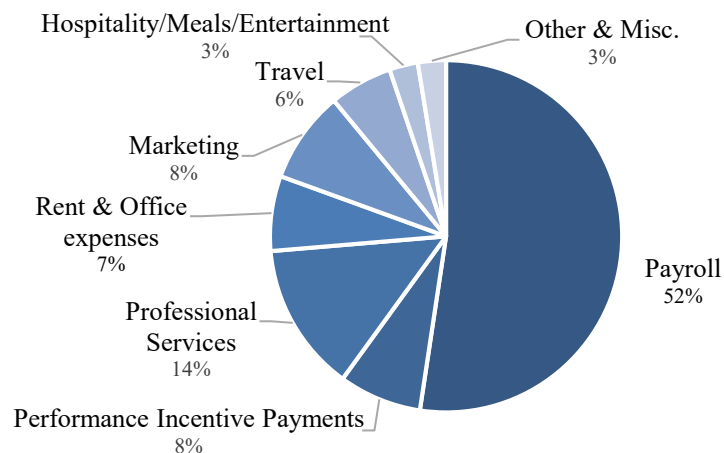


Economic Development Advancement Fund Management Advisory Report - State Auditor's Findings

Partnership expenditures). However, no itemized salary information was provided or is available to the public. According to discussions with a DED official, outsourcing these services allows higher salaries to be paid to marketing employees than they could be paid if they were employees of the DED.

Figure 1.2 depicts the Partnership's total expenditures by category for 3 fiscal years ending June 30, 2017. See Appendix D for additional information related to Partnership expenditures.

Figure 1.2: Partnership expenditures, fiscal years 2015 through 2017



Source: Prepared by SAO using the quarterly income and expense reports prepared by the Partnership.

No oversight of procurement provisions

As part of the contract with the DED, the HF agrees to exercise "due diligence in procurement of any goods or services acquired with state funds provided under the agreement." DED personnel cannot monitor the HF's performance because the department does not have access to the detailed expenditure information.

Auditor's access denied

During the audit, we requested detailed expenditure information supporting the amounts reported by the Partnership in its financial reports. Our request was denied. DED officials responded:

DED will not compel our vendor to provide source documentation for each of the expenditures included in the financial documents produced under this audit. As a contract for service, we have never been compelled to ask any other vendor to produce that level of detail. The quarterly reports and annual audits for both Hawthorn and the Missouri Partnership are available for review.

Additional transparency of Partnership expenditures would provide the DED and the public assurance the EDAF provided funding was spent appropriately



Economic Development Advancement Fund
Management Advisory Report - State Auditor's Findings

and in accordance with state law and the contract provisions between the DED and the HF.

Conclusion

The DED essentially serves as the Partnership's only client and the expenditures and salaries paid by the Partnership are paid for with almost entirely state funds. The nature of the services being provided by the Partnership require additional transparency and oversight. By outsourcing important agency functions, such as those provided by the Partnership, transparency of public funds is easily reduced. Improved transparency and access to contractor expenditure records would help reduce the risk that state funds provided under the agreement are disbursed without due diligence or not in accordance with state statute. Additionally, without obtaining and properly reviewing adequate supporting documentation, the DED cannot determine the validity and propriety of the payments.

1.2 Hawthorn Foundation contract continued with no appropriation authority, reducing transparency

The DED circumvented the General Assembly by ensuring the HF received funding despite having no appropriation authority to support the payments. In addition, these payments occurred in a manner that reduced transparency to the public.

The agreement between the DED and the HF for the year ending June 30, 2018, required the Missouri Development Finance Board (MDFB), instead of the DED, to make the majority of the payments to the HF. The MDFB is not required to have appropriation authority to make disbursements.

Initial appropriations did not include funding for the HF

The appropriations bill passed by the General Assembly and approved by the Governor on June 30, 2017, did not contain funding for the HF contract. As a result, the DED could not make payments to the HF out of the agency's appropriation. To ensure the HF continued to receive state funding, the contract between the DED and the HF for fiscal year 2018 required the MDFB to pay the HF up to \$1.8 million of the \$2 million contract. Payments were made quarterly by the MDFB to the HF totaling \$1.8 million for the year ending June 30, 2018. On April 5, 2018, the Governor signed a supplemental appropriation bill with funding to allow DED to pay for the HF contract. The DED used this appropriation authority to reimburse the MDFB the \$1.8 million paid during the fiscal year to the HF.

The MDFB is an entity within the DED⁶ that primarily exists to structure and participate in the financing of Missouri business and public infrastructure, and is a component unit of the State of Missouri for financial reporting.⁷ It is unclear how the HF contract relates to the MDFB's mission.

⁶ Section 100.265, RSMo.

⁷ MDFB's Comprehensive Annual Financial Report for the 2 years ending June 30, 2017.



Economic Development Advancement Fund Management Advisory Report - State Auditor's Findings

Payments are less transparent to the public

Payments made by the MDFB are not recorded in SAM II and are not listed on the Missouri Accountability Portal.⁸ As a result, the \$1.8 million paid to the HF during the year ended June 30, 2018, is not disclosed to the public as it would have been if the DED paid the HF directly.⁹ In prior years, the HF is listed in the state's accounting system as a vendor and is shown receiving the full amount of the contract from the DED.

Ensuring payments made to vendors for state contracts is presented in a transparent manner is in the best interest of the EDAF and the public.

Recommendations

We recommend the DED:

- 1.1 Increase oversight and transparency of EDAF expenditures and obtain, and make available to the public, detailed expenditure supporting documentation from the Partnership.
- 1.2 Ensure payments made to vendors for state contracts are transparent.

Auditee's Response

The DED provided written responses. See Appendix E.

2. Evaluation of Contract Provisions

DED officials do not perform an adequate evaluation of the HF contract to ensure the amount paid is an efficient and effective use of EDAF monies, or that the HF complies with all contract provisions. They also could not provide a documented basis for the increase in cost per new announced job paid to HF and do not verify the number of new announced jobs.

2.1 No cost-benefit analysis

The DED has not performed a cost-benefit analysis to justify the outsourcing of business recruitment and marketing services or to determine if outsourcing such services to a third party is an effective and efficient use of taxpayer monies.

The DED entered into a contractual agreement with the HF to provide business recruitment, marketing services, and financial support. The DED currently has a business expansion and retention team comprised of state employees, and DED officials said business recruitment and marketing activities were performed internally prior to outsourcing those activities to the HF. DED officials indicated the HF has produced better results than what the department previously achieved. However, DED officials have not established performance goals for the HF or performed a cost-benefit analysis to support this determination.

⁸ The Missouri Accountability Portal provides information on state agency purchases and program disbursements and is accessible by the public at <https://mapyourtaxes.mo.gov/>.

⁹ MDFB expenditures are outside the scope of this audit, therefore we did not make inquiries to the MDFB regarding the source of the payments made to HF.



Economic Development Advancement Fund Management Advisory Report - State Auditor's Findings

Office of Management and Budget Circular A-76 states whenever commercial sector performance of a federal government operated commercial activity is permissible, a comparison of the cost of contracting and the cost of in-house performance shall be performed. Applying that standard to the DED's contract with the HF would require the agency to regularly perform a cost-benefit analysis of the costs of outsourcing marketing services. Completing such an analysis would help ensure payments to the HF for the services provided are in the best interest of taxpayers.

2.2 Contract non-compliance

The DED did not require the HF to fulfill the matching funding contract requirement. The contract requires the HF to spend at least \$300,000 over the course of each state fiscal year for the purposes outlined in the agreement. Our review of the quarterly income and expense reports identified that the HF only provided \$200,000 of the required \$300,000 match during the fiscal year ending June 30, 2017.

DED officials indicated that the HF could not meet the matching requirement that fiscal year, because the foundation did not generate enough revenues from sources other than the EDAF. The contract with the HF does not specify any recourse to be taken by the agency in the event the matching requirement is not met. No action has been taken by the DED to address this noncompliance. Based on our review of the fiscal year 2018 contract with the HF, no additional matching funding was required that year to make up the difference. In addition, the private sector matching requirement of the HF contract is listed by the DED as part of the rationale for awarding the contract as a single feasible source provider and not through a competitive selection process. The HF's failure to provide the required match diminishes the appropriateness of awarding the contract through a sole source designation.

2.3 No basis for contractual increases in performance incentive paid

The DED had no basis for the significant increases to the per-job performance incentive paid to the HF in fiscal year 2017. The contracted incentive increased from an average of \$340 per job in the fiscal year 2016 contract, to an average of \$475 per job in the fiscal year 2017 contract, a 40 percent increase. DED officials stated this increase was not based on a formal trend analysis, rather the increase was based on the, "expertise of DED staff for incentivizing growth throughout the state."

The DED paid the HF performance incentives totaling \$804,785, \$1,066,240, and \$966,240 during fiscal years 2015, 2016, and 2017; respectively. The contractual agreement between the DED and the HF states performance incentives will be paid based on the number of new jobs announced, by area, during the prior fiscal year. The contract sets the amount of the performance incentive and states the incentive will not change regardless of additional information that may subsequently become available.



Economic Development Advancement Fund Management Advisory Report - State Auditor's Findings

Table 2.3 shows that the per-job price used to determine the performance incentive for subsequent years increased for all areas during the 3 fiscal years ending June 30, 2017.

Table 2.3: Performance incentive paid per new announced job, fiscal years 2015 to 2017

	Year Ended June 30,		
	2015	2016	2017
Urban Area	\$255	\$270	\$425
Rural Area	\$355	\$375	\$500
Distressed Area	\$355	\$375	\$500

The significant increase in the per-job performance incentive rate in fiscal year 2017 corresponded with a significant drop in the number of jobs announced from fiscal year 2015 to fiscal year 2016 (see Table 2.4). Since the fiscal year 2017 incentive is based on jobs announced in fiscal year 2016, the significant increase in the fiscal year 2017 per-job rate was necessary to ensure the HF received a consistent amount of EDAF incentive funding even though fewer new jobs were announced.

When including performance incentives in a contract for services, incentives must correlate with results, and agencies should avoid rewarding contractors for simply meeting minimum standards of performance. The purpose of performance incentives in a service contract is to promote the effective implementation of the contract and to compensate the contractor accordingly when performance objectives are met. The DED bases the HF's incentive payment on past results and adjusts the rate in the current year contract to ensure the payments to the HF remain consistent. This contract methodology does not align performance with compensation, and therefore does not provide any additional incentive for the contractor to improve performance.

Establishing a per-job incentive rate amount that fairly compensates the contractor for performance, and consistently applying that rate over time, will help ensure performance is properly incentivized.

2.4 New jobs announced are not verified

The DED does not have adequate controls in place to detect when new announced jobs reported by the HF and the Partnership are incomplete or inaccurate. Since the number of new announced jobs is used to determine the amount of performance incentive compensation paid to the HF, there is less assurance the amount paid in performance incentives is accurate.

The HF uses three methods to report the number of new announced jobs to the DED. The HF files quarterly reports, annual reports, and tracks the number of new announced jobs on a software program (Blue Ocean) shared with the DED. However, DED personnel do not perform procedures to verify the information reported by the HF is accurate. We obtained and compared the number of new jobs announced from DED officials and from these three sources and identified large discrepancies between the various methods.



Economic Development Advancement Fund Management Advisory Report - State Auditor's Findings

Table 2.4 lists the number of new announced jobs reported by each source by year for the 3 years ended June 30, 2017.

Table 2.4: New announced jobs, fiscal years 2015 to 2017

Fiscal Year	Status Reports	Annual Report	Blue Ocean
2015	3,145	3,108	1,734
2016	1,489	1,431	1,082
2017	3,851	1,193	2,990

Tracking and verifying the accuracy of jobs announced will provide the DED with accurate information to establish future incentive payments and to effectively track the performance of the contractor.

Conclusion

The outsourcing of important agency functions, such as the business recruitment and marketing services provided by the HF, requires significant evaluation to ensure the expected services are being provided in an effective and efficient manner. By not properly ensuring the cost effectiveness of the contract, not properly incentivizing performance, not adequately verifying performance data, and not ensuring compliance with contract matching provisions the DED has less assurance the contract with the HF is an efficient and effective use of EDAF monies.

Recommendations

We recommend the DED:

- 2.1 Perform and maintain a cost-benefit analysis to determine the most cost effective method of obtaining marketing services.
- 2.2 Ensure all contractual terms are met through performing oversight and monitoring activities.
- 2.3 Prepare a cost study to determine the most reasonable performance incentive amount to be paid to the Hawthorn Foundation.
- 2.4 Formally verify the number of new announced jobs reported by the Hawthorn Foundation.

Auditee's Response

The DED provided written responses. See Appendix E.

3. Expenditures

The DED does not have controls in place to ensure payments made using EDAF funds are in compliance with state law. As a result, the DED approved payments for flights of Governor's Office personnel using the EDAF that were partially not related to economic development.

During the fiscal year ending June 30, 2016, the DED paid for all or part of 27 flight manifests at a cost of \$82,871, including costs not fully in compliance with state law. While flight records supporting each of the manifests paid by the DED indicated the flight purpose included economic



Economic Development Advancement Fund Management Advisory Report - State Auditor's Findings

development announcements or meetings, the flights also included additional purposes including announcements and meetings of other state agencies, disaster assessments and meetings, and attending national governors' meetings. It is unclear why the EDAF was used to pay for travel not related to economic development.

State law requires at least half of all fees and monies placed in the EDAF be appropriated for marketing, training, new initiatives, and other related areas for developing economic trends. The remaining monies in the fund are allowed to be used for the cost of staffing and operating expenses for the program activities and accountability functions of the DED.¹⁰

Recommendation

The DED should ensure expenditures approved by DED from the EDAF are for economic development purposes in compliance with state law.

Auditee's Response

The DED provided written responses. See Appendix E.

¹⁰ Section 620.1900, RSMo.



Appendix A
Economic Development Advancement Fund
Comparative Statements of Receipts, Disbursements, and Changes in Cash
and Investments, 3 Years Ended June 30, 2017

		Year Ended June 30,		
		2017	2016	2015
Receipts	\$	4,778,717	3,599,907	2,799,741
Disbursements		2,366,711	2,388,521	1,920,339
Receipts Over (Under) Disbursements		2,412,006	1,211,386	879,402
Transfers In		0	0	0
Transfers Out ¹		(73,145)	(68,479)	(73,222)
Receipts Over (Under) Disbursements and Transfers		2,338,861	1,142,907	806,180
Cash and Investments, July 1		2,347,103	1,204,196	398,016
Cash and Investments, June 30	\$	4,685,964	2,347,103	1,204,196

¹ Transfers Out include payments for fringe benefits and the state's cost allocation plan.



Appendix B
Economic Development Advancement Fund
Comparative Statement of Expenditures (From Appropriations),
5 Years Ended June 30, 2017

	Year Ended June 30,				
	2017	2016	2015	2014	2013
Salaries and wages ¹	\$ 97,366	87,958	85,718	801,286	1,762,364
Travel, in-state ²	152,427	185,516	2,148	5,114	42,751
Travel, out-of-state	897	0	93	1,288	7,667
Supplies	1,645	1,593	1,698	2,882	59,682
Professional development	2,502	1,469	909	1,239	54,917
Communication services and supplies	935	811	490	1,042	23,015
Professional services ³	2,068,216	2,066,929	1,805,203	1,848,497	1,997,245
Equipment:					
Computer	10	50	29	56	68,091
Office	0	518	94	0	4,830
Other	0	0	25	0	0
Building lease payments	0	0	0	0	300
Equipment rental and leases	0	0	0	0	300
Miscellaneous expenses	99	1,063	9,441	690	2,523
Program distributions	42,614	42,614	14,491	51,604	0
Total Expenditures	\$ <u>2,366,711</u>	<u>2,388,521</u>	<u>1,920,339</u>	<u>2,713,698</u>	<u>4,023,685</u>

¹ Expenditures were higher in 2013 and 2014 because the Economic Development Advancement Fund (EDAF) was used to pay some Department of Economic Development (DED) employee salaries. Starting in 2015, those costs were paid from the General Revenue Fund and only some Department of Natural Resources employee salaries were paid from the EDAF for purposes of the Historic Preservation Program.

² Travel in-state in 2017 and 2016 were higher due to expenditures associated with flights costs of the Governor. (see MAR 3).

³ Professional services are primarily payments to the Hawthorn Foundation.



Appendix C
Economic Development Advancement Fund
Comparative Statement of Appropriations and Expenditures,
3 Years Ended June 30, 2017

	Year Ended June 30,					
	2017		2016		2015	
	Appropriation		Appropriation		Appropriation	
	Authority	Expenditures	Authority	Expenditures	Authority	Expenditures
Personal Service	\$ 102,955	97,366	100,936	87,958	100,395	85,718
Expense and Equipment	10,853	10,144	10,853	7,714	10,853	5,984
Refunds ¹	1	0	866	865	9,361	9,361
Reimbursement to the Division of Employment Security benefit account	2,879	0	1,229	0	2,089	2,088
Business recruitment and marketing	2,250,000	2,216,587	2,250,000	2,249,370	2,250,000	1,804,785
Missouri Main Street Program	42,614	42,614	42,614	42,614	42,614	12,403
Total	\$ 2,409,302	2,366,711	2,406,498	2,388,521	2,415,312	1,920,339

¹ Starting in the year ending June 30, 2016, the appropriation for EDAF refunds is set at 1E in House Bill 7 for refunding any overpayment or erroneous payment of any amount that is credited to the EDAF.



Appendix D
Economic Development Advancement Fund
Missouri Partnership Expenditures,
3 Years Ended June 30, 2017

		Year Ended June 30,		
		2017	2016	2015
Payroll	\$	1,406,028	1,256,116	1,100,383
Performance incentive payments		249,071	141,536	156,178
Professional services		399,248	321,367	261,064
Rent and office expenses		173,058	162,663	158,860
Marketing		361,523	139,720	106,639
Travel		157,882	126,462	132,041
Hospitality, meals and entertainment		37,355	78,522	72,315
Other and miscellaneous		79,389	58,868	46,657
	\$	<u>2,863,554</u>	<u>2,285,254</u>	<u>2,034,137</u>

Source: Annual reports submitted by the Missouri Partnership to the DED.



Appendix E
Economic Development Advancement Fund
Department of Economic Development Response

Michael L. Parson
Governor



Robert B. Dixon
Director

August 23, 2018

The Honorable Nicole R. Galloway, CPA
Missouri State Auditor
P.O. Box 809
Jefferson City, MO 65102

Dear Auditor Galloway:

We are providing this letter in response to the recommendations in the audit of the Economic Development Advancement Fund ("EDAF").

- 1.1 Increase oversight and transparency of EDAF expenditures and obtain, and make available to the public, detailed expenditure supporting documentation from the Partnership.

1.1 The Missouri Partnership and the Hawthorn Foundation are both audited annually by an independent third party accountancy firm. The independent auditor's annual report is publically available online for both entities. The Department of Economic Development ("DED") is working to amend the language in the contract with the Hawthorn Foundation to compel their independent auditor to include an audit of the detailed expenditures by fund source and to compel, by contract, the auditor of their contractor, the Missouri Partnership, to do the same.

- 1.2 Ensure payments made to vendors for state contracts are transparent.

1.2 DED's expenditure of EDAF funds for the FY2018 Hawthorn/Partnership contract was pursuant to duly-appropriated authority from the General Assembly and complied with all laws. DED followed the leadership of the Senate Appropriations Chairman and Committee members as they were quoted in Missouri publications (See St. Louis Public Radio, May 9, 2017 (updated May 15, 2017)) regarding their support of the funding for the Missouri Partnership by placing the funding in the Supplemental budget, which was approved by both the House Budget Committee and Senate Appropriations. DED worked with the Missouri Development Finance Board ("MDFB") to support the Missouri Partnership during the interim. The Amended and Restated Master Services Agreement between DED and MDFB is consistent with the statutory authority of the Board and was supported by a majority vote recorded in their minutes of the public June 20, 2017 meeting. The quarterly payments made by the MDFB for the services were included in

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Appendix E

Economic Development Advancement Fund

Department of Economic Development Response

The Honorable Nicole R. Galloway
August 23, 2018

their financial statements and reviewed by the Board at their monthly public meetings. The Supplemental budget appropriation was paid by DED to MDFB and was recorded in the state's SAM II accounting system. DED will continue to ensure payments to vendors for state contracts are transparent.

- 2.1 Perform and maintain a cost analysis to determine the most cost effective method of obtaining marketing services.

2.1 DED does not currently employ any business recruitment personnel within the Department; instead, all personnel in the Business Development Unit are tasked with growing and retaining existing businesses within the state. There is no duplication of duties or effort between Hawthorn/Missouri Partnership and DED personnel.

DED has revised the performance budget measures in all line items in House Bill 2007 including the line item for services related to business recruitment and marketing. The program is measured on the effectiveness: number of projects recruited to the state; average wage; and amount of capital investment and it is measured on efficiency: the business recruitment and marketing investment per new job created.

- 2.2 Ensure all contractual terms are met through performing oversight and monitoring activities.

2.2 DED is committed to ensuring the contractual terms of our vendor agreements are met. The Hawthorn Foundation, the Missouri Partnership, and DED staff are in consistent contact with each other throughout the performance of the contract. A contract compliance checklist is being developed by DED to fully document that all contractual terms are met in a given a fiscal year.

- 2.3 Prepare a cost study to determine the most reasonable performance incentive amount to be paid to the Hawthorn Foundation.

2.3 The performance of the contract will be measured in the future by cost per job as an efficiency measure and the outputs of number of projects, wages, and investment as effectiveness and budgets will be awarded accordingly.

- 2.4 Formally verify the number of new announced jobs reported by the Hawthorn Foundation.

2.4 DED will, in cooperation with the Missouri Partnership and the Hawthorn Foundation, develop a form for completion by the Missouri Partnership with certification by the Hawthorn Foundation which lists the company name, the date of announcement or other verification if the company chooses not to publically announce, the number of jobs, the location of those jobs, and supporting documentation such as newspaper clippings. The form will be submitted with the quarterly reports and will verify the jobs using internal DED records.



Appendix E
Economic Development Advancement Fund
Department of Economic Development Response

The Honorable Nicole R. Galloway
August 23, 2018

3.0 The DED should ensure expenditures approved by DED from the EDAF are for economic development purposes in compliance with state law.

3.0 DED will ensure expenditures are for economic development purposes and will only pay for a pro-rated portion of any travel expense if such activity occurs in the future.

If you have any questions regarding DED's responses, please contact myself at 751-4770 or Ms. Stacey Hirst at 526-7863.

Sincerely,

A handwritten signature in cursive script, reading "Robert B. Dixon", is written over the typed name.

Robert B. Dixon
Director



Appendix E
Economic Development Advancement Fund
Department of Economic Development Response

Auditor's Comment

The DED's response to Recommendation 1.1 states the agency is working to amend the language in the contract to compel the Partnership's auditor to audit the detailed expenditures by fund source. However, including such language in the Hawthorn Foundation contract will not provide the public and the General Assembly access to detailed expenditure supporting information.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Office of Collector of Revenue

Report No. 2018-091
September 2018

auditor.mo.gov

City of St. Louis - Office of Collector of Revenue

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Gregory F. X. Daly, Collector of Revenue
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2009-62, *City of St. Louis, Office of Collector of Revenue*, issued in June 2009, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Office of Collector of Revenue. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Office of Collector of Revenue that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Office of Collector of Revenue

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Bank Accounts

Finding Number: 1.A.

Finding: The Collector of Revenue's office did not competitively procure banking services on a periodic basis and had not executed written depositary agreements.

Recommendation: The Collector of Revenue periodically solicit competitive proposals for banking services and execute written agreements with depositary banks.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Immediately following our previous audit, we composed and submitted requests for proposals to three banks, but did not make any changes to our major banking service providers. We are currently exploring other options and are in the process of preparing and submitting requests for proposals to three area banking centers including Bank of America, U.S. Bank, and Commerce Bank.

Contact Person: Thomas Vollmer

Contact Phone Number: (314) 613-7357



City of St. Louis - Office of Collector of Revenue
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts

Finding Number: 1.B.

Finding: The Collector of Revenue's office did not monitor daily the collateral securities pledged by the banks to ensure pledged collateral was sufficient. Additionally, no collateral securities were pledged for three of the temporary accounts and, as a result, property tax collections were not secured by the Federal Deposit Insurance Corporation (FDIC) or collateral securities.

Recommendation: The Collector of Revenue establish procedures to actively monitor collateral securities and ensure bank accounts are adequately collateralized. In addition, the Collector of Revenue should require collateral securities be pledged for the temporary accounts or transfer balances from those accounts when FDIC coverage is exceeded.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Collector of Revenue's office actively monitors our collateral securities for all accounts including temporary accounts and transfer balances when FDIC coverage is exceeded. Collateral pledges are received on a daily, bi-weekly, and monthly basis depending on each individual account's activity.

Contact Person: Thomas Vollmer
Contact Phone Number: (314) 613-7357



City of St. Louis - Office of Collector of Revenue
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts

Finding Number: 1.C.

Finding: Efforts to contact taxpayers about unclaimed amounts in bank accounts were not always documented.

Recommendation: The Collector of Revenue document efforts to contact taxpayers about unclaimed duplicate payments and outstanding refund checks. If taxpayers cannot be located, the amounts should be turned over to the state's Unclaimed Property Division. Old outstanding checks and unidentified monies should be followed up on and resolved timely.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

When duplicate payments are made on accounts, we immediately notify the taxpayer. If letters are returned by the United States Postal Service, we make every effort to obtain new addresses. If overpayments have not been claimed about 90 days later, we resend notifications. Annually, we rigorously research outstanding checks in attempts to return the funds and transfer outstanding balances to our escheat account. Every two years, we reattempt to contact applicable taxpayers and refund outstanding overpayments, and what is left is turned over to the Missouri State Treasurer.

Contact Person: Thomas Vollmer
Contact Phone Number: (314) 613-7357



City of St. Louis - Office of Collector of Revenue
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Accounts

Finding Number: 1.D.

Finding: The procedures for reconciling bank statements and signing checks were not properly segregated.

Recommendation: The Collector of Revenue properly segregate check preparation, signing, and bank reconciliation procedures or require independent reviews of canceled checks.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A new process has been implemented, and we are pleased that no irregularities have occurred in this office. Each account is reconciled monthly by a designated finance department employee. The reconciliations are then submitted to and reviewed by the Assistant Collector of Revenue and Deputy Collector. At that time the Deputy Collector also reviews all canceled checks. Each individual signs and dates each reconciliation.

Contact Person: Thomas Vollmer

Contact Phone Number: (314) 613-7357



City of St. Louis - Office of Collector of Revenue
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 2.A.

Finding: The Collector of Revenue did not have a formal written procurement policy. As a result, the decision of whether to solicit competitive bids/proposals for a particular purchase was made on an item-by-item basis. Additionally, while the Collector of Revenue's office indicated bids or price quotes were received for some purchases, the documentation was not retained.

Recommendation: The Collector of Revenue establish formal written procurement policies and procedures, including documentation requirements regarding the bids or proposals received and justification for the vendor selected.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Collector's office has established procurement policies and procedures, requiring multiple bids for purchases over \$5,000 unless the item is included in a City of St. Louis or Western States Competitive Alliance contract.

Contact Person: Thomas Vollmer

Contact Phone Number: (314) 613-7357



City of St. Louis - Office of Collector of Revenue
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 2.B.

Finding: The Collector of Revenue's expenditure allocation percentages were not periodically evaluated for reasonableness and documentation supporting the development of the percentages was not maintained. Personnel of the Motor Vehicle and Drivers License Department, who represented about 6 percent of total personnel of the Collector of Revenue's office, were excluded in the development of the percentages because the office considered that department to be independent of the rest of the office and consequently the fees earned by that department were not allocated a portion of office-wide costs. However, it appeared that department also benefited from activities of the office's administrative personnel and certain professional service contracts and should have been allocated some of those costs.

Recommendation: The Collector of Revenue periodically recalculate the cost-allocation percentages, consider including the Motor Vehicle and Drivers License Department in the calculations, and maintain documentation of the calculations and supporting information.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Following our prior audit, we began allocating costs to the Motor Vehicle and Drivers License office. We annually review all percentages to ensure accuracy.

Contact Person: Thomas Vollmer
Contact Phone Number: (314) 613-7357



City of St. Louis - Office of Collector of Revenue
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Processing and Account Maintenance Procedures

Finding Number: 3.A.

Finding: Procedures to verify deposits of water bill collections and motor vehicle and drivers license fees were not documented.

Recommendation: The Collector of Revenue require deposit verification procedures be documented for water and motor vehicle and drivers license fee deposits.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The daily deposit for the water collections is prepared, reviewed, and confirmed by two individuals from the water department and three individuals from the finance department. Each individual initials the daily deposit voucher. The motor vehicle and drivers license collections are balanced to a system-provided total and deposits are prepared by the department Manager. The deposit is then physically verified by the Head Cashier with the Manager as a witness. Both individuals initial the deposit slip.

Contact Person: Thomas Vollmer

Contact Phone Number: (314) 613-7357



City of St. Louis - Office of Collector of Revenue
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Processing and Account Maintenance Procedures

Finding Number: 3.B.

Finding: Procedures for closing taxpayer accounts on the earnings tax system needed improvement. The duties of processing earnings tax returns and payments and closing taxpayer accounts were not segregated. Taxpayer accounts on the earnings tax system were closed without supervisory review and approval. The reasons for closing accounts were not always clearly indicated on the system.

Recommendation: The Collector of Revenue segregate the duties of closing earnings tax taxpayer accounts and processing earnings tax receipts. Additionally, supervisory approval of closed accounts and detailed descriptions of the closure reasons should be required and documented.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Collector's office segregates the duties of closing taxpayers accounts and processing earnings tax receipts in the earnings tax department. The Collector's office continues to have several checks and balances to ensure the integrity of the system. We have implemented formal supervisory approval of closed accounts, and descriptions of closure reasons are documented.

Contact Person: Thomas Vollmer
Contact Phone Number: (314) 613-7357



City of St. Louis - Office of Collector of Revenue
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicle Policies and Records

Finding Number: 4.A.

Finding: The Collector of Revenue did not have written policies addressing the assignment of vehicles to individuals, personal use, or commuting. Officials and other employees with personal and commuting mileage estimated the number of such miles for reporting to the Internal Revenue Service as compensation on their W-2 forms. Additionally, the use of vehicles assigned to the compliance officers was relatively low.

Recommendation: The Collector of Revenue develop written policies addressing the assignment of vehicles to specific employees and periodically evaluate the proper size of the vehicle fleet. The policies should also prohibit personal use and address how commuting is to be documented and reported on W-2 forms.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Since the last audit the number of vehicles went from 7 to 3. The vehicle assigned to the Deputy Collector is a multiple-user vehicle for office business. Due to lack of overnight secure parking, the vehicle needs to be removed from city property each night and the related commuting mileage is reported on his W-2 form. The Deputy Collector owns other vehicles for personal use. Several years ago, the Collector gave up his city vehicle.

Contact Person: Thomas Vollmer

Contact Phone Number: (314) 613-7357



City of St. Louis - Office of Collector of Revenue
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicle Policies and Records

Finding Number: 4.B.

Finding: Vehicle mileage logs were not maintained for the vehicles assigned to the Chief of Staff and Collector of Revenue, and the logs for the compliance vehicles indicated only the daily beginning and ending odometer readings.

Recommendation: The Collector of Revenue maintain vehicle usage logs with daily destinations, purpose, and odometer readings for all vehicles. The logs should be periodically reviewed and the use of the vehicles evaluated for reasonableness and propriety.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The compliance department has two vehicles that are exclusively driven by two employees. These vehicles are only driven between the hours of 8 a.m. and 5 p.m., Monday through Friday and for work-related stops in the field. Each vehicle has its own mileage log sheet that is filled out by the employees with the destination address. After a sheet is completed, it is sent to the manager for review and signature.

Contact Person: Thomas Vollmer
Contact Phone Number: (314) 613-7357



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Office of Circuit Attorney

Report No. 2018-090
September 2018

auditor.mo.gov

City of St. Louis - Office of Circuit Attorney

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Kimberly M. Gardner, Circuit Attorney
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2010-17, *City of St. Louis, Office of Circuit Attorney*, issued in January 2010, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Office of Circuit Attorney. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Office of Circuit Attorney that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Office of Circuit Attorney

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Evidence Records and Procedures

Finding Number: 1.A.

Finding: One complete list of all evidence on hand was not maintained and a periodic inventory of evidence on hand was not conducted.

Recommendation: The Circuit Attorney ensure a complete list is maintained of all evidence in the hands of the Circuit Attorney's office (CAO). Also, the CAO should perform a periodic inventory of evidence, compare it to an inventory list, and investigate any differences.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Due to the heavy volume of evidence, storage issues remain a major challenge and a humongous venture for the CAO to properly locate, compartmentalize, and when legally necessary, destroy evidence and records after decades of completed cases and the voluminous growth of real and documentary evidence arising from the handling of prosecuted cases. This office maintains evidence processes for both open and closed cases. The evidence tracking system utilized for open cases is coordinated among the CAO, the Sheriff's office, and the St. Louis Metropolitan Police Department (SLMPD). The evidence tracking system for closed cases is maintained between the CAO and SLMPD. In line with the recommendation made by the State Auditor's office in the original report, the CAO continues to work with various parties to track evidence in the custody of the SLMPD.

In addition to the improvements made by the previous administration, we have upgraded the Prosecutor By Karpel (PBK) case management system, and this should provide a greater opportunity to electronically locate and handle evidence and records used in criminal prosecutions. While there is still work to be done, the investment in this technology and our efforts to become a paperless office should enhance our evidence records and procedures significantly in the long term. Law enforcement and the CAO discuss and investigate any differences found on the inventory list. However, the CAO and law enforcement continue to research better ways to ensure critical evidence is documented and stored appropriately. Current processes do not put justice at risk.

Contact Person: Michael Warrick

Contact Phone Number: (314) 589-6175



City of St. Louis - Office of Circuit Attorney
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Evidence Records and Procedures

Finding Number: 1.B.

Finding: There were no written procedures to review or update disposal dates of case evidence held by the Circuit Attorney. Several cases listed on the Evidence Disposal Report showed case evidence located in the property rooms with old disposal dates or no disposal date.

Recommendation: The Circuit Attorney develop procedures to ensure evidence is disposed of timely or documentation is maintained to show the evidence was reviewed and the disposal date postponed.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Evidence storage issues remain a major challenge for the CAO to properly locate, compartmentalize, and, when legally necessary, destroy evidence and records after decades of completed cases and the voluminous growth of real and documentary evidence arising from the handling of prosecuted cases. The CAO works to ensure evidence is documented, reviewed, and disposed of in a manner consistent with case needs and the most recent retention and disposal of records laws. Currently the CAO has made good efforts to electronically input information related to the whereabouts of evidence in the updated PBK case management system. In addition, the CAO has developed a spreadsheet earmarking evidence subject to disposal. With a new administration at the CAO, we are reviewing our current protocols to determine if there are better procedures and processes (including a court order, as required by statute, that lists certain evidence that is subject to disposal) to implement the disposal in conjunction with evidence under the custody of the CAO and law enforcement. Current processes and plans for disposal of evidence continue to ensure that justice can be served through the proper accounting of evidence.

Contact Person: Michael Warrick

Contact Phone Number: (314) 589-6175



City of St. Louis - Office of Circuit Attorney
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Evidence Records and Procedures

Finding Number: 1.C.

Finding: The Circuit Attorney's office did not notify the city police or sheriff departments of evidence to be retained indefinitely in the property custody section.

Recommendation: The Circuit Attorney ensure all law enforcement agencies are formally notified when evidence will not be returned.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The general rule established by the SLMPD is that it does not take back evidence once it is checked out, so notification of intent to retain evidence is not necessary. The CAO has a notification-of-return system with the Sheriff's office that provides the type of evidence returned, the reason for return, and when the evidence was returned. The CAO is working with the SLMPD and Sheriff's office to establish a formal return policy using an electronic notification system.

Contact Person: Michael Warrick
Contact Phone Number: (314) 589-6175



City of St. Louis - Office of Circuit Attorney
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bank Reconciliations

Finding Number: 2.A. and 2.B.

Finding: Formal bank reconciliations were not prepared timely by the Victim Services Unit for the Asset Forfeiture or Benefit Donations Accounts. In addition, differences between book and bank balances were not adequately investigated and any resulting adjustments were not approved. Bank reconciliations were not adequately documented by the White Collar Crime Unit for the Bad Check Account. In addition, the Bad Check Account had an unidentified balance which had been carried forward for several years.

Recommendation: The Circuit Attorney ensure monthly bank reconciliations are properly documented, differences between book and bank balances are investigated, and supporting documentation for adjustments and reconciliations are maintained. In addition, adjustments should be approved by someone independent of the accounting function and unidentified monies should be investigated and disposed of in accordance with state law.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The CAO has instituted procedures to ensure that formal bank reconciliations are properly documented by the Victim Services Unit for the Asset Forfeiture and Benefit Donations Accounts. The Asset Forfeiture Account has not received a deposit since 2014, and all existing funds have been utilized in accordance with federal and state law as of the beginning of this year (2018). All funding received through the Asset Forfeiture Account is subject to reconciliation reports that are produced through the QuickBooks accounting database. Unless additional funding is provided, no further activity is anticipated with this account. The Benefit Donations Account is an account of the Victim Witness Assistance Corporation. The Victim Witness Assistance Corporation is a 501(c)(3) corporation that is an independent entity not under the oversight nor subject to funding by the City of St. Louis. All funding received through the Benefit Donations Account is subject to reconciliation reports that are produced through the QuickBooks accounting database. In respect to the Benefit Donations Account, all bank reports are reviewed by the outside accounting firm that prepares our annual Form 990 tax filing.

The CAO agrees with the audit recommendations regarding the documentation and maintenance of bank reconciliations and differences between book and bank balances (if any exist) should be investigated. The CAO will institute monthly bank reconciliations of the Bad Check Account to determine any discrepancies. An outside accounting firm or entity will be sought to provide input and investigate the handling of monies to dispose of them in accordance with state law.

Contact Person: Michael Warrick

Contact Phone Number: (314) 589-6175



City of St. Louis - Office of Circuit Attorney
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Disbursements

Finding Number: 3.A.

Finding: The CAO did not solicit or retain bid/proposal documentation for the purchase of some services. Circuit Attorney personnel indicated the city's procurement policy was followed; however, it had not been formally adopted.

Recommendation: The Circuit Attorney formally adopt the city's procurement policy and ensure it is followed and complete documentation of the bidding process is maintained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The CAO has formally adopted the city's procurement policy as the CAO's "Purchasing Procedures and Policies." The policies are modeled after the city's processes and procedures and incorporate or reference the city's policy (where appropriate). The CAO follows its purchasing and procurement procedures while making purchases and procurements (when applicable).

Contact Person: Michael Warrick
Contact Phone Number: (314) 589-6175



City of St. Louis - Office of Circuit Attorney
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Disbursements

Finding Number: 3.B.

Finding: The White Collar Crime Unit did not conduct a formal study to support the percentage of monies withheld from the bond and asset forfeiture monies transferred to the state.

Recommendation: The Circuit Attorney ensure formal cost studies are performed and documented for all costs incurred in managing the asset forfeiture and bond forfeiture accounts.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Recently, the White Collar and Fraud Unit has begun a formal study to examine the percentage of monies withheld from the bond and asset forfeiture monies transferred to the state. The study consists of a survey of Missouri case law in conjunction with an examination of the actual cost assessment of the resources expended by the CAO in collecting monies.

Contact Person: Michael Warrick

Contact Phone Number: (314) 589-6175



City of St. Louis - Office of Circuit Attorney
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Disbursements

Finding Number: 3.C.

Finding: Monitoring procedures for the CAO were not sufficient for fuel purchases.

Recommendation: The Circuit Attorney ensure all fuel charges are reconciled to the Board of Public Service Equipment Services Division fleet management report.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Chief Investigator of the CAO oversees a fuel policy that ensures all fuel purchased reconciles to the Board of Public Service Equipment Services Division (ESD) report. The CAO has implemented a fuel policy that requires a monthly fleet management report documenting all fuel purchases. The policy requires the identification of the staff person making the fuel purchases, and requires usage logs be maintained for each vehicle that show the date, beginning and ending odometer readings, and the reason for each trip. In addition, the CAO retains charge receipt slips and the receipt slips are reconciled to the fleet management report. The monthly fleet management report reconciles all fuel charges with a report that is forwarded to the ESD.

Contact Person: Michael Warrick

Contact Phone Number: (314) 589-6175



Office of Missouri State Auditor
Nicole Galloway, CPA

**City of St. Louis
Supply Division**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of City of St. Louis - Supply Division

Emergency Purchases	City personnel made emergency purchases that did not meet the city's definition of "emergency" or include adequate documentation to justify the emergency nature of the purchase, in violation of the City Charter and City Code. City departments did not always obtain the required approvals prior to initiating an emergency purchase, or did not document that the purchases were made on a night or weekend, in violation of the Supply Division Procedures Manual. The Supply Division has not enforced current policies to ensure departments comply with competitive bidding requirements for emergency purchases exceeding \$500.
Contracting	A vendor contracted to supply automotive batteries refused to continue selling products at contracted prices. Instead of terminating and rebidding the contract, in August 2017, the Supply Division approved a price increase that violated the contractual terms and conditions, and was inconsistent with recommendations provided by other city departments. The Supply Division does not always retain information to allow division personnel to properly verify the invoice price agrees to the contract terms.
Advertising of Bid Solicitations	The division does not always follow advertising requirements for purchases valued above \$5,000.
Elected Official Bond	The Supply Commissioner did not obtain a bond as required by City Code for a period of more than 7 months after taking office, when we brought the issue to her attention.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Supply Division

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Supply Commissioner
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Supply Division in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the years ended June 30, 2017, and June 30, 2018, respectively. To minimize duplication of effort, we reviewed the CPA firm's report for the fiscal year 2017 audit, since the fiscal year 2018 audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the division's internal controls over significant management and financial functions.
2. Evaluate the division's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

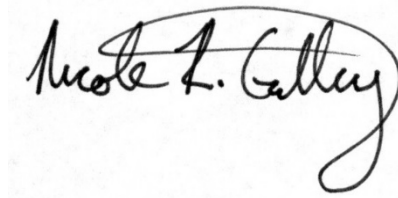
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Supply Division.

Additional audits of various officials and departments of the City of St. Louis are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Anh Nguyen
Audit Staff:	Dacia Rush, M. Acct
	Tori Brandt, MBA

City of St. Louis - Supply Division

Management Advisory Report

State Auditor's Findings

1. Emergency Purchases

Controls and procedures over emergency purchases need improvement. The city allows personnel to bypass standard procurement procedures in emergency situations, such as when there is an environmental hazard or disruption to city services. However, we identified some purchases processed as emergencies that did not (1) meet the allowable definition, (2) follow required procedures, or (3) include adequate documentation. The Supply Division processed 129 and 241 emergency purchase requisitions during the fiscal years ended June 30, 2018 and June 30, 2017, respectively.

The Supply Division, Comptroller's Office, and the Board of Standardization each have a role in the city's procurement activities. The Comptroller is the Chief Fiscal Officer of the city and assists with the city's daily financial operations, including processing payments to vendors. The Board of Standardization (Board) consists of the Comptroller, Supply Commissioner, and President of the Board of Public Service. The Board assists with setting standards and specifications for supplies and materials purchased by the city, approves advertising waivers for bid solicitations that would otherwise require advertising, and approves all new contracts recommended by the Supply Division.

1.1 Improper emergency purchases

City personnel made emergency purchases that did not meet the city's definition of "emergency" or include adequate documentation to justify the emergency nature of the purchase, in violation of the City Charter and City Code.

We reviewed 18 emergency purchases made by various city departments that were processed through the Supply Division and approved by both the Supply Division and the Comptroller's Office. These 18 purchases were made during the 2 fiscal years ended June 30, 2018, and totaled approximately \$28,000. Of the 18 purchases reviewed, 2 totaling about \$10,100 did not meet the city's definition of an emergency based on documentation provided.

- The Equipment Services Division (ESD) purchased various parts totaling about \$8,800 to repair machines or machine attachments used for street paving projects. Documentation provided indicates at least some of the parts were requested for preventative maintenance, while others were needed to repair inoperable equipment. ESD personnel notified the Supply Division that they needed to get the parts installed before the next round of paving began, but did not provide any information on the dates of the next planned paving projects or how long the machines would take to repair.

While some parts were ordered and received in August 2017, additional parts were not ordered and received until November 2017. While discussing this purchase with the current Commissioner of the ESD, he indicated the employee who made the purchase intentionally split the



City of St. Louis - Supply Division
Management Advisory Report - State Auditor's Findings

order for unknown reasons, but he believes all parts purchased met the city's definition of an emergency.

- The St. Louis Metropolitan Police Department (SLMPD) purchased various office supplies totaling about \$1,300. In February 2017 the previous Supply Commissioner requested the invoices be paid as an emergency purchase, and documented that the emergency requisition was needed because one of the SLMPD's employees had failed to follow required purchasing procedures.

Some city departments may be using emergency purchases to circumvent normal city purchasing procedures. The Supply Division is responsible for ensuring that supplies, equipment, and materials are purchased in accordance with policies and standards established by the Board of Standardization. The Supply Division should not approve emergency purchases that do not meet the definition of an emergency. This would ensure purchases are reasonable and necessary and the city receives the best price for all purchases.

Emergency purchases are authorized by Article XV, Section 29 of the City Charter and Section 5.58.050 of the City Code. The city's Board of Standardization defines an emergency purchase as "when a condition or situation exists which may result in loss of life, limb, or property, eliminates an environmental hazard, addresses a condition which requires immediate attention in order to avoid further damage to a facility or additional costs to the City, affords the City the opportunity to use its resources in the most effective and efficient manner, or prevents the disruption or hindrance of normal delivery of City services."

In an effort to help reduce the abuse of emergency purchase provisions, the current Supply Commissioner indicated she has notified departments that emergency requisitions will be heavily scrutinized, held training classes for various departments making improper emergency purchases, and requested discipline for at least one city employee.

1.2 Prior approvals not obtained

City departments did not always obtain the required approvals prior to initiating an emergency purchase, or did not document that the purchases were made on a night or weekend, in violation of the Supply Division Procedures Manual. The departments or divisions responsible for the 2 purchases described in section 1.1 did not follow required procedures and failed to request and obtain proper approvals prior to ordering the parts and supplies.

Each of the purchases included invoices with order dates prior to the creation and approval of the related emergency requisition form, and did not include any documentation to indicate the purchase was made during non-business hours. Invoices were dated 7 days (ESD) and 167 days (SLMPD) prior to the



City of St. Louis - Supply Division
Management Advisory Report - State Auditor's Findings

first documented approval on the emergency requisition form. The emergency requisition form is required to be approved by the Supply Division's buyer, another representative of the Supply Commissioner's office, and the Comptroller's Office. Approval is also required from the Board of Standardization if the department requests a waiver of advertising for emergency purchases greater than \$5,000.

Section 3.d. of the Supply Division Procedures Manual requires departments to obtain a verbal approval from the Supply Division and Comptroller's Office before ordering an item on an emergency basis, unless the emergency occurs during non-business hours. City personnel are instructed to document who provided the verbal approvals when submitting the necessary documentation to pay the vendor. If the emergency occurs during non-business hours, the purchase must be approved by the department head at the lowest possible price.

1.3 Bidding requirements

The Supply Division has not enforced current policies to ensure departments comply with competitive bidding requirements for emergency purchases exceeding \$500.

For 16 of the 18 emergency purchases we reviewed (all exceeding \$500), the Supply Division could not provide any documentation to demonstrate personnel in the department purchasing the items solicited price quotes or obtained a bid waiver as required. Section 3.d of the Supply Division Procedures Manual requires departments to obtain 2 or 3 bids on vendor letterhead before initiating an emergency purchase (if possible), and requires the departments submit this documentation to the Supply Division unless the department requests a bid waiver and it is approved.

Supply Division personnel said city departments rarely submit documentation of bids or price quotes for emergency purchases, and the division does not enforce the policy. They indicated the division relies on each department head to ensure compliance with existing procurement policies. It is unreasonable to assume that city departments could never obtain bids because some emergencies occur during normal business hours.

Failure to obtain competitive price quotes can result in the city not receiving the best price for emergency purchases. In some cases, it may not be possible or practical to obtain price quotes or bids prior to purchase. In these cases, the reasons for not following applicable policies should be documented.

Similar conditions previously reported

Similar conditions were noted in our prior audit report. In the *Follow-Up Report on Audit Findings City of St. Louis Supply Division*, Report No. 2018-052, released in August 2018, the division stated these previous recommendations had been implemented; however, we found that corrective action taken was not always effective and problems continue to exist.



City of St. Louis - Supply Division
Management Advisory Report - State Auditor's Findings

Recommendations

The Supply Division work with the Comptroller's Office to:

- 1.1 Ensure emergency purchases meet the city's definition of an emergency and reject purchases that do not meet the definition or obtain additional written justification. In addition, the Supply Division should continue to work with the Mayor, Board of Aldermen, or individual departments to pursue disciplinary action against city departments or employees abusing emergency purchasing procedures.
- 1.2 Ensure city departments obtain approval for any emergency purchases prior to initiating the actual purchase, or clearly document the allowable reasons for initiating the purchase prior to approval.
- 1.3 Ensure vendor price quotes have been received for all emergency purchases prior to approving the purchase for payment. If there are valid reasons for not following applicable city policies for such purchases, these reasons should be fully documented.

Auditee's Response

- 1.1 *The Supply Division agrees with the audit finding, and had already begun to address this issue before auditors arrived. The Supply Division will continue to work with the Mayor's Office, Comptroller's Office, and the Board of Aldermen to ensure that city policies and procedures are followed. New procedures are also being created to reduce the issues significantly.*
 - *The number of emergencies has gone down considerably in the last 11 months, and the trend will continue. The Supply Division understands that the past practice of using the emergency process to correct errors was overused when no other option for purchases made in error existed. The lack of an error handling process could create false emergencies.*
 - *The city recently implemented a new Exception Requisition process for when items are purchased improperly or in error. Accountability and consequences are now required for employees misusing or not following correct city purchasing processes. It also provides the opportunity to find ways to improve and update our existing contracts or bidding processes.*
 - *The Supply Division continues to hold training classes for various departments and request discipline for those who abuse the processes intentionally or excessively.*

The new Exception Requisition Policy should correct the audit finding.



City of St. Louis - Supply Division
Management Advisory Report - State Auditor's Findings

- 1.2 *The new Exception Requisition process will eliminate this problem as well. The City Charter says that prior approval need not be obtained in a true emergency situation. More departments are now more aware of and following the rules about the definition of a true emergency and the Supply Division is actively providing training on the correct procedures to each department as well. The city does require prior phone or written approvals when feasible.*
- 1.3 *Not every department submits bids to the Supply Division every time they make an emergency purchase but, in a real emergency, they may not have time to go out and obtain 2-3 bids. Water main breaks, broken windows in the winter in the correctional facility, and office break ins require immediate remedies and often occur after hours. This situation has been aggressively addressed and from now on, per your suggestion, the Supply Division will require copies of the department's request for quotes, or documentation of why obtaining quotes was not feasible.*

2. Contracting

Controls and procedures over contracting activities need improvement. The Supply Division processed 2,391 contractual purchases during the fiscal year ended June 30, 2018, and currently manages approximately 200 contracts.

2.1 Unallowable price increase and vendor's refusal to comply

A vendor contracted to supply automotive batteries refused to continue selling products at contracted prices. Instead of terminating and rebidding the contract, in August 2017, the Supply Division approved a price increase that violated the contractual terms and conditions, and was inconsistent with recommendations provided by other city departments. The city paid this vendor about \$156,000 during the year ended June 30, 2018.

In January 2017, the Supply Division modified the contract after the vendor requested a price increase averaging about 5 percent for each battery. The previous Supply Commissioner approved this increase after considering comments and recommendations from departments who buy the majority of automotive batteries. This increase complied with the contract terms and conditions because it did not exceed 5 percent per year.

In July 2017, the vendor requested an additional price increase that averaged about 23 percent per battery. The vendor's correspondence with the Supply Division indicated the vendor was losing money on most batteries sold to the city due to the rising cost of lead and the city's desire to purchase a brand not specifically mentioned in the contract; however, the contract did not specify a brand. It is not clear why division officials approved the price increase. Both the Airport Fleet Maintenance Manager and Commissioner of the ESD had reported customer service concerns to the Supply Division and recommended the contract be rebid. The Supply Division did not retain any other documentation to justify why the division ignored the recommendations of



City of St. Louis - Supply Division
Management Advisory Report - State Auditor's Findings

other departments and approved the additional price increase that exceeded price escalation limits included in the original contract.

All city contracts managed by the Supply Division include a price escalation clause allowing for price increases in some situations, but limit the increase to no more than 5 percent in any year. Each contract also includes a termination clause allowing the city to cancel the contract for any reason by giving 30 days written notice to the vendor. As a result of this contract modification, the city may not be getting the best price. If a similar situation occurs in the future, the Supply Division should consider terminating and rebidding the contract. Competitive bidding helps ensure all parties are given an equal opportunity to participate in city business.

2.2 Price verification

The Supply Division does not always retain information allowing division personnel to properly verify the invoice price agrees to the contract terms. In some instances, the price list is an attachment to the contract or, for larger contracts, the vendor may offer a fixed percentage discount off the list price of items in its catalog. City accounting procedures require the Supply Division review invoices for items purchased on an existing contract to ensure the prices agree to the applicable contracts. If the prices agree, the Supply Division authorizes a purchase order in the accounting system allowing for the payment of the invoice. If the prices do not agree, division personnel are required to send the invoice back to the applicable city department to resolve any differences.

We reviewed 20 contractual purchases to test the Supply Division's compliance with required procedures for validating the propriety of invoiced prices. These purchases totaled approximately \$346,000 and occurred during the 2 fiscal years ended June 30, 2018. The division did not retain a price list, price catalog, or have access to agreed-upon pricing information for 3 of the 20 purchases. These purchases were for miscellaneous supplies for the ESD totaling approximately \$4,800. Even though she did not have the information needed to verify the accuracy of the pricing, the Account Clerk signed and approved each invoice for payment.

To ensure the city only pays the contractually negotiated prices and to help prevent over-billing, the Supply Division should follow city policy and ensure all prices correspond with contracted prices prior to authorizing the applicable purchase orders. It is imperative division personnel retain the necessary information to allow comparison of contract prices against invoiced prices.

Recommendations

The Supply Division:

- 2.1 Comply with existing contractual terms and conditions regarding price increases. If a vendor requests a price increase that does not comply with contract terms or significant concerns are reported to the



City of St. Louis - Supply Division
Management Advisory Report - State Auditor's Findings

Supply Division, the division should consider terminating and rebidding the contract.

- 2.2 Ensure invoice prices correspond to contract prices before processing purchase orders in the accounting system, and implement procedures to ensure adequate record retention for all active contracts.

Auditee's Response

- 2.1 *This situation occurred before the current Supply Commissioner was in place. The ESD Commissioner said that the automotive parts industry poses unique issues, as prices fluctuate periodically throughout the industry. In this case, even with the increase requested, the prices were still comparable to what other vendors were charging at the time. City taxpayers realized no additional costs. When that specific vendor came back to the city and asked for another price increase in December 2017, the current Supply Commissioner refused and gave the vendor the option to terminate their contract or wait until the contract price increase was due next time on the anniversary date for a 5 percent increase. Documentation for the justification would have to be provided. After meeting on January 3, 2018, the vendor chose not to terminate their contract and to supply the city with parts at the agreed upon contract price.*

The Supply Division completely agrees that competitive pricing is optimal. The city now solicits bids for more items, even if they are on state contract, so we can compare pricing and get the taxpayers the best possible price. New processes are in place to ensure contract pricing equals invoice pricing, and that no vendor can overcharge the city or receive excess price increases.

Under the current Supply Commissioner, the city has terminated several contracts due to lack of performance and/or billing inaccuracies. The Supply Division has also improved our contract model (bidding, terms, etc.) to reduce confusion and potential problems.

- 2.2 *When the auditors discovered that the Supply Division was not verifying pricing on 100 percent of contractual purchases, we immediately updated all of the price lists and began full verification. Note that the departments are also required to price check, so the Supply Division price check is actually a second level verification.*

The employee responsible has been reminded that everything must be checked thoroughly. Also note that the proposed new accounting system to be purchased in 2018/2019 will eliminate most of this concern, as will the addition of another Account Clerk I focused on ESD.



3. Advertising of Bid Solicitations

Division personnel do not always follow advertising requirements for purchases valued above \$5,000.

We reviewed 5 bid solicitations processed through the Supply Division that city policy required to be advertised. These solicitations resulted in purchases totaling about \$212,000 during the 2 fiscal years ended June 30, 2018. Of the 5 bid solicitations reviewed, 3 were not advertised in the City Journal for the full 21 days as required. The 3 solicitations totaled about \$33,000 and included purchases of supplies and chemicals, an all-terrain vehicle, and storage containers. An advertising waiver was not in the bid documentation to indicate the departments purchasing the items requested a shorter solicitation period.

In addition, we reviewed the City Journal for January 7, 2017 and September 5, 2017 and identified 8 other competitive bid solicitations that were only advertised for 14 days instead of the required 21 days. The following solicitations were processed on behalf of 4 different city departments:

- tulip bulbs (\$5,300)
- trailer (\$20,000)
- mower (\$26,000)
- van (\$58,000)
- gravel (\$22,700)
- storage containers (\$16,700)
- blower (\$19,400)
- expansion material (\$5,600)

Mayor's Executive Order No. 47 (effective April 30, 2013) extended previous Executive Order No. 28. Section 3.2(b)(i) of the order states the city will advertise every bid in the City Journal no less than 21 days before bids are due. Competitive bidding helps ensure all parties are given an equal opportunity to participate in city business. Limiting the period of advertising, may result in the exclusion of eligible bidders.

We also reviewed the City Journal for October and November 2017, after the current Supply Commissioner took office, and noted all competitive bid solicitations were advertised with a due date of 21 days from the date of publication as required.

Recommendation

The Supply Division ensure applicable purchases over \$5,000 are advertised for at least 21 days, as required by city policy, unless a waiver of advertising is properly requested and approved, or there are other documented and justified reasons to shorten the advertising period.

Auditee's Response

The Supply Division agrees with the audit finding and has already addressed this issue. Please note that the short advertisements all happened before the



City of St. Louis - Supply Division
Management Advisory Report - State Auditor's Findings

current Supply Commissioner was in place. Bid opportunities are now advertised in more locations than in the past. We now advertise not only in the City Journal, but also on our website (<https://www.stlouis-mo.gov/supply>), Twitter, and Facebook.

4. Elected Official Bond

The Supply Commissioner did not obtain a bond as required by City Code for a period of more than 7 months after taking office, when we brought the issue to her attention.

Section 5.56.030 of the City Code requires the Supply Commissioner to obtain a bond of \$20,000 that must be approved by the Comptroller. The bond must include the following conditions (1) the commissioner will honestly and faithfully execute and perform the duties of the office; (2) the commissioner will not have any interest in the sale of goods to the city; and (3) the commissioner will not receive any bribe, gift, or consideration from any person or vendor who has an interest in supplying goods to the city.

Failure to obtain a proper bond exposes the city to the risk of financial or other damages caused by potential errors, omissions, or improper actions of the Supply Commissioner.

Recommendation

The Supply Commissioner should obtain bond coverage upon appointment to the position and maintain coverage during the term of office.

Auditee's Response

The bond was obtained and is effective until April 27, 2021.

City of St. Louis - Supply Division

Organization and Statistical Information

The City of St. Louis Supply Division is responsible for the procurement of all supplies, equipment, and selected services for almost all city-wide departments, including police, fire, parks, and the airport, as well as providing printing and mail services for the city. The division operates under the direction of the Supply Commissioner.

The position of Supply Commissioner was vacant from approximately March 2017 through August 2017. During that time, the Deputy Supply Commissioner directed daily operations. Effective September 5, 2017, Pamela Kuehling was appointed Supply Commissioner and took office.

The division administers approximately 200 contracts and processes about 3,200 requisitions per year fulfilled by hundreds of vendors and employs 24 individuals in the procurement functions, Multigraph Section, and Mail Room Services Section.

Multigraph Section

The Multigraph Section provides copying, printing, and design/typesetting services to all city departments. Promotional and customized graphic design work is created according to customer specifications. In addition, the section provides production assistance and advice to city departments as needed. The section is currently taking over printing operations from the St. Louis Metropolitan Police Department as a cost savings measure. Linda Wessels, Printing & Duplicating Graphics Manager, oversees the operations of this section.

Mail Room Services Section

According to the Supply Division's website, the Mail Room Services Section delivers mail twice daily to 67 different city departments. Approximately 1 million pieces of outgoing first-class mail are processed by the section in an average year. The section also folds and inserts approximately 250,000 pieces of mail annually, and offers a courier service to city departments. Lynn Crawford, Procurement and Purchasing Manager, and Michael McKinney, Mailroom Supervisor, oversee the operations of this section.



Office of Missouri State Auditor
Nicole Galloway, CPA

Worth County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Worth County

Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting records. The Prosecuting Attorney's office does not always issue receipt slips for monies received. The Prosecuting Attorney's office does not always transmit court-ordered restitution to victims timely.
Brush Control	The amount charged for enforcement of brush control was not always calculated accurately, resulting in some taxpayers being overcharged for the service.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations of another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Worth County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Worth County

We have audited certain operations of Worth County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Worth County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

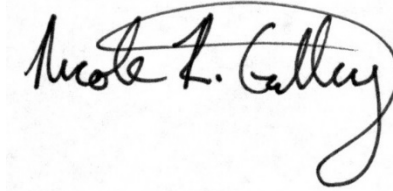
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Worth County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Keisha Guthrie
Audit Staff:	Mackenzie J. Wooster
	Austin T. Olson
	Amanda C. Hansel

Worth County Management Advisory Report State Auditor's Findings

1. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected bad check restitution and fees, and court-ordered restitution and fees totaling approximately \$6,200 during the year ended December 31, 2017.

1.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting records. The Administrative Assistant receives, records, and transmits monies to victims and the County Treasurer. The Prosecuting Attorney does not review accounting records to ensure monies received are properly recorded and transmitted to the appropriate parties.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to transmittals.

1.2 Receipting

The Prosecuting Attorney's office does not always issue receipt slips for monies received. The Administrative Assistant indicated receipt slips are issued for all monies received; however, when tracing October 2017 receipts to applicable case files, we identified 2 money orders, totaling \$120, that were not receipted.

Failure to implement adequate receipting procedures increases the risk that loss, theft, or misuse of monies received will go undetected. Procedures should be established to ensure receipt slips are issued immediately for all monies received.

1.3 Transmittals

The Prosecuting Attorney's office does not always transmit court-ordered restitution to victims timely. A \$50 restitution payment received on June 15, 2017, was not disbursed until April 23, 2018. The Administrative Assistant indicated this payment was held because the payment was for an amount other than the scheduled payment amount, and it was later disbursed at the direction of the Prosecuting Attorney. In addition, 2 restitution payments, totaling \$120 (see section 1.2), received on September 15, 2017, and September 22, 2017, were not disbursed until October 6, 2017. The Administrative Assistant indicated these payments were held until the final payment was received on this case, although this is not the standard office procedure.

To ensure all receipts are accounted for properly and reduce the risk of loss, theft, or misuse of funds, court-ordered restitution monies received should be transmitted timely.



Worth County
Management Advisory Report - State Auditor's Findings

Recommendations

The Prosecuting Attorney:

- 1.1 Segregate accounting duties or ensure documented supervisory reviews of detailed accounting records are performed.
- 1.2 Issue receipt slips for all monies immediately upon receipt.
- 1.3 Transmit restitution monies timely.

Auditee's Response

I will implement a plan to adequately segregate the accounting duties of the office staff and will provide a more thorough review of these records to ensure that all monies taken in are properly recorded and receipted. A copy of the receipt slip will be immediately issued to the payor for all monies received, and all monies received will be disbursed to the proper party in a timely manner. The time frame for implementation is 30 days.

2. Brush Control

The amount charged for enforcement of brush control was not always calculated accurately, resulting in some taxpayers being overcharged for the service. Receipts for brush control totaled approximately \$10,000 during the year ended December 31, 2017.

County Ordinance 2010-01 was established in accordance with Section 263.245, RSMo, to enforce brush control adjacent to county roads. The County Clerk prepares a calculation of the total cost of eradicating brush for each parcel of land by calculating the total amount of labor and machine hours required for the brush removal, along with any additional costs incurred. The total cost calculated by the County Clerk is approved by the County Commission and assessed by the County Collector on the parcel of land as a special brush levy. A review of the County Clerk's cost calculation is not performed prior to the special brush levy assessment. Our review of the 3 parcels assessed special brush levies during 2017 noted errors in recording the number of hours worked to remove the brush for 2 of the 3 parcels. These errors resulted in taxpayer overcharges totaling \$127.

County Ordinance 2010-01 states "the county commission, or its agents, servants, or employees . . . shall keep an accurate account of the expenses incurred in eradicating the brush." To ensure an accurate account of expenses incurred is maintained and charged to the appropriate taxpayer, the County Commission should ensure the County Clerk's cost calculation is reviewed for accuracy.

Recommendation

The County Commission ensure the County Clerk's cost calculation for charging special brush levies is reviewed for accuracy.

Auditee's Response

We agree with the recommendation and will ensure future calculations are reviewed for accuracy.

Worth County

Organization and Statistical Information

Worth County is a county-organized, third-class county. The county seat is Grant City.

Worth County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 11 full-time employees and 8 part-time employees on December 31, 2017.

In addition, county operations include a Senior Citizen Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Ted Findley, Presiding Commissioner	\$	22,427
Regan Nonneman, Associate Commissioner		20,306
Tyler Paxson, Associate Commissioner		20,306
Barbara Foland, Recorder of Deeds		30,766
Roberta Owens, County Clerk		30,766
Brett Hurst, Prosecuting Attorney		39,603
Terry Sheddric, Sheriff		38,192
Linda L. Brown, County Treasurer		30,766
Sharon Supinger, County Coroner		8,487
Patsy A. Worthington, Public Administrator		8,955
Julie Tracy, County Collector, year ended February 28,	30,920	
Carolyn J. Hardy, County Assessor, year ended August 31,		30,467



Office of Missouri State Auditor
Nicole Galloway, CPA

Domestic Violence Shelter Funding



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Audit of the Domestic Violence Shelter Funding

Background	Domestic violence shelters exist throughout the state to provide assistance to victims of domestic violence in Missouri. The <i>Supplemental Domestic Violence Incident Report</i> for 2017 compiled by the Missouri State Highway Patrol indicated 45,253 incidents of domestic violence were reported that year. Currently, there are only two shelters to serve every three counties in the state. Domestic violence shelters may receive funding from statutory fees, various state and federal grant programs, state tax credit programs, interest income, local fund raisers, and contributions or donations. The Department of Social Services (DSS) administers the Domestic Violence Shelter Tax Credit as authorized by Section 135.550, RSMo. Funding is limited to \$2 million annually. The audit evaluated local government compliance with various state statutes.
Domestic Violence Shelter Funding Opportunities	Approximately \$698,000 in revenue for domestic violence shelters are forgone annually due to counties and cities electing not to collect all domestic violence fees allowed by state law.
Burdensome Statutes Hinder Distribution of Fees	State statutes regarding the distribution requirements for domestic violence fees collected are burdensome and unclear, resulting in a lack of compliance with requirements, and some county funds going undistributed. State law requires each county and city designated authority responsible for administering domestic violence funding to individually obtain and review domestic violence shelter funding requests, including determining if the shelter is eligible to receive funding. Only 43 of the 106 counties and the City of St. Louis (40 percent) responded that the requirements of Sections 455.215, 455.220 and 455.230, RSMo, were met. State law does not require the designated authorities to distribute funding and has not established a maximum amount that may be retained. Due to the decentralized manner in which domestic violence fees are currently distributed, funds are not being distributed where there is a demand for services.

Due to the nature of this report no rating is provided.

Domestic Violence Shelter Funding

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

We have audited certain operations of local government funding of domestic violence shelters as authorized by state law, in fulfillment of our duties under Chapter 29, RSMo. The scope of the audit included, but was not necessarily limited to the year ended December 31, 2017. The objectives of our audit were to:

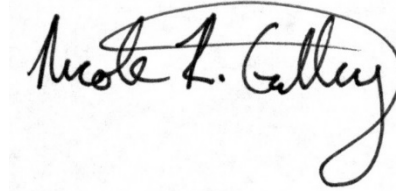
1. Evaluate compliance with certain legal provisions as they relate to funding for domestic violence shelters.
2. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions, as they relate to funding for domestic violence shelters.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Since there is no central agency charged with oversight of domestic violence shelter funding, we were unable to obtain views of responsible officials for the findings, conclusions, and recommendations outlined in the Management Advisory Report. The views of responsible county or city officials were obtained and included where appropriate.

The accompanying Appendixes are presented for informational purposes. This information was obtained from the management of these political subdivisions and the Missouri Coalition Against Domestic and Sexual Violence. The information was not subjected to the procedures applied in our audit of the Domestic Violence Shelter Funding.

For the areas audited, we identified (1) noncompliance with legal provisions and (2) the need for improvement in management practices and operations. The accompanying Management Advisory Report presents our findings arising from our audit of the Domestic Violence Shelters funding.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Alex Bruner, MBA, CFE
Audit Staff:	Philip V. Osadchuk, MAcc

Domestic Violence Shelter Funding

Introduction

Background

Domestic violence shelters exist throughout the state to provide assistance to victims of domestic violence. The Missouri Coalition Against Domestic and Sexual Violence (MCADSV) is a non-profit membership organization comprised of community-based domestic violence programs throughout Missouri. These member programs, which provide services to domestic violence victims, represent nearly all of the domestic violence and sexual assault victim services providers in Missouri, as well as law enforcement agencies, prosecutors, courts and other allied victim service professionals. According to the MCADSV, there were 13 member residential service providers (shelters, safe houses, and motel placement) in 1985, 50 in 2000, and 77 as of March 30, 2018. Most, but not all, shelters receiving domestic violence funding are members of the coalition.

Domestic violence incidents

The *Supplemental Domestic Violence Incident Report* for 2017 compiled by the Missouri State Highway Patrol indicated 45,253 incidents of domestic violence were reported that year. Approximately 12 percent (5,654) of the incidents occurred in a county without a domestic violence shelter. These victims may have received shelter services in neighboring counties or even other states; however, this result cannot be determined. Appendix A lists the number of shelters and the domestic violence incidents per county.

An unmet need exists at local shelters

Currently, there are only two shelters to serve every three counties in the state. The MCADSV reported 28,182 unmet requests for shelter and other services in 2017. MCADSV officials indicated there would be some duplication within the number of individuals turned away since individuals in need of shelter services are referred from one shelter to another until available space is located. However, this duplication in counts emphasizes the problem of providing shelter when needed.

The state does not compile any statewide statistics on the number of people served by domestic violence shelters. However, the MCADSV collects and compiles service statistics on a contractual basis with the state. Service providers who receive funding through the Department of Social Services (DSS) or Victims of Crime Act are required to submit their Monthly Services Report (MSR) data online through MCADSV's web-based system. The MSRs are reviewed by MCADSV for any anomalies and are available to the DSS. According to MCADSV records, 6,303 women, 5,048 children and 83 men were provided shelter from domestic violence in 2017. The total number of bed nights provided was 323,102. The MCADSV also reported 28,182 unmet requests for shelter and other services due to a shelter lacking the resources to provide services. Appendix F provides a breakdown of services provided by region of the state.

When comparing domestic violence statistics in Missouri to five neighboring states, we determined Missouri ranks highest in the number of victims turned away from shelters per domestic violence incident. In addition, Missouri



Domestic Violence Shelter Funding Introduction

ranked second highest in number of services used per domestic violence incident. Table 1 shows the state comparisons for 2016.

Table 1: Domestic Violence State Comparison for 2016

	Domestic Violence Incidents	Services Used	Incidents per 10,000 people	Services Used per Incident	People Turned Away	People Turned Away per Incident
Missouri ¹	44,501	34,051	73	0.765	10,433	0.234
Arkansas ²	9,764	12,566	33	1.287	1,084	0.111
Illinois ²	118,160	50,040	92	0.423	7,800	0.066
Kentucky ²	41,435	22,299	93	0.538	1,164	0.028
Oklahoma ¹	23,936	15,778	61	0.659	1,430	0.060
Tennessee ¹	78,032	22,460	117	0.288	1,239	0.016

¹ State indicated counts of victims were unduplicated.

² State did not indicate whether counts of victims was duplicated.

Source: State domestic violence coalitions

Available funding

Domestic violence shelters may receive funding from statutory fees, various state and federal grant programs, state tax credit programs, interest income, local fund raisers, and contributions or donations. We estimated¹ 2017 statewide domestic violence shelter revenues of approximately \$74 million.

Approximately \$49 million (66 percent) in state and federal funding² in state fiscal year 2017 was awarded to domestic violence shelters. The domestic violence funding provided by the mandatory and optional domestic violence fees made up approximately 3 percent of funding. Figure 1 illustrates domestic violence shelter funding for 2017.

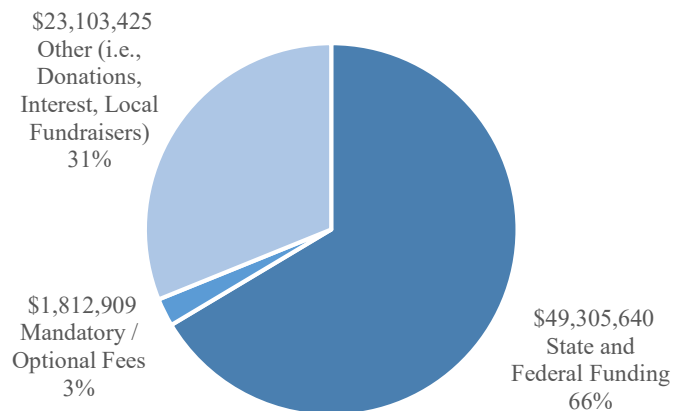
¹ We obtained financial data from 15 of the state's domestic violence shelters and estimated this data for the 77 shelters in the state.

² State and federal funding includes \$37 million of Victims of Crime Act (VOCA) grant monies, which include domestic violence services.



Domestic Violence Shelter Funding Introduction

Figure 1: 2017 Shelter
Funding by Source



Source: Survey responses submitted by counties, the MCADSV, and the Department of Social Services, Department of Public Safety and Department of Health and Senior Services.

Some domestic violence shelters also offer mental health, transitional housing, or job training programs. We excluded, when possible, these programs from total estimated shelter funding.

Tax credits

The DSS administers the Domestic Violence Shelter Tax Credit as authorized by Section 135.550, RSMo. Funding is limited to \$2 million annually. The tax credit program works as follows:

- Shelters wishing to participate in the tax credit program must apply to DSS annually. Each approved shelter receives an equal share of the tax credits available.
- Businesses or citizens donate money to an approved shelter and receive a tax credit. The contributor receives a 50 percent state tax credit for the contributions.
- Contributions must be at least \$100 and each contributor is limited to receiving \$50,000 in tax credits annually. The credits may be redeemed over the next 4 succeeding tax years until the full amount is claimed.
- If a shelter issues all available credits in a particular year, the shelter may contact the DSS to obtain additional credits. The DSS will contact shelters that do not appear to be in need of all assigned credits to receive authorization to transfer the unneeded credits.

The tax credit program is designed to generate up to \$4 million in donations to shelters annually. However, our analysis determined this source of funding is not used fully. The amount of tax credits granted in the last 3 fiscal years is shown in Table 2.



Domestic Violence Shelter Funding Introduction

Table 2: Tax Credits
Granted by Year

Fiscal Year	Tax Credits Granted	Percentage of Cap	Contributions to Shelters
2015	\$ 1,433,909	72%	\$ 2,867,818
2016	1,893,349	95%	3,786,698
2017	1,611,058	81%	3,222,116
Total	\$ 4,938,316	82%	\$ 9,876,632

Source: Department of Social Services data

Statutes

The audit evaluated local government compliance with various state statutes.

Section 451.151, RSMo, requires a fee be charged for the issuance of a marriage license, to include \$5 to provide financial assistance to shelters for victims of domestic violence. Section 488.607, RSMo, allows counties and cities to implement an optional surcharge of up to \$4 for each criminal case filed, including violations of any county or municipal ordinance. Section 488.445, RSMo, provides that the governing body of any county, or of any city not within a county, may impose a \$5 fee upon the issuance of a marriage license and may impose a \$2 surcharge upon any civil case filed in the circuit court.

Section 455.210, RSMo, provides that the governing body of the city or county shall designate an authority to administer the allocation and distribution of the funds to shelters for victims of domestic violence.

Section 455.215, RSMo, provides that a shelter for victims of domestic violence may apply to the designated authority for funds. All applications shall include the following:

- Evidence that the shelter is incorporated in Missouri as a nonprofit corporation.
- A list of the directors of the corporation, and a list of the trustees of the shelter if different.
- The proposed budget of the shelter for the following calendar year.
- A summary of the services proposed to be offered in the following calendar year.
- An estimate of the number of persons to be served during the following calendar year.



Domestic Violence Shelter Funding Introduction

Section 455.220, RSMo, provided that to qualify for the funds, a shelter shall meet the all of the following requirements:

- (1) Be incorporated in the state as a nonprofit corporation.
- (2) Have trustees who represent the racial, ethnic and socioeconomic diversity of the community to be served, at least one of whom must possess personal experience in confronting or mitigating the problems of domestic violence.
- (3) Receive at least 25 percent of its funds from sources other than funds distributed pursuant to Section 455.215, RSMo. These other sources may be public or private and may include contributions of goods or services, including materials, commodities, transportation, office space or other types of facilities or personal services.
- (4) Provide residential service or facilities for children when accompanied by a parent, guardian, or custodian who is a victim of domestic violence and who is receiving temporary residential service at the shelter.
- (5) Require persons employed by or volunteering services to the shelter to maintain the confidentiality of any information that would identify individuals served by the shelter and any information or records that are directly related to the advocacy services provided to such individuals.
- (6) Prior to providing any advocacy services, inform individuals served by the shelter of the nature and scope of the confidentiality requirement in subdivision (5) of this subsection.

Section 455.225, RSMo, provides guidance for allocation of funds if applications received exceed the amount of funds available.

Section 455.230, RSMo, requires shelters to file an annual report with the designated authority to include statistics on the number of persons served by the shelter, the relationship of the victim of domestic violence to the abuser, the number of referrals made for medical, psychological, financial, educational, vocational, child care, or legal services, and the results of an independent audit.

Scope and Methodology

The analysis focused on the funding available from counties and cities for domestic violence shelters. The scope of our audit included, but was not necessarily limited to, funding for domestic violence for the year ended December 31, 2017.



Domestic Violence Shelter Funding Introduction

Our methodology included interviewing various MCADSV and DSS personnel. We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To gain an understanding of what fees counties collected to fund domestic violence shelters and how these funds were disbursed to shelters, we surveyed the state's 114 counties and the City of St. Louis. The questionnaire asked these entities to:

- Identify which of the mandatory and optional fees were implemented. If an optional fee had not been authorized, an explanation was requested.
- Provide financial data for the fund(s) where these fees were placed.
- Provide information on compliance with various domestic violence funding statutory requirements.
- Report which domestic violence shelters received funding in 2017.

We received or obtained a response providing at least some of the requested information from most counties and the City of St. Louis. The counties of Camden, Clay, Crawford, Morgan, Ripley, and St. Charles did not reply to the survey. Responses received are summarized in Appendixes B and E.

To gain an understanding of what fees cities collected to fund domestic violence shelters, we surveyed the state's 10 largest cities that are within a county, by population. The survey asked the cities to identify if the optional fee was implemented. If the fee was implemented, the survey asked the fund balance at December 31, 2017. Responses are summarized in Appendix C.

We made additional inquiries to many county and city officials and sought additional clarification to the survey responses as deemed appropriate. We did not generally visit the political subdivisions or review supporting documentation of the revenues, expenditures, or balances of the special revenue fund used to manage this funding. We obtained financial information for some domestic violence shelters from counties that had provided funding to the shelters. These shelters appeared to be representative of the shelters in the state. We used this financial information to estimate the funding available to all shelters in the state. We did not visit any shelters for victims of domestic violence or perform any detailed review of shelter financial documentation or documentation supporting service statistics.



Domestic Violence Shelter Funding

Introduction

We obtained a summary of statistical data from MCADSV, an advocacy organization having the majority of domestic violence shelters in Missouri as members. We also obtained statistics on court activity from the 2017 Annual Report prepared by the Office of State Courts Administrator (OSCA) and the number of domestic violence incidents from the *Supplemental Domestic Violence Incident Report* for 2017 prepared by the Missouri State Highway Patrol. We obtained statistics on the number of marriages from the 2016 Annual Report issued by the Missouri Department of Health and Senior Services. The 2017 Annual Report was not available as of May 2018, so we projected data available at that time.

We obtained information on federal and state grant funding provided to domestic violence shelters through the DSS, the Department of Health and Senior Services, and the Department of Public Safety as well as tax credit programs managed by the DSS. We evaluated if the state was participating in applicable federal grant programs that could provide funding to domestic violence shelters. No concerns were noted regarding this issue.

To compare Missouri's funding for domestic violence shelters and domestic violence statistics to other states, we contacted officials in the eight surrounding states. We received responses from five states. We did not receive responses from Iowa, Kansas, or Nebraska.

We also obtained an understanding of the legal provisions that are significant within the context of our audit objectives. This work included, but were not limited to, reviews of Sections 455.200 to 455.230, 451.151, 488.445, 488.607, and 135.550, RSMo.

Domestic Violence Shelter Funding Management Advisory Report State Auditor's Findings

1. Domestic Violence Funding Opportunities

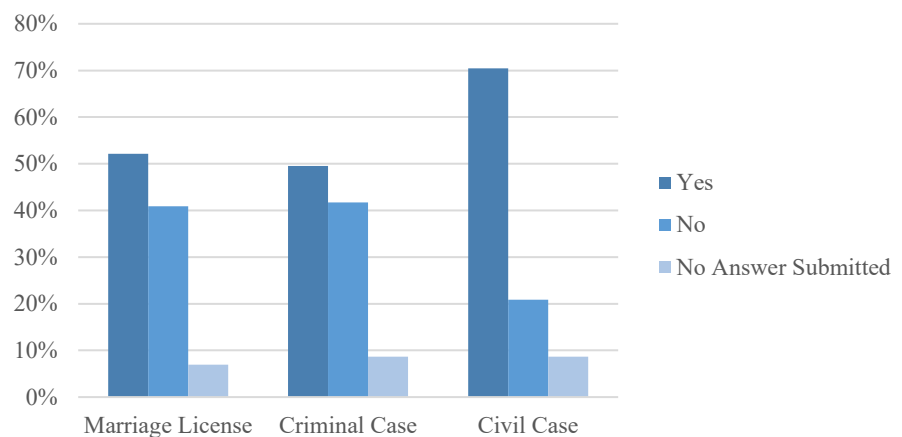
Approximately \$698,000 in revenue for domestic violence shelters are forgone annually due to counties and cities electing not to collect all domestic violence fees allowed by state law. As depicted in Table 1.1, Missouri statutes allow counties and cities the option to assess fees to fund shelters for victims of domestic violence. These fees are in addition to the mandatory \$5 fee required to be charged by counties for marriage licenses.

Table 1.1: Optional Fees to Fund Domestic Violence

Statute	Fee Description	Allowed Amount	Applies To
488.445	Issuance of a marriage license	\$5	Counties and the City of St. Louis
488.445	Filing of a civil case	\$2	Counties and the City of St. Louis
488.607	Filing of a criminal case	up to \$4	Counties and Cities

Due to these fees being optional, implementation has been sporadic across the state. We determined 17 counties did not impose any of the optional fees to fund shelters for victims of domestic violence, a significant improvement from 60 reported in a prior audit report issued in 2000.³ In the 17 counties that did not impose any of the optional fees, there were 2,007 domestic violence incidents, or 4 percent of the total 45,253 domestic violence incidents reported during 2017. In addition, 3 of the 10 largest cities in the state did not pass ordinances authorizing collection of the optional fee authorized under Section 488.607, RSMo.⁴ In 2017, 69 counties reported domestic violence fee revenue of less than \$1,000. Figure 1.1 illustrates the number of counties collecting the optional domestic violence fees. Appendix B includes the detailed optional fees authorized by each county.

Figure 1.1: Percentage of counties collecting optional fees, by fee type



Source: Survey responses submitted by counties

³ State Auditor's Office, *Audit of Collection and Distribution of Fees for Domestic Violence Shelters*, report number 2000-97.

⁴ The maximum fee allowed by section 488.607, RSMo, was updated in 2014 to allow an amount up to \$4. Prior to 2014, counties and cities could authorize a \$2 fee. Audit survey response indicated 43 counties imposed the maximum allowable fee.



Domestic Violence Shelter Funding Management Advisory Report - State Auditor's Findings

In response to our survey, officials cited the following reasons for not implementing optional fees:

- There are no domestic violence shelters within the county or city.
- The officials were not aware of the optional fees.
- One county collected all fees except the \$5 optional fee per Section 488.445, RSMo, because the official thought this fee was for homeless shelters only, and there are none within the county.

As shown in Table 1.2, an estimated \$698,000 would be available each year for domestic violence shelters if counties and the surveyed cities implemented the optional fees.

Table 1.2: Additional
Fees Available

Fee	Number of Cases ¹	Fee Amount	Total Available
Marriage	4,966	\$5	\$ 24,830
Civil Cases	24,732	\$2	49,464
Criminal Cases	99,850	Up to \$4	399,400
Criminal Fees less than \$4	69,868	Up to \$4	147,951
City Criminal Cases	19,082	Up to \$4	76,328
Total	218,498		\$ 697,973

¹ We based our estimate for marriages upon the number of marriages reported by the Missouri Department of Health and Senior Services in the department's 2016 Annual Report in counties that did not collect the fees. For civil and criminal cases, we used statistics reported in the Missouri Judicial Report and information supplied by surveyed cities.

Section 488.445, RSMo, does not restrict the adoption of optional fees to counties having a shelter. Section 488.607, RSMo, specifically allows adoption of the optional fee on criminal cases by "any county or municipality whose residents are victims of domestic violence and are admitted to such shelters...." Implementing all optional fees would allow shelters the maximum funds to provide domestic violence services.

Recommendation

The General Assembly evaluate statutory changes that would expand adoption of the optional fees to support domestic violence shelters.

Auditee's Response

Due to no state or local entity having oversight or management responsibilities over funding for domestic violence shelters on a statewide basis, no management response can be obtained. The views of any applicable county or city officials were obtained as appropriate and considered a part of our audit fieldwork.



Domestic Violence Shelter Funding Management Advisory Report - State Auditor's Findings

2. Burdensome Statutes Hinder Distribution of Fees

State statutes regarding the distribution requirements for domestic violence fees collected are burdensome and unclear, resulting in a lack of compliance with requirements, and some county funds going undistributed. Survey results indicated many county governments do not require shelters to submit annual funding requests or provide an annual report of services provided as required by law. As a result of the burdensome statutory requirements, domestic violence fees were not distributed and attempts were not made to send idle funds to areas in the most need for the funds. A more centralized approach to distribution of fees could help ensure funds are used more effectively. Victims were turned away at some shelters and may not have received needed services as a result.

Statute requires duplication of effort

State law requires each county and city designated authority responsible for administering the allocation and distribution of domestic violence funds to shelters to individually obtain and review domestic violence shelter funding requests, including determining if the shelter is eligible to receive funding. If a shelter is requesting funding from multiple counties or cities, the shelter must submit the same paperwork and that paperwork must be reviewed and evaluated by multiple local officials.

Section 455.215, RSMo, requires the applications submitted to contain evidence the shelter is incorporated, the directors of the corporation, a proposed budget, a summary of services offered, and an estimate of the number of people to be served. Our survey results indicated 54 counties and the City of St. Louis received funding requests from shelters that properly included the items required under this statute.

Shelters already apply for and receive state and federal grant funding through programs administered by the Department of Social Services and other state agencies. These programs generally involve application processes to determine eligibility as well as post-expenditure reporting requirements. With mechanisms already in place to evaluate shelter eligibility and for shelters to report program results, having hundreds of county and city designated authorities receive funding requests, determine eligibility, and receive program result reports is redundant and inefficient. Having a state agency designate which shelters are eligible to receive local domestic violence funding would simplify this process. Local governments could access this centralized data to determine a shelter's current eligibility status as well as its compliance status. A simplified or consolidated process would reduce the administrative burden at the local level and improve the ease of distribution to the shelters.

Statutory requirements for distribution are not being met

Only 43 of the 106 counties and the City of St. Louis (40 percent) responded that the requirements of Sections 455.215, 455.220 and 455.230, RSMo, were met. In addition, only 37 of the 89 counties providing funding to shelters in 2017 indicated the required financial, statistical, and audit results were provided in compliance with statutory requirements.



Domestic Violence Shelter Funding Management Advisory Report - State Auditor's Findings

Section 455.220, RSMo, requires shelters to be incorporated in the state as a nonprofit corporation, have trustees who represent the racial, ethnic and socioeconomic diversity of the community to be served, receive at least 25 percent of funds from sources other than funds distributed pursuant to Section 455.215, RSMo, and provide residential services or facilities for children when accompanied by a parent or guardian who is a victim of domestic violence. Fifty-three counties and the City of St. Louis indicated the shelters making funding requests met the eligibility requirements of Section 455.220, RSMo. One county (Callaway) indicated the only funding request received did not meet the requirements but funding was provided anyway. Six counties (Adair, Clark, Daviess, Dunklin, Reynolds, and Scotland) indicated the requesting shelter complied with the requirements and the shelter was eligible for funding, but no distribution occurred.

Section 455.230, RSMo, requires annual statistical reporting for shelters receiving domestic violence fee funding. The statute requires the designated authority administering the allocation of funding to more than one shelter to compile the reported statistics from shelters; however, the statute does not explain what is to be done with the compiled data. Our survey results indicated 45 counties received annual reports from shelters that complied with Section 455.230, RSMo.

Local domestic violence fees not being distributed

State law does not require the designated authorities administering domestic violence funding to make distributions and has not established a maximum amount that may be retained. Eighteen counties did not distribute domestic violence fees in 2017 and, collectively, were holding \$254,000 at December 31, 2017. In these 18 counties, there were 2,679 domestic violence incidents, or 6 percent of the total 45,253 domestic violence incidents reported during 2017. An additional 6 counties distributed some funds throughout the year, but held more than a year's worth of revenue, totaling approximately \$50,000, at the end of the year. The detailed list of counties and amounts is available at Appendix D. According to officials in these counties, the funds were being held because no requests for funds were received, or there is no shelter in the county. As detailed at Appendix C, all of the cities surveyed that collected domestic violence fees distributed funds during 2017.

A centralized distribution model could improve effectiveness

Due to the decentralized manner in which domestic violence fees are currently distributed, funds are not being distributed where there is a demand for services. Counties are holding funds if no requests for funds are made by any shelters. Additionally, some counties do not contact shelter officials in other counties to ensure victims are served. At least three surrounding states (Kentucky, Tennessee, and Arkansas) require fees collected at the local level be remitted to a centralized state agency. The state agency then oversees the distribution of those fees to the shelters throughout the state.

A centralized registration and reporting system for shelters requesting domestic violence funds, such as used in Kentucky, Tennessee, and Arkansas,



Domestic Violence Shelter Funding Management Advisory Report - State Auditor's Findings

would enable more consistent reporting and better oversight of domestic violence funds. Such a system could determine which shelters are eligible for funding and receive and compile the required financial and statistical reports. Having a centralized agency administer the distribution of fees would also allow fees to be more strategically distributed based on need.

Recommendation

The General Assembly revise Sections 455.200 to 455.230, RSMo, to reduce the administrative burden placed upon political subdivision and shelters, and require local entities collecting domestic violence fees to distribute them at least annually. The General Assembly should also consider establishing a centralized shelter registration and data collection process and authorizing centralized collection and distribution of domestic violence fees. These functions could be handled by one of the state agencies already administering domestic violence programs.

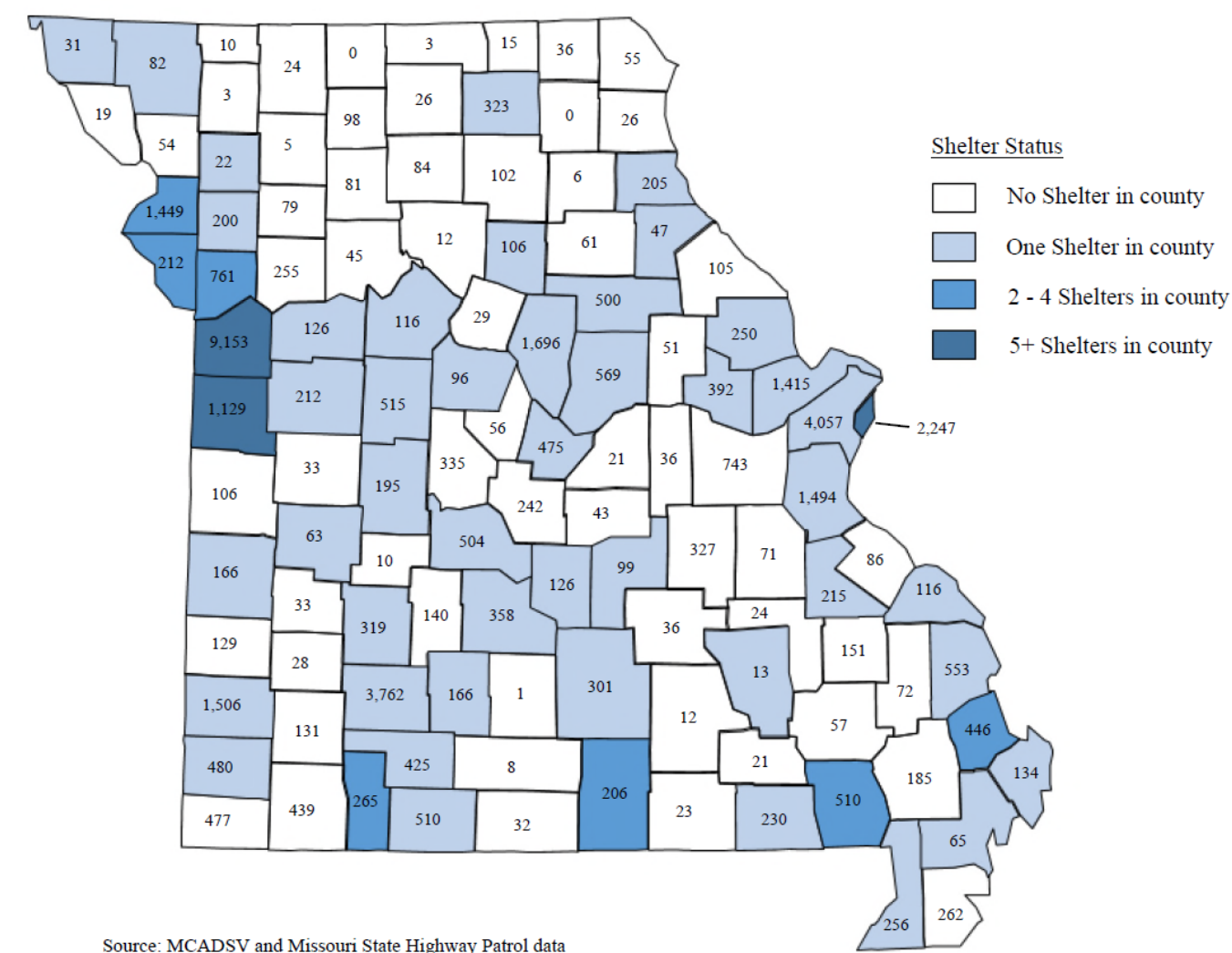
Auditee's Response

Due to no state or local entity having oversight or management responsibilities over funding for domestic violence shelters on a statewide basis, no management response can be obtained. The views of any applicable county or city officials were obtained as appropriate and considered a part of our audit fieldwork.

Domestic Violence Shelter Funding

Shelter Locations and Domestic Violence Incidents by County

Year Ended December 31, 2017



Domestic Violence Shelter Funding

Domestic Violence Fund Financial Activity - Counties

Year Ended December 31, 2017

County/City of St. Louis	Optional Fees Collected			Beginning Balance	Domestic Violence Fee Revenue	Donations	Interest & Other	Disbursements	Ending Balance
	Marriage	Criminal	Civil						
Adair		X	X	\$ 42,379	3,542	0	271	0	46,192
Andrew	X	X	X	0	6,160	0	0	6,160	0
Atchison	X	X	X	3,592	3,949	0	16	3,592	3,965
Audrain			X	2,772	3,805	0	9	3,344	3,242
Barry		X	X	0	6,588	0	22	6,610	0
Barton	X		X	1,452	5,507	0	0	5,471	1,488
Bates			X	382	632	0	0	677	337
Benton	X	X	X	3,200	5,619	0	15	5,981	2,853
Bollinger	X	X	X	0	1,102	0	3	1,104	1
Boone	X	X	X	33,702	26,126	0	23	27,806	32,045
Buchanan	X	X	X	0	15,581	0	0	15,581	0
Butler	X	X	X	4,592	8,306	0	0	8,315	4,583
Caldwell			X	1,617	600	0	0	0	2,217
Callaway			X	798	10,486	0	71	10,000	1,355
Camden*									
Cape Girardeau	X	X	X	11,331	16,450	0	0	14,431	13,350
Carroll				2,183	285	0	3	1,000	1,471
Carter				165	181	0	0	346	0
Cass	X	X	X	13,036	20,778	0	39	22,918	10,935
Cedar	X	X	X	3,602	4,059	0	0	7,355	306
Chariton			X	138	229	0	0	250	117
Christian				0	2,455	0	0	2,455	0
Clark			X	27,616	4,267	0	313	0	32,196
Clay*									
Clinton	X		X	853	5,816	0	4	6,672	1
Cole	X	X	X	7,231	13,622	0	53	13,634	7,272
Cooper	X	X	X	2,569	4,970	0	16	5,061	2,494
Crawford*									
Dade	X	X	X	30	40	0	0	60	10
Dallas				0	572	0	0	572	0
Daviess			X	784	499	0	1	0	1,284
DeKalb	X	X	X	0	472	0	1	474	(1)
Dent*				4,088	4,119	0	0	3,742	4,465
Douglas				110	970	0	4	850	234
Dunklin		X	X	4,044	1,844	0	55	0	5,943
Franklin				4,471	3,905	0	46	0	8,422
Gasconade				295	565	0	4	500	364
Gentry				295	260	0	0	300	255
Greene	X	X	X	52,131	46,907	2,920	236	50,000	52,194
Grundy		X	X	67	582	0	0	491	158
Harrison	X		X	266	540	0	1	807	0
Henry		X	X	95	982	0	0	1,077	0
Hickory			X	1,333	1,138	0	0	1,332	1,139
Holt		X		125	135	0	0	135	125
Howard			X	20,685	1,670	0	324	0	22,679
Howell		X	X	0	14,533	0	41	14,574	0
Iron				11	255	0	1	250	17
Jackson	X	X	X	57,092	172,469	0	132	182,000	47,693



Domestic Violence Shelter Funding
Domestic Violence Fund Financial Activity - Counties
Year Ended December 31, 2017

County/City of St. Louis	Optional Fees Collected			Beginning Balance	Domestic Violence Fee Revenue	Donations	Interest & Other	Disbursements	Ending Balance
	Marriage	Criminal	Civil						
Jasper	X		X	16,112	33,368	0	0	31,449	18,031
Jefferson*	X								
Johnson	X	X	X	642	6,414	0	10	6,420	646
Knox		X	X	8,309	750	0	122	0	9,181
Laclede	X	X	X	12,315	9,615	0	12	21,300	642
Lafayette	X	X	X	10,367	21,241	0	0	20,989	10,619
Lawrence				347	6,617	0	0	6,742	222
Lewis	X	X	X	9,532	9,306	0	0	9,482	9,356
Lincoln	X	X	X	28,801	21,006	0	486	24,639	25,654
Linn				690	275	0	0	275	690
Livingston	X		X	1,596	1,416	0	6	2,000	1,018
Macon			X	537	560	0	4	0	1,101
Madison	X	X	X	2,111	912	0	4	996	2,031
Maries	X	X	X	903	1,872	0	2	2,070	707
Marion	X	X	X	6,402	14,837	0	0	14,800	6,439
McDonald	X		X	0	3,392	0	0	3,392	0
Mercer		X	X	0	215	0	0	215	0
Miller	X		X	61,315	6,435	0	1,052	0	68,802
Mississippi*									
Moniteau	X	X	X	2,100	2,644	0	23	2,384	2,383
Monroe	X	X	X	416	567	0	0	416	567
Montgomery		X	X	17,922	3,428	0	151	5,012	16,489
Morgan*									
New Madrid	X			0	1,110	0	0	1,110	0
Newton	X		X	4,117	7,782	0	13	7,574	4,338
Nodaway		X		2,652	3,268	0	0	2,652	3,268
Oregon				286	310	0	4	286	314
Osage		X	X	3,393	2,004	0	0	2,500	2,897
Ozark	X		X	265	270	0	0	250	285
Pemiscot				13,961	647	0	24	0	14,632
Perry	X	X	X	5,348	9,413	0	0	9,656	5,105
Pettis	X	X	X	4,844	9,038	0	33	8,916	4,999
Phelps	X	X		3,930	12,729	0	1	13,570	3,090
Pike	X	X	X	3,379	4,304	0	0	4,113	3,570
Platte	X		X	8,495	29,467	0	84	30,676	7,370
Polk	X		X	1,482	9,572	0	0	10,090	964
Pulaski	X	X	X	16,293	13,990	0	68	16,293	14,058
Putnam			X	80	150	0	0	170	60
Ralls		X	X	401	513	0	2	648	268
Randolph	X	X		0	11,897	0	0	11,897	0
Ray	X	X	X	3,590	4,409	0	20	4,455	3,564
Reynolds			X	231	284	0	0	0	515
Ripley*									
Saint Charles*									
Saint Clair			X	419	727	0	3	779	370
Saint Francois	X	X	X	7,283	14,378	0	36	14,347	7,350
Saint Louis	X	X	X	425,959	312,416	0	3,905	303,740	438,540
Ste. Genevieve	X	X	X	5,324	9,286	0	5	10,259	4,356
Saline	X	X	X	34,764	5,680	0	599	12,013	29,030
Schuyler				2	206	0	0	198	10



Domestic Violence Shelter Funding
Domestic Violence Fund Financial Activity - Counties
Year Ended December 31, 2017

County/City of St. Louis	Optional Fees Collected			Beginning Balance	Domestic Violence Fee Revenue	Donations	Interest & Other	Disbursements	Ending Balance
	Marriage	Criminal	Civil						
Scotland				200	170	0	0	0	370
Scott	X	X	X	0	7,928	2,392	2	10,322	0
Shannon	X			952	660	0	3	0	1,615
Shelby			X	645	140	0	7	464	328
Stoddard	X		X	6,487	3,257	0	65	0	9,809
Stone	X	X	X	2,147	5,856	0	0	8,003	0
Sullivan			X	1,417	185	0	0	0	1,602
Taney	X	X		7,234	7,530	0	43	7,234	7,573
Texas*	X			20,924	6,732	0	136	0	27,792
Vernon	X		X	769	4,677	0	18	5,463	1
Warren	X	X	X	7,857	8,110	0	620	16,516	71
Washington	X	X	X	1,749	3,817	0	11	5,576	1
Wayne			X	0	518	0	0	518	0
Webster		X	X	1,917	9,145	0	30	5,459	5,633
Worth				0	45	0	0	0	45
Wright				82	560	0	2	500	144
City of St. Louis	X	X	X	125,958	78,242	0	0	120,000	84,200
Total	60	57	81	\$ 1,214,385	1,169,864	5,312	9,310	1,224,755	1,174,116

*The county did not submit a survey or answer the survey fully.

Source: Survey responses submitted by the counties and City of St. Louis

Domestic Violence Shelter Funding

Domestic Violence Fund Financial Activity - Selected Cities

Year Ended December 31, 2017

City	Beginning Balance	Domestic Violence Fee Revenue	Donations	Interest, Grants & Other	Disbursements	Ending Balance
Kansas City*	\$ 316,594	301,062	0	340,518	858,920	99,254
Springfield	1,858	23,023	0	0	23,364	1,517
Independence	18,714	84,370	0	0	82,698	20,386
Columbia**	0	0	0	0	0	0
Lee's Summit	2,442	29,033	0	0	29,272	2,203
O'Fallon	986	16,044	0	0	17,030	0
St. Joseph	203	34,794	0	0	32,859	2,138
St. Charles**	0	0	0	0	0	0
St. Peters**	0	0	0	0	0	0
Blue Springs	1,785	23,527	0	0	23,690	1,622
	<u>\$ 342,582</u>	<u>511,853</u>	<u>0</u>	<u>340,518</u>	<u>1,067,833</u>	<u>127,120</u>

* Disbursements for this city include both disbursements to shelters and other operating expenses.

** The city has not passed an ordinance authorizing collection of the optional domestic violence fee.

Source: Survey responses submitted by the cities

Domestic Violence Shelter Funding

Counties Holding Domestic Violence Monies

Year Ended December 31, 2017

County Holding Funds	Reported Fee Revenue	Expenditures	Fund Balance	Estimated Years of Revenue Held	Balance Distributed In 2018
Miller	\$ 6,435	0	68,802	11	Yes
Adair	3,542	0	46,192	13	
Clark	4,267	0	32,196	8	Yes
Texas	6,732	0	27,792	4	
Howard	1,670	0	22,679	14	Yes
Pemiscot	647	0	14,632	23	
Stoddard	3,257	0	9,808	3	
Knox	750	0	9,181	12	Yes
Franklin	3,905	0	8,423	2	Yes
Dunklin	1,844	0	5,944	3	
Caldwell	600	0	2,217	4	
Shannon	660	0	1,616	2	
Sullivan	185	0	1,602	9	
Daviess	499	0	1,284	3	
Macon	560	0	1,101	2	
Reynolds	284	0	515	2	
Scotland	170	0	370	2	
Worth	45	0	45	1	
County Total			\$ 254,399		
County Partially Holding Funds					
Carroll	\$ 285	1,000	1,471	5	
Linn	275	275	690	3	
Madison	912	996	2,031	2	
Montgomery	3,428	5,012	16,488	5	
Saline	5,680	12,013	29,030	5	
Shelby	140	464	329	2	
Partial Hold Total			\$ 50,039		
Grand Total			\$ 304,438		

Source: Survey responses submitted by the counties

Domestic Violence Shelter Funding

Summary of Survey Responses

Year Ended December 31, 2017

County/City of St. Louis	Someone Designated to Administer the Allocation and Distribution of Fees	Shelter Funding Request Met Statutory Requirements	Shelter Met Eligibility Requirements	Statistics Reported Complied with Requirements
Adair	N	Y	Y	Y
Andrew	Y	U	U	U
Atchison	Y	Y	Y	Y
Audrain	Y	Y	Y	Y
Barry	Y	U	U	U
Barton	Y	U	U	U
Bates	Y	N	U	U
Benton	U	U	U	Y
Bollinger	Y	U	U	U
Boone	Y	Y	Y	Y
Buchanan	Y	Y	Y	Y
Butler	Y	Y	Y	Y
Caldwell	Y	U	U	U
Callaway	Y	N	N	U
Camden	NOA	NOA	NOA	NOA
Cape Girardeau	Y	Y	Y	Y
Carroll	N	U	U	U
Carter	Y	Y	Y	Y
Cass	Y	U	U	U
Cedar	Y	Y	Y	Y
Chariton	Y	Y	Y	Y
Christian	N	U	U	U
Clark	Y	Y	Y	Y
Clay	NOA	NOA	NOA	NOA
Clinton	Y	U	U	U
Cole	Y	Y	Y	Y
Cooper	N	U	U	U
Crawford	NOA	NOA	NOA	NOA
Dade	N	U	U	U
Dallas	Y	U	U	N/A
Daviess	Y	Y	Y	Y
DeKalb	Y	U	U	U
Dent	Y	Y	Y	U
Douglas	Y	Y	Y	U
Dunklin	N	Y	Y	Y
Franklin	N	U	U	U
Gasconade	N	Y	Y	Y
Gentry	Y	U	U	U
Greene	N	N	Y	N
Grundy	N	U	U	U
Harrison	Y	U	U	U
Henry	Y	U	U	U
Hickory	Y	Y	U	U
Holt	Y	Y	Y	N



Domestic Violence Shelter Funding
Summary of Survey Responses
Year Ended December 31, 2017

County/City of St. Louis	Someone Designated to Administer the Allocation and Distribution of Fees	Shelter Funding Request Met Statutory Requirements	Shelter Met Eligibility Requirements	Statistics Reported Complied with Requirements
Howard	N	U	U	U
Howell	N	Y	Y	N
Iron	N	U	U	U
Jackson	Y	Y	Y	Y
Jasper	Y	Y	Y	Y
Jefferson	Y	NOA	NOA	NOA
Johnson	Y	N	U	U
Knox	Y	U	U	U
Laclede	Y	U	U	U
Lafayette	Y	Y	Y	Y
Lawrence	Y	Y	Y	Y
Lewis	Y	U	U	U
Lincoln	Y	Y	U	U
Linn	Y	Y	U	U
Livingston	Y	Y	Y	Y
Macon	U	U	U	U
Madison	Y	Y	Y	Y
Maries	Y	Y	Y	U
Marion	Y	U	U	U
McDonald	Y	Y	Y	Y
Mercer	N	U	U	U
Miller	Y	U	Y	U
Mississippi	N	NOA	NOA	NOA
Moniteau	Y	U	U	U
Monroe	Y	U	U	U
Montgomery	Y	Y	Y	U
Morgan	NOA	NOA	NOA	NOA
New Madrid	Y	U	U	U
Newton	N	Y	Y	Y
Nodaway	Y	Y	Y	Y
Oregon	N	Y	Y	U
Osage	Y	U	U	U
Ozark	Y	U	U	U
Pemiscot	Y	N/A	N/A	N/A
Perry	Y	U	U	U
Pettis	Y	N	U	U
Phelps	Y	Y	Y	Y
Pike	Y	Y	Y	Y
Platte	Y	Y	Y	Y
Polk	Y	U	U	U
Pulaski	N	U	U	U
Putnam	Y	U	U	U
Ralls	N	Y	Y	Y
Randolph	Y	Y	Y	Y



Domestic Violence Shelter Funding
Summary of Survey Responses
Year Ended December 31, 2017

County/City of St. Louis	Someone Designated to Administer the Allocation and Distribution of Fees	Shelter Funding Request Met Statutory Requirements	Shelter Met Eligibility Requirements	Statistics Reported Complied with Requirements
Ray	Y	Y	Y	Y
Reynolds	Y	Y	Y	Y
Ripley	NOA	NOA	NOA	NOA
Saint Charles	NOA	NOA	NOA	NOA
Saint Clair	Y	Y	Y	Y
Saint Francois	Y	Y	Y	Y
Saint Louis County	Y	Y	Y	Y
Ste. Genevieve	Y	U	U	U
Saline	Y	N/A	N/A	N/A
Schuyler	Y	Y	Y	Y
Scotland	Y	Y	Y	Y
Scott	Y	Y	Y	Y
Shannon	Y	Y	Y	U
Shelby	Y	Y	Y	Y
Stoddard	Y	U	U	U
Stone	Y	U	U	U
Sullivan	Y	U	U	U
Taney	N	Y	Y	Y
Texas	Y	U	U	U
Vernon	N	U	U	Y
Warren	Y	Y	Y	Y
Washington	Y	Y	Y	Y
Wayne	N	U	U	U
Webster	Y	Y	Y	Y
Worth	N	U	U	U
Wright	N	Y	Y	Y
City of St. Louis	Y	Y	Y	N
<u>Summary of Results</u>				
Yes (Y)	83	55	54	45
No (N)	24	5	1	4
No Answer (NOA)	6	8	8	8
Unknown (U)	2	45	50	55
Not Applicable (N/A)	0	2	2	3
Total	115	115	115	115

Source: Survey responses submitted by the counties

Domestic Violence Shelter Funding

Missouri Coalition Against Domestic and Sexual Violence Shelter Statistics Year Ended December 31, 2017

Region	Total Sheltered*	Non-Residential Services	Unmet Requests for All Services
Central	1,302	2,575	1,387
Kansas City	2,593	3,695	14,769
Northeast	740	2,771	268
Northwest	1,286	3,251	1,459
Southeast	322	2,354	1,595
Southwest	1,978	1,409	3,591
St. Louis	2,373	8,099	5,113
Totals	10,594	24,154	28,182

*The sheltered totals by region do not include transitional housing. The sheltered information listed on page 4 includes transitional housing.

Source: Missouri Coalition Against Domestic Violence data



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Laclede County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Laclede County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-086

ANNUAL FINANCIAL REPORT

LACLEDE COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

LACLEDE COUNTY, MISSOURI

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INTRODUCTORY SECTION

LACLEDE COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Danny Rhoades

Eastern Commissioner – Joe Pickering

Western Commissioner – Darrell Pollock

Other Elected Officials

Assessor – Julie Rayl-Gilstrap

Circuit Clerk – Wanda Tyre

Collector – Steve Pickering

County Clerk – Glenda Mott

Recorder – Lynn Stowe

Coroner – Steve Murrell

Prosecuting Attorney – Jon Morris

Public Administrator – Karen Guinn

Sheriff – David Millsap

Treasurer – Jean Cook

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: 816-221-4559, F: 816-221-4563
E: admin@mcbriделock.com

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Laclede County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Laclede County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Laclede County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Laclede County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position, or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Laclede County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 10, 2018, on our consideration of Laclede County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
July 10, 2018

LACLEDE COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash January 1, 2016	Receipts 2016	Disbursements 2016	Cash December 31, 2016	Receipts 2017	Disbursements 2017	Cash December 31, 2017
General Revenue	\$ 2,154,272	\$ 5,246,376	\$ 5,283,809	\$ 2,116,839	\$ 5,401,410	\$ 5,363,949	\$ 2,154,300
Special Road & Bridge	793,648	2,389,828	2,260,553	922,923	2,214,515	2,085,595	1,051,843
Assessment	545,610	383,730	406,186	523,154	379,009	425,974	476,189
Emergency Management	12,818	125,931	106,368	32,381	92,164	105,359	19,186
Enhanced 911	192,136	726,726	528,428	390,434	650,961	634,099	407,296
Law Enforcement Sales Tax	61,739	818,330	731,739	148,330	846,416	820,000	174,746
Capital Improvement	2,280,384	471,746	169,154	2,582,976	272,663	1,199,977	1,655,662
Health Insurance	19,730	756,308	759,214	16,824	931,852	899,684	48,992
County Development Tax	2,058,975	2,200,179	2,235,450	2,023,704	2,261,318	3,329,258	955,764
Election Services	36,310	20,750	14,088	42,972	14,027	7,618	49,381
Law Enforcement Training	8,550	7,471	10,170	5,851	5,952	11,671	132
POST Commission	251	3,760	-	4,011	2,828	3,070	3,769
Sheriff Discretionary	47,473	24,714	23,881	48,306	36,818	24,810	60,314
Sheriff Revolving CCW	111,197	68,996	50,914	129,279	6,676	34,279	101,676
Inmate Security	86,991	252,201	324,917	14,275	288,186	262,801	39,660
Deputy Sheriff Supplemental	14,565	57,591	58,574	13,582	35,814	38,464	10,932
Sheriff Forfeiture	838	-	-	838	57,999	51,249	7,588
Prosecuting Attorney Training	5,065	1,884	1,253	5,696	1,527	1,610	5,613
Prosecuting Attorney Admin Handling	228,598	10,759	29,070	210,287	8,574	28,805	190,056
Recorder Special	37,234	11,820	11,830	37,224	12,075	19,434	29,865
Recorder Tech	29,139	6,481	15,618	20,002	6,827	16,967	9,862
Tax Maintenance	96,600	36,109	36,296	96,413	39,970	25,822	110,561
Shelter Abuse	847	11,469	-	12,316	9,627	21,300	643
County Law Enforcement Restitution	7,906	9,640	-	17,546	8,993	-	26,539
CDBG/Land Use Planning Grant	-	30,363	30,363	-	-	-	-
Local Emergency Planning Committee	23,965	-	258	23,707	30	6,603	17,134
Prosecuting Attorney Delinquent Tax	16,708	914	10,634	6,988	13,054	1,358	18,684
Victim Advocate	-	8,784	8,478	306	1,187	1,493	-
Senate Bill 40 Board	63,463	323,609	320,823	66,249	340,463	329,529	77,183
Total	<u>\$ 8,935,012</u>	<u>\$ 14,006,469</u>	<u>\$ 13,428,068</u>	<u>\$ 9,513,413</u>	<u>\$ 13,940,935</u>	<u>\$ 15,750,778</u>	<u>\$ 7,703,570</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 575,000	\$ 580,317	\$ 620,000	\$ 624,252
Sales taxes	1,990,000	2,200,007	2,100,000	2,259,680
Intergovernmental	212,554	977,640	225,904	1,063,787
Charges for services	761,800	678,116	659,600	699,688
Interest	-	-	-	3,491
Other	565,225	83,313	727,025	72,512
Transfers in	726,983	726,983	678,000	678,000
Total Receipts	<u>\$ 4,831,562</u>	<u>\$ 5,246,376</u>	<u>\$ 5,010,529</u>	<u>\$ 5,401,410</u>
DISBURSEMENTS				
County Commission	\$ 120,543	\$ 118,445	\$ 141,366	\$ 118,565
County Clerk	125,725	124,310	128,372	124,105
Elections	138,604	120,940	95,106	41,455
Buildings and grounds	1,016,589	907,288	977,020	761,544
Employee fringe benefits	282,000	244,692	307,000	260,289
Treasurer	64,183	63,193	65,228	63,953
Collector	108,776	105,881	111,157	108,728
Recorder of Deeds	114,489	113,461	116,489	113,384
Circuit Clerk	56,134	51,980	56,959	47,746
Court administration	195,376	125,231	217,746	145,576
Public Administrator	118,510	107,347	116,617	104,629
Sheriff	926,693	862,347	986,209	890,211
Jail	884,130	797,459	936,405	897,149
Prosecuting Attorney	377,643	373,089	392,064	384,084
Coroner	25,162	22,891	26,019	25,072
General County government	347,003	287,404	333,559	279,701
Health and welfare	16,000	14,058	16,000	13,269
Transfers out	932,990	843,793	957,547	984,489
Emergency fund	400,000	-	400,000	-
Total Disbursements	<u>\$ 6,250,550</u>	<u>\$ 5,283,809</u>	<u>\$ 6,380,863</u>	<u>\$ 5,363,949</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (1,418,988)	\$ (37,433)	\$ (1,370,334)	\$ 37,461
CASH, JANUARY 1	<u>2,154,272</u>	<u>2,154,272</u>	<u>2,116,839</u>	<u>2,116,839</u>
CASH, DECEMBER 31	<u>\$ 735,284</u>	<u>\$ 2,116,839</u>	<u>\$ 746,505</u>	<u>\$ 2,154,300</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 3,500	\$ 4,216	\$ 4,000	\$ 4,463	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	819,600	921,598	856,170	930,656	332,500	374,223	375,000	371,730
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	1,043	-	-	-	801
Other	69,739	214,014	29,000	20,806	8,470	9,507	9,300	6,478
Transfers in	1,250,000	1,250,000	1,257,547	1,257,547	-	-	-	-
Total Receipts	<u>\$ 2,142,839</u>	<u>\$ 2,389,828</u>	<u>\$ 2,146,717</u>	<u>\$ 2,214,515</u>	<u>\$ 340,970</u>	<u>\$ 383,730</u>	<u>\$ 384,300</u>	<u>\$ 379,009</u>
DISBURSEMENTS								
Salaries	\$ 625,192	\$ 514,872	\$ 625,192	\$ 491,841	\$ 228,255	\$ 225,453	\$ 232,594	\$ 227,218
Employee fringe benefits	106,262	88,669	106,262	84,176	29,620	28,172	42,000	21,980
Materials and supplies	901,750	698,616	866,250	616,160	31,900	27,508	40,900	31,852
Services and other	283,203	293,967	276,530	240,574	43,200	34,109	79,100	70,623
Capital outlay	503,630	509,438	530,630	516,508	30,000	29,029	10,000	10,865
Construction	45,000	51,324	30,000	16,524	-	-	-	-
Transfers out	151,920	103,667	151,920	119,812	68,370	61,915	70,000	63,436
Total Disbursements	<u>\$ 2,616,957</u>	<u>\$ 2,260,553</u>	<u>\$ 2,586,784</u>	<u>\$ 2,085,595</u>	<u>\$ 431,345</u>	<u>\$ 406,186</u>	<u>\$ 474,594</u>	<u>\$ 425,974</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (474,118)	\$ 129,275	\$ (440,067)	\$ 128,920	\$ (90,375)	\$ (22,456)	\$ (90,294)	\$ (46,965)
CASH, JANUARY 1	<u>793,648</u>	<u>793,648</u>	<u>922,923</u>	<u>922,923</u>	<u>545,610</u>	<u>545,610</u>	<u>523,154</u>	<u>523,154</u>
CASH, DECEMBER 31	<u>\$ 319,530</u>	<u>\$ 922,923</u>	<u>\$ 482,856</u>	<u>\$ 1,051,843</u>	<u>\$ 455,235</u>	<u>\$ 523,154</u>	<u>\$ 432,860</u>	<u>\$ 476,189</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	EMERGENCY MANAGEMENT FUND				ENHANCED 911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	81,600	49,863	50,408	35,456	-	-	-	-
Charges for services	-	-	-	-	101,952	124,714	-	-
Interest	-	-	-	31	-	-	-	676
Other	-	68	-	77	-	273	-	285
Transfers in	55,000	76,000	56,600	56,600	601,739	601,739	650,000	650,000
Total Receipts	<u>\$ 136,600</u>	<u>\$ 125,931</u>	<u>\$ 107,008</u>	<u>\$ 92,164</u>	<u>\$ 703,691</u>	<u>\$ 726,726</u>	<u>\$ 650,000</u>	<u>\$ 650,961</u>
DISBURSEMENTS								
Salaries	\$ 47,788	\$ 47,971	\$ 48,743	\$ 45,347	\$ 330,995	\$ 315,902	\$ 337,615	\$ 338,853
Employee fringe benefits	5,576	4,707	3,700	3,460	31,822	27,557	32,820	27,234
Materials and supplies	14,000	12,700	12,000	12,136	64,000	50,333	80,250	65,101
Services and other	34,755	29,002	30,605	28,327	5,000	3,420	47,786	40,077
Capital outlay	10,100	4,526	8,090	7,400	57,000	56,125	85,788	76,015
Construction	-	-	-	-	-	-	-	-
Transfers out	7,596	7,462	8,040	8,689	106,176	75,091	113,000	86,819
Total Disbursements	<u>\$ 119,815</u>	<u>\$ 106,368</u>	<u>\$ 111,178</u>	<u>\$ 105,359</u>	<u>\$ 594,993</u>	<u>\$ 528,428</u>	<u>\$ 697,259</u>	<u>\$ 634,099</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 16,785	\$ 19,563	\$ (4,170)	\$ (13,195)	\$ 108,698	\$ 198,298	\$ (47,259)	\$ 16,862
CASH, JANUARY 1	<u>12,818</u>	<u>12,818</u>	<u>32,381</u>	<u>32,381</u>	<u>192,136</u>	<u>192,136</u>	<u>390,434</u>	<u>390,434</u>
CASH, DECEMBER 31	<u>\$ 29,603</u>	<u>\$ 32,381</u>	<u>\$ 28,211</u>	<u>\$ 19,186</u>	<u>\$ 300,834</u>	<u>\$ 390,434</u>	<u>\$ 343,175</u>	<u>\$ 407,296</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	750,000	818,330	820,000	846,159	-	-	-	-
Intergovernmental	-	-	-	-	170,000	191,746	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	257	-	-	-	2,651
Other	-	-	-	-	67,000	-	-	12
Transfers in	-	-	-	-	280,000	280,000	270,000	270,000
Total Receipts	<u>\$ 750,000</u>	<u>\$ 818,330</u>	<u>\$ 820,000</u>	<u>\$ 846,416</u>	<u>\$ 517,000</u>	<u>\$ 471,746</u>	<u>\$ 270,000</u>	<u>\$ 272,663</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,472
Employee fringe benefits	-	-	-	-	-	-	-	113
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	50,000	-	50,000	50,000	-	-	-	-
Capital outlay	-	-	-	-	440,000	169,154	1,361,496	1,198,392
Construction	-	-	-	-	-	-	-	-
Transfers out	731,739	731,739	770,000	770,000	-	-	-	-
Total Disbursements	<u>\$ 781,739</u>	<u>\$ 731,739</u>	<u>\$ 820,000</u>	<u>\$ 820,000</u>	<u>\$ 440,000</u>	<u>\$ 169,154</u>	<u>\$ 1,361,496</u>	<u>\$ 1,199,977</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (31,739)	\$ 86,591	\$ -	\$ 26,416	\$ 77,000	\$ 302,592	\$ (1,091,496)	\$ (927,314)
CASH, JANUARY 1	<u>61,739</u>	<u>61,739</u>	<u>148,330</u>	<u>148,330</u>	<u>2,280,384</u>	<u>2,280,384</u>	<u>2,582,976</u>	<u>2,582,976</u>
CASH, DECEMBER 31	<u>\$ 30,000</u>	<u>\$ 148,330</u>	<u>\$ 148,330</u>	<u>\$ 174,746</u>	<u>\$ 2,357,384</u>	<u>\$ 2,582,976</u>	<u>\$ 1,491,480</u>	<u>\$ 1,655,662</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HEALTH INSURANCE FUND				COUNTY DEVELOPMENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	1,990,000	2,200,179	2,100,000	2,258,915
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	65,000	64,380	65,000	76,066	-	-	-	-
Interest	-	-	-	88	-	-	-	2,403
Other	-	-	-	-	-	-	-	-
Transfers in	867,052	691,928	892,960	855,698	-	-	-	-
Total Receipts	<u>\$ 932,052</u>	<u>\$ 756,308</u>	<u>\$ 957,960</u>	<u>\$ 931,852</u>	<u>\$ 1,990,000</u>	<u>\$ 2,200,179</u>	<u>\$ 2,100,000</u>	<u>\$ 2,261,318</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	932,052	757,269	957,960	897,488	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	10,000	1,945	10,000	2,196	485,000	368,349	1,820,095	1,566,744
Capital outlay	-	-	-	-	100,000	60,000	200,000	56,514
Construction	-	-	-	-	100,000	81,101	-	-
Transfers out	-	-	-	-	1,964,048	1,726,000	1,706,000	1,706,000
Total Disbursements	<u>\$ 942,052</u>	<u>\$ 759,214</u>	<u>\$ 967,960</u>	<u>\$ 899,684</u>	<u>\$ 2,649,048</u>	<u>\$ 2,235,450</u>	<u>\$ 3,726,095</u>	<u>\$ 3,329,258</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,000)	\$ (2,906)	\$ (10,000)	\$ 32,168	\$ (659,048)	\$ (35,271)	\$ (1,626,095)	\$ (1,067,940)
CASH, JANUARY 1	<u>19,730</u>	<u>19,730</u>	<u>16,824</u>	<u>16,824</u>	<u>2,058,975</u>	<u>2,058,975</u>	<u>2,023,704</u>	<u>2,023,704</u>
CASH, DECEMBER 31	<u>\$ 9,730</u>	<u>\$ 16,824</u>	<u>\$ 6,824</u>	<u>\$ 48,992</u>	<u>\$ 1,399,927</u>	<u>\$ 2,023,704</u>	<u>\$ 397,609</u>	<u>\$ 955,764</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICES FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	18,342	9,157	8,000	6,121	-	-	-	-
Charges for services	4,000	8,558	2,200	3,830	9,000	7,471	7,500	5,951
Interest	-	-	-	85	-	-	-	1
Other	2,100	3,035	924	3,991	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 24,442</u>	<u>\$ 20,750</u>	<u>\$ 11,124</u>	<u>\$ 14,027</u>	<u>\$ 9,000</u>	<u>\$ 7,471</u>	<u>\$ 7,500</u>	<u>\$ 5,952</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	41,217	14,088	35,196	7,618	17,550	10,170	13,351	11,671
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 41,217</u>	<u>\$ 14,088</u>	<u>\$ 35,196</u>	<u>\$ 7,618</u>	<u>\$ 17,550</u>	<u>\$ 10,170</u>	<u>\$ 13,351</u>	<u>\$ 11,671</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (16,775)	\$ 6,662	\$ (24,072)	\$ 6,409	\$ (8,550)	\$ (2,699)	\$ (5,851)	\$ (5,719)
CASH, JANUARY 1	<u>36,310</u>	<u>36,310</u>	<u>42,972</u>	<u>42,972</u>	<u>8,550</u>	<u>8,550</u>	<u>5,851</u>	<u>5,851</u>
CASH, DECEMBER 31	<u>\$ 19,535</u>	<u>\$ 42,972</u>	<u>\$ 18,900</u>	<u>\$ 49,381</u>	<u>\$ -</u>	<u>\$ 5,851</u>	<u>\$ -</u>	<u>\$ 132</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	POST COMMISSION FUND				SHERIFF DISCRETIONARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,650	3,760	3,800	2,820	50,000	24,714	50,000	18,400
Interest	-	-	-	8	-	-	-	80
Other	-	-	-	-	-	-	-	18,338
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,650</u>	<u>\$ 3,760</u>	<u>\$ 3,800</u>	<u>\$ 2,828</u>	<u>\$ 50,000</u>	<u>\$ 24,714</u>	<u>\$ 50,000</u>	<u>\$ 36,818</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,901	-	7,811	3,070	97,473	23,881	95,670	24,810
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,901</u>	<u>\$ -</u>	<u>\$ 7,811</u>	<u>\$ 3,070</u>	<u>\$ 97,473</u>	<u>\$ 23,881</u>	<u>\$ 95,670</u>	<u>\$ 24,810</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (251)	\$ 3,760	\$ (4,011)	\$ (242)	\$ (47,473)	\$ 833	\$ (45,670)	\$ 12,008
CASH, JANUARY 1	<u>251</u>	<u>251</u>	<u>4,011</u>	<u>4,011</u>	<u>47,473</u>	<u>47,473</u>	<u>48,306</u>	<u>48,306</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 4,011</u>	<u>\$ -</u>	<u>\$ 3,769</u>	<u>\$ -</u>	<u>\$ 48,306</u>	<u>\$ 2,636</u>	<u>\$ 60,314</u>

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LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF REVOLVING CCW FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	56,000	68,996	30,000	6,490	-	-	-	-
Interest	-	-	-	186	-	-	-	112
Other	-	-	-	-	220,000	252,201	300,000	260,825
Transfers in	-	-	-	-	-	-	27,249	27,249
Total Receipts	<u>\$ 56,000</u>	<u>\$ 68,996</u>	<u>\$ 30,000</u>	<u>\$ 6,676</u>	<u>\$ 220,000</u>	<u>\$ 252,201</u>	<u>\$ 327,249</u>	<u>\$ 288,186</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	133,214	16,931	154,315	34,279	-	-	-	-
Services and other	-	-	-	-	306,991	324,917	341,524	262,801
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	33,983	33,983	-	-	-	-	-	-
Total Disbursements	<u>\$ 167,197</u>	<u>\$ 50,914</u>	<u>\$ 154,315</u>	<u>\$ 34,279</u>	<u>\$ 306,991</u>	<u>\$ 324,917</u>	<u>\$ 341,524</u>	<u>\$ 262,801</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (111,197)	\$ 18,082	\$ (124,315)	\$ (27,603)	\$ (86,991)	\$ (72,716)	\$ (14,275)	\$ 25,385
CASH, JANUARY 1	<u>111,197</u>	<u>111,197</u>	<u>129,279</u>	<u>129,279</u>	<u>86,991</u>	<u>86,991</u>	<u>14,275</u>	<u>14,275</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 129,279</u>	<u>\$ 4,964</u>	<u>\$ 101,676</u>	<u>\$ -</u>	<u>\$ 14,275</u>	<u>\$ -</u>	<u>\$ 39,660</u>

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LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DEPUTY SHERIFF SUPPLEMENTAL FUND				SHERIFF FORFEITURE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	87,857	57,591	92,000	35,802	94,467	-	57,950	57,950
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	12	-	-	-	49
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 87,857</u>	<u>\$ 57,591</u>	<u>\$ 92,000</u>	<u>\$ 35,814</u>	<u>\$ 94,467</u>	<u>\$ -</u>	<u>\$ 57,950</u>	<u>\$ 57,999</u>
DISBURSEMENTS								
Salaries	\$ 94,639	\$ 43,032	\$ 95,398	\$ 25,745	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	6,126	3,292	6,126	1,969	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,657	12,250	1,658	10,750	95,305	-	31,539	24,000
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	27,249	27,249
Total Disbursements	<u>\$ 102,422</u>	<u>\$ 58,574</u>	<u>\$ 103,182</u>	<u>\$ 38,464</u>	<u>\$ 95,305</u>	<u>\$ -</u>	<u>\$ 58,788</u>	<u>\$ 51,249</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (14,565)	\$ (983)	\$ (11,182)	\$ (2,650)	\$ (838)	\$ -	\$ (838)	\$ 6,750
CASH, JANUARY 1	<u>14,565</u>	<u>14,565</u>	<u>13,582</u>	<u>13,582</u>	<u>838</u>	<u>838</u>	<u>838</u>	<u>838</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 13,582</u>	<u>\$ 2,400</u>	<u>\$ 10,932</u>	<u>\$ -</u>	<u>\$ 838</u>	<u>\$ -</u>	<u>\$ 7,588</u>

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LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY ADMIN HANDLING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,000	1,884	1,880	1,519	7,000	10,759	10,000	8,279
Interest	-	-	-	8	-	-	-	295
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,000</u>	<u>\$ 1,884</u>	<u>\$ 1,880</u>	<u>\$ 1,527</u>	<u>\$ 7,000</u>	<u>\$ 10,759</u>	<u>\$ 10,000</u>	<u>\$ 8,574</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,000	1,253	2,000	1,610	207,598	1,070	192,287	805
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	28,000	28,000	28,000	28,000
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 1,253</u>	<u>\$ 2,000</u>	<u>\$ 1,610</u>	<u>\$ 235,598</u>	<u>\$ 29,070</u>	<u>\$ 220,287</u>	<u>\$ 28,805</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 631	\$ (120)	\$ (83)	\$ (228,598)	\$ (18,311)	\$ (210,287)	\$ (20,231)
CASH, JANUARY 1	<u>5,065</u>	<u>5,065</u>	<u>5,696</u>	<u>5,696</u>	<u>228,598</u>	<u>228,598</u>	<u>210,287</u>	<u>210,287</u>
CASH, DECEMBER 31	<u>\$ 5,065</u>	<u>\$ 5,696</u>	<u>\$ 5,576</u>	<u>\$ 5,613</u>	<u>\$ -</u>	<u>\$ 210,287</u>	<u>\$ -</u>	<u>\$ 190,056</u>

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LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER SPECIAL FUND				RECORDER TECH FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	14,500	11,820	12,550	12,017	7,000	6,481	6,882	6,814
Interest	-	-	-	58	-	-	-	13
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 14,500</u>	<u>\$ 11,820</u>	<u>\$ 12,550</u>	<u>\$ 12,075</u>	<u>\$ 7,000</u>	<u>\$ 6,481</u>	<u>\$ 6,882</u>	<u>\$ 6,827</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	10,500	10,313	950	942	1,500	1,500	5,000	4,957
Services and other	2,300	1,517	19,600	18,492	15,248	14,118	12,348	12,010
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 12,800</u>	<u>\$ 11,830</u>	<u>\$ 20,550</u>	<u>\$ 19,434</u>	<u>\$ 16,748</u>	<u>\$ 15,618</u>	<u>\$ 17,348</u>	<u>\$ 16,967</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,700	\$ (10)	\$ (8,000)	\$ (7,359)	\$ (9,748)	\$ (9,137)	\$ (10,466)	\$ (10,140)
CASH, JANUARY 1	<u>37,234</u>	<u>37,234</u>	<u>37,224</u>	<u>37,224</u>	<u>29,139</u>	<u>29,139</u>	<u>20,002</u>	<u>20,002</u>
CASH, DECEMBER 31	<u>\$ 38,934</u>	<u>\$ 37,224</u>	<u>\$ 29,224</u>	<u>\$ 29,865</u>	<u>\$ 19,391</u>	<u>\$ 20,002</u>	<u>\$ 9,536</u>	<u>\$ 9,862</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				SHELTER ABUSE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	35,000	36,109	35,000	39,742	11,800	11,469	11,500	9,615
Interest	-	-	-	228	-	-	-	12
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 35,000</u>	<u>\$ 36,109</u>	<u>\$ 35,000</u>	<u>\$ 39,970</u>	<u>\$ 11,800</u>	<u>\$ 11,469</u>	<u>\$ 11,500</u>	<u>\$ 9,627</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	35,000	21,296	32,000	25,822	-	-	-	-
Services and other	-	-	3,000	-	11,800	-	22,000	21,300
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	15,000	15,000	5,000	-	-	-	-	-
Total Disbursements	<u>\$ 50,000</u>	<u>\$ 36,296</u>	<u>\$ 40,000</u>	<u>\$ 25,822</u>	<u>\$ 11,800</u>	<u>\$ -</u>	<u>\$ 22,000</u>	<u>\$ 21,300</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (15,000)	\$ (187)	\$ (5,000)	\$ 14,148	\$ -	\$ 11,469	\$ (10,500)	\$ (11,673)
CASH, JANUARY 1	<u>96,600</u>	<u>96,600</u>	<u>96,413</u>	<u>96,413</u>	<u>847</u>	<u>847</u>	<u>12,316</u>	<u>12,316</u>
CASH, DECEMBER 31	<u>\$ 81,600</u>	<u>\$ 96,413</u>	<u>\$ 91,413</u>	<u>\$ 110,561</u>	<u>\$ 847</u>	<u>\$ 12,316</u>	<u>\$ 1,816</u>	<u>\$ 643</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				CDBG/LAND USE PLANNING GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,700	9,640	-	8,955	30,363	30,363	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	38	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,700</u>	<u>\$ 9,640</u>	<u>\$ -</u>	<u>\$ 8,993</u>	<u>\$ 30,363</u>	<u>\$ 30,363</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	7,906	-	17,546	-	30,363	30,363	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,906</u>	<u>\$ -</u>	<u>\$ 17,546</u>	<u>\$ -</u>	<u>\$ 30,363</u>	<u>\$ 30,363</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,206)	\$ 9,640	\$ (17,546)	\$ 8,993	\$ -	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>7,906</u>	<u>7,906</u>	<u>17,546</u>	<u>17,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 4,700</u>	<u>\$ 17,546</u>	<u>\$ -</u>	<u>\$ 26,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,300	-	-	-	100	914	10,050	13,028
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	30	-	-	-	26
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,300	\$ -	\$ -	\$ 30	\$ 100	\$ 914	\$ 10,050	\$ 13,054
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	22,300	258	21,700	6,003	16,808	1,872	7,039	171
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	600	600	-	8,762	-	1,187
Total Disbursements	\$ 22,300	\$ 258	\$ 22,300	\$ 6,603	\$ 16,808	\$ 10,634	\$ 7,039	\$ 1,358
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (18,000)	\$ (258)	\$ (22,300)	\$ (6,573)	\$ (16,708)	\$ (9,720)	\$ 3,011	\$ 11,696
CASH, JANUARY 1	23,965	23,965	23,707	23,707	16,708	16,708	6,988	6,988
CASH, DECEMBER 31	\$ 5,965	\$ 23,707	\$ 1,407	\$ 17,134	\$ -	\$ 6,988	\$ 9,999	\$ 18,684

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VICTIM ADVOCATE FUND				SENATE BILL 40 BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 290,005	\$ 323,598	\$ 340,452	\$ 340,452
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	49,831	-	42,710	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	11	11	11
Other	-	22	-	-	-	-	-	-
Transfers in	-	8,762	-	1,187	-	-	-	-
Total Receipts	<u>\$ 49,831</u>	<u>\$ 8,784</u>	<u>\$ 42,710</u>	<u>\$ 1,187</u>	<u>\$ 290,005</u>	<u>\$ 323,609</u>	<u>\$ 340,463</u>	<u>\$ 340,463</u>
DISBURSEMENTS								
Salaries	\$ 32,000	\$ 6,207	\$ 23,000	\$ 1,388	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	3,060	443	-	105	-	-	-	-
Materials and supplies	750	67	2,000	-	-	-	-	-
Services and other	1,170	1,761	-	-	341,545	320,823	329,529	329,529
Capital outlay	3,840	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	17,710	-	-	-	-	-
Total Disbursements	<u>\$ 40,820</u>	<u>\$ 8,478</u>	<u>\$ 42,710</u>	<u>\$ 1,493</u>	<u>\$ 341,545</u>	<u>\$ 320,823</u>	<u>\$ 329,529</u>	<u>\$ 329,529</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 9,011	\$ 306	\$ -	\$ (306)	\$ (51,540)	\$ 2,786	\$ 10,934	\$ 10,934
CASH, JANUARY 1	<u>-</u>	<u>-</u>	<u>306</u>	<u>306</u>	<u>63,463</u>	<u>63,463</u>	<u>66,249</u>	<u>66,249</u>
CASH, DECEMBER 31	<u>\$ 9,011</u>	<u>\$ 306</u>	<u>\$ 306</u>	<u>\$ -</u>	<u>\$ 11,923</u>	<u>\$ 66,249</u>	<u>\$ 77,183</u>	<u>\$ 77,183</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

LACLEDE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Laclede County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, County Clerk, Collector, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Laclede County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the Collector and Treasurer, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
 2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
 3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
 4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
 5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
 6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
 7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
 8. Budgets are prepared and adopted on the cash basis of accounting.
 9. Adoption of a formal budget is required by law.
 10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Inmate Security Fund in 2016.
- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 299,591,040	\$ 293,737,970
Personal Property	110,677,243	105,623,327
Railroad and Utilities	<u>21,041,720</u>	<u>21,087,005</u>
Total	<u>\$ 431,310,003</u>	<u>\$ 420,448,302</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	<u>2017</u>	<u>2016</u>
General Revenue	\$ 0.1291	\$ 0.1134
Senate Bill 40 Board	0.0676	0.0676

Receipts classified as property taxes in the Special Road & Bridge Fund were collected from a surtax on commercial property.

F. Cash Deposits

Deposits are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash" caption. Cash includes demand deposit accounts with local banks.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$7,626,387 and \$9,447,164, respectively, and the bank balances were \$8,113,521 and \$10,042,408, respectively. Of the bank balances, \$250,000 for December 31, 2017 and 2016 were covered by federal depository insurance. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the carrying amounts and bank balances of the Senate Bill 40 Board's deposits were \$77,183 and \$66,249, respectively. The bank balances were entirely covered by federal depository insurance.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$12,796,877 and \$13,128,702 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT FUND

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. The County has elected not to make contributions on behalf of employees. During 2017 and 2016, the County collected and remitted to CERF employee withholdings and fees collected of \$178,374 and \$167,596, respectively, for the years then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 and \$7,752, respectively, for the years ended December 31, 2017 and 2016.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with 3.5 or 4 hours of sick leave per month depending on number of hours worked, up to a maximum of 30 days. Upon termination, employees are not compensated for unused sick leave. Vacation time is accrued for every full-time employee, and accrues at the rate of 35 hours per year up to 120 hours per year depending on length of employment. Vacation time cannot be carried over and must be used by December 31st of each calendar year. Employees leaving County service due to resignation, death or termination are compensated for unused vacation leave accrued.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

On February 1, 1997, the County issued \$78,000 in Laclede County Limited General Obligation Bonds Series 1997 for the Lake Shores Estates Neighborhood Improvement District. The bonds were paid in varying annual payments ranging from \$2,000 to \$7,000, with interest at 6.5%. The final payment was made on February 8, 2017.

On September 7, 2012 the County borrowed \$134,340 from the Missouri Department of Natural Resources to upgrade the courthouse with energy efficient lighting and other items. The loan was paid in varying annual payments ranging from \$6,012 to \$18,143, with interest at 0%. The final payment was made on June 10, 2016.

On August 22, 2011, the County entered into a \$33,180 promissory note with Joseph W. Souza for the Harrill Lane Road Neighborhood Improvement District. The note was paid in annual payments of \$6,636, with interest at 6.75%. The final payment was made on February 10, 2016.

In January 2012, the County entered into a \$3,100,000 capital lease for energy improvements for the County. The lease was paid in semi-annual payments of \$133,881, with interest at 3.01%. The lease was originally scheduled to expire on November 1, 2026, however, the County paid off the balance of the loan on June 28, 2017 with a payment of \$2,271,496, of which \$1,171,496 came from the Capital Improvement Fund and \$1.1 million came from the County Development Tax Fund.

The following schedule shows changes in long-term debt during the year ended December 31, 2016:

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
Lake Shore Estates NID	\$ 13,000	\$ -	\$ (6,000)	\$ 7,000	\$ 845
DNR Energy Loan	24,155	-	(24,155)	-	-
Harrill Lane Road NID	6,636	-	(6,636)	-	-
US Bank Energy Lease	2,489,099	-	(193,825)	2,295,274	73,937

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
Lake Shore Estates NID	\$ 7,000	\$ -	\$ (7,000)	\$ -	\$ 455
US Bank Energy Lease	2,295,274	-	(2,295,274)	-	110,102

8. OPERATING LEASES

The County leases several pieces of Road & Bridge equipment for three years at a time under operating leases through Caterpillar Financial Services. As of December 31, 2017, the County had the following commitments under operating leases:

- A. 48 month lease for Grader #45, with semi-annual payments of \$12,903 through August 1, 2018;
- B. 36 month lease for Grader #46, with annual payments of \$27,789 through March 11, 2018;
- C. 36 month lease for Grader #47, with annual payments of \$30,922 through September 4, 2018;
- D. 36 month lease for Grader #48, with annual payments of \$21,798 through October 26, 2018;
- E. 36 month lease for a backhoe, with annual payments of \$16,508 through December 21, 2018;
- F. 36 month lease for Grader #31, with annual payments of \$27,838 through June 15, 2019;
- G. 36 month lease for Grader #32, with annual payments of \$27,672 through June 15, 2019;
- H. 36 month lease for Grader #42, with annual payments of \$29,500 through June 2, 2020;
- I. 36 month lease for Grader #43, with annual payments of \$29,500 through June 2, 2020.

The following schedule represents future payments under operating leases:

<u>Year</u>	<u>Amount</u>
2018	\$ 237,334
2019	114,510
2020	59,000

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 10, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Laclede County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Laclede County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Laclede County, Missouri's basic financial statements and have issued our report thereon dated July 10, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Laclede County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Laclede County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Laclede County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Laclede County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "McBride Lock & Associates, LLC". The signature is written in a cursive, flowing style.

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 10, 2018

FINDINGS AND RECOMMENDATIONS

LACLEDE COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

None

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, we considered Laclede County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated July 10, 2018. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Recorder Cash Receipts

As part of our audit, we examined cash receipts that were turned over to the County Treasurer by the Recorder's office. As part of our testing, we noted that the Recorder's office uses an electronic receipting system that automatically generates sequentially numbered receipts. For each day that was selected for testing, we examined the listing of receipt or "Invoice" numbers for that day to ensure that receipt numbers issued throughout the day were in sequential order and all number were accounted for. However, we noted three receipt numbers out of the 12 days that were selected for testing that could not be accounted for. The Recorder's office speculated that in these instances someone may have begun recording a receipt in the system and canceled it before it was completed. The receipting system would not leave a trail of this happening. We recommend that the Recorder's office ensure that all receipt or "Invoice" numbers are accounted for each day to ensure that deposits into the bank and amounts turned over to the County Treasurer are complete.

LACLEDE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the follow-up on action taken by Laclede County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2015 and 2014.

2015-001: Documentation of the County's internal controls has not been prepared.

Status: This finding is considered to be resolved.

2015-002: There is no formal fraud risk assessment in place.

Status: This finding is considered to be resolved.

2015-003: The bank account was not properly reconciled for the Sheriff's inmate account.

Status: This finding is considered to be resolved.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Worth County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Worth County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-085

ANNUAL FINANCIAL REPORT

WORTH COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

WORTH COUNTY, MISSOURI
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INTRODUCTORY SECTION

WORTH COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Ted Findley
Eastern Commissioner – Regan Nonneman
Western Commissioner – Tyler Paxson

Other Elected Officials

Assessor – Carolyn Hardy
Circuit Clerk – Jana Findley
Collector – Julie Tracy
County Clerk – Roberta Owens
Coroner – Sharon Supinger
Prosecuting Attorney – Brett Hurst
Public Administrator – Patsy Worthington
Recorder – Barbara Foland
Sheriff – Terry Sheddric
Treasurer – Linda Brown

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: 816-221-4559, F: 816-221-4563
E: admin@mcbriodelock.com

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Worth County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Worth County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Worth County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Worth County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Worth County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 3, 2018, on our consideration of Worth County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
August 3, 2018

WORTH COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Investments January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Investments December 31, 2016	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017
General Revenue	\$ 173,558	\$ 619,249	\$ 515,695	\$ 277,112	\$ 631,022	\$ 540,565	\$ 367,569
Special Road & Bridge	140,735	662,249	631,310	171,674	617,355	737,819	51,210
Assessment	255	81,786	82,041	-	86,558	86,558	-
Special Gravel Tax	11,221	213,661	214,436	10,446	232,642	228,815	14,273
CIST 40% (R&B)	35,503	17,982	863	52,622	20,263	5,978	66,907
CIST 60% (Courthouse)	118,494	49,977	153,375	15,096	53,388	51,457	17,027
Administrative Handling Costs	4,005	1,580	1,515	4,070	725	198	4,597
Emergency Management Program	2,153	11,833	13,986	-	18,388	14,873	3,515
Local Emergency Planning Committee	2,807	-	826	1,981	-	692	1,289
Law Enforcement Sales Tax	4,522	80,854	78,093	7,283	89,443	84,996	11,730
Law Enforcement Training	409	403	800	12	1,364	300	1,076
Recorder's Technology	7,410	485	-	7,895	642	-	8,537
Prosecuting Attorney Training	359	101	-	460	116	506	70
Recorder Preservation	17,350	785	-	18,135	1,075	-	19,210
Senior Citizen Services	10,876	15,851	15,892	10,835	15,877	13,196	13,516
Domestic Violence	50	40	50	40	45	40	45
Sheriff Civil	739	2,097	2,426	410	2,463	2,214	659
Collector's Tax Maintenance	32,922	2,937	783	35,076	2,830	-	37,906
Local Use Tax	129,106	22,993	38,017	114,082	20,635	39,103	95,614
Hazardous Material Emergency Planning	2,299	-	-	2,299	850	850	2,299
County Sheriff's Revolving	11,168	3,255	201	14,222	496	3,385	11,333
Courtroom Restoration	14,564	15	-	14,579	26	-	14,605
HPRP Grant	565	-	-	565	-	565	-
Law Enforcement Restitution	613	36	-	649	-	-	649
Assessment Technology	73,166	12,474	24,488	61,152	12,626	23,800	49,978
Post (Sheriff)	-	1,000	1,000	-	500	-	500
Deputy Sheriff Salary Supplemental	40	9,266	9,306	-	20,699	17,074	3,625
911 Maintenance	-	691	691	-	920	920	-
Telecommunications	46	513	515	44	606	126	524
FEMA	44,804	153,181	79,886	118,099	13	-	118,112
Local Law Enforcement Block Grant	-	-	-	-	4,592	4,592	-
Total	<u>\$ 839,739</u>	<u>\$ 1,965,294</u>	<u>\$ 1,866,195</u>	<u>\$ 938,838</u>	<u>\$ 1,836,159</u>	<u>\$ 1,858,622</u>	<u>\$ 916,375</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 376,827	\$ 385,973	\$ 438,131	\$ 386,524
Sales taxes	79,500	70,591	50,000	78,460
Intergovernmental	54,072	54,109	54,206	53,560
Charges for services	57,371	69,550	68,280	63,365
Interest	25	45	30	49
Other	4,142	11,693	5,635	11,195
Transfers in	40,572	27,288	23,260	37,869
Total Receipts	<u>\$ 612,509</u>	<u>\$ 619,249</u>	<u>\$ 639,542</u>	<u>\$ 631,022</u>
DISBURSEMENTS				
County Commission	\$ 64,227	\$ 64,207	\$ 67,286	\$ 67,379
County Clerk	52,420	49,995	53,428	54,568
Elections	32,636	24,770	10,059	75
Buildings and grounds	30,565	26,831	31,600	25,000
Employee fringe benefits	27,222	26,249	27,989	25,400
Treasurer	31,479	31,294	32,890	32,403
Collector	42,280	38,468	43,486	39,888
Recorder of Deeds	38,070	32,298	39,706	33,362
Court administration	3,253	2,253	3,358	2,944
Public Administrator	10,154	9,501	9,865	9,676
Sheriff	50,580	51,188	75,161	75,225
Jail	13,150	10,070	14,300	8,549
Prosecuting Attorney	59,218	60,754	64,226	63,550
Juvenile	9,475	2,403	4,000	2,785
Coroner	11,845	10,564	11,775	10,591
Other County government	101,869	47,515	161,814	49,291
Transfers out	37,133	27,335	39,392	39,879
Emergency fund	16,248	-	19,186	-
Total Disbursements	<u>\$ 631,824</u>	<u>\$ 515,695</u>	<u>\$ 709,521</u>	<u>\$ 540,565</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (19,315)	\$ 103,554	\$ (69,979)	\$ 90,457
CASH AND INVESTMENTS, JANUARY 1	<u>173,558</u>	<u>173,558</u>	<u>277,112</u>	<u>277,112</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 154,243</u>	<u>\$ 277,112</u>	<u>\$ 207,133</u>	<u>\$ 367,569</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 271,633	\$ 270,452	\$ 239,000	\$ 271,048	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	217,374	245,084	226,385	259,291	32,620	35,572	34,120	35,083
Charges for services	-	-	10,000	-	-	-	-	-
Interest	-	35	35	25	-	-	-	2
Other	58,280	143,172	70,400	86,991	410	650	-	425
Transfers in	-	3,506	5,600	-	25,838	45,564	50,582	51,048
Total Receipts	<u>\$ 547,287</u>	<u>\$ 662,249</u>	<u>\$ 551,420</u>	<u>\$ 617,355</u>	<u>\$ 58,868</u>	<u>\$ 81,786</u>	<u>\$ 84,702</u>	<u>\$ 86,558</u>
DISBURSEMENTS								
Salaries	\$ 143,424	\$ 145,033	\$ 150,004	\$ 150,308	\$ 50,123	\$ 50,123	\$ 51,627	\$ 51,627
Employee fringe benefits	18,022	18,117	18,137	17,861	4,634	4,510	4,900	5,185
Materials and supplies	-	1,950	2,000	1,588	2,315	748	4,505	2,565
Services and other	83,142	67,162	87,194	63,452	2,050	26,660	23,670	27,181
Capital outlay	113,614	175,391	192,727	153,513	-	-	-	-
Construction	210,975	152,030	180,000	244,313	-	-	-	-
Transfers out	109,468	71,627	91,549	106,784	-	-	-	-
Total Disbursements	<u>\$ 678,645</u>	<u>\$ 631,310</u>	<u>\$ 721,611</u>	<u>\$ 737,819</u>	<u>\$ 59,122</u>	<u>\$ 82,041</u>	<u>\$ 84,702</u>	<u>\$ 86,558</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (131,358)	\$ 30,939	\$ (170,191)	\$ (120,464)	\$ (254)	\$ (255)	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>140,735</u>	<u>140,735</u>	<u>171,674</u>	<u>171,674</u>	<u>255</u>	<u>255</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 9,377</u>	<u>\$ 171,674</u>	<u>\$ 1,483</u>	<u>\$ 51,210</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL GRAVEL TAX FUND				CIST 40% (R&B) FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 158,000	\$ 162,193	\$ 162,000	\$ 161,484	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	18,045	17,978	15,000	20,252
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	8	5	4	7	3	4	4	11
Other	1	1	1	1	-	-	-	-
Transfers in	77,000	51,462	67,549	71,150	-	-	-	-
Total Receipts	<u>\$ 235,009</u>	<u>\$ 213,661</u>	<u>\$ 229,554</u>	<u>\$ 232,642</u>	<u>\$ 18,048</u>	<u>\$ 17,982</u>	<u>\$ 15,004</u>	<u>\$ 20,263</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	1,335	808	5,140	5,693
Capital outlay	-	-	-	-	-	-	-	-
Construction	230,550	214,436	240,000	228,815	30,000	-	10,000	-
Transfers out	-	-	-	-	1,567	55	2,000	285
Total Disbursements	<u>\$ 230,550</u>	<u>\$ 214,436</u>	<u>\$ 240,000</u>	<u>\$ 228,815</u>	<u>\$ 32,902</u>	<u>\$ 863</u>	<u>\$ 17,140</u>	<u>\$ 5,978</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 4,459	\$ (775)	\$ (10,446)	\$ 3,827	\$ (14,854)	\$ 17,119	\$ (2,136)	\$ 14,285
CASH AND INVESTMENTS, JANUARY 1	<u>11,221</u>	<u>11,221</u>	<u>10,446</u>	<u>10,446</u>	<u>35,503</u>	<u>35,503</u>	<u>52,622</u>	<u>52,622</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 15,680</u>	<u>\$ 10,446</u>	<u>\$ -</u>	<u>\$ 14,273</u>	<u>\$ 20,649</u>	<u>\$ 52,622</u>	<u>\$ 50,486</u>	<u>\$ 66,907</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CIST 60% (COURTHOUSE) FUND				ADMINISTRATIVE HANDLING COSTS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	27,075	26,966	20,000	30,379	-	-	-	-
Intergovernmental	-	-	-	-	875	1,580	1,200	725
Charges for services	-	-	-	-	-	-	-	-
Interest	11	11	12	9	25	-	-	-
Other	65	-	-	-	-	-	-	-
Transfers in	-	23,000	30,799	23,000	-	-	-	-
Total Receipts	<u>\$ 27,151</u>	<u>\$ 49,977</u>	<u>\$ 50,811</u>	<u>\$ 53,388</u>	<u>\$ 900</u>	<u>\$ 1,580</u>	<u>\$ 1,200</u>	<u>\$ 725</u>
DISBURSEMENTS								
Salaries	\$ 7,500	\$ 4,646	\$ 5,356	\$ 3,440	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	644	425	817	-	-	-	-
Materials and supplies	5,500	605	700	-	150	227	300	-
Services and other	8,360	2,900	3,000	4,359	700	1,288	1,650	198
Capital outlay	109,380	137,512	55,426	40,391	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	6,537	7,068	1,000	2,450	-	-	-	-
Total Disbursements	<u>\$ 137,277</u>	<u>\$ 153,375</u>	<u>\$ 65,907</u>	<u>\$ 51,457</u>	<u>\$ 850</u>	<u>\$ 1,515</u>	<u>\$ 1,950</u>	<u>\$ 198</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (110,126)	\$ (103,398)	\$ (15,096)	\$ 1,931	\$ 50	\$ 65	\$ (750)	\$ 527
CASH AND INVESTMENTS, JANUARY 1	<u>118,494</u>	<u>118,494</u>	<u>15,096</u>	<u>15,096</u>	<u>4,005</u>	<u>4,005</u>	<u>4,070</u>	<u>4,070</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 8,368</u>	<u>\$ 15,096</u>	<u>\$ -</u>	<u>\$ 17,027</u>	<u>\$ 4,055</u>	<u>\$ 4,070</u>	<u>\$ 3,320</u>	<u>\$ 4,597</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	EMERGENCY MANAGEMENT PROGRAM FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	8,262	6,025	3,000	6,631	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	5,600	-	-	-	-	-	-	-
Transfers in	11,000	5,808	11,937	11,757	-	-	-	-
Total Receipts	\$ 24,862	\$ 11,833	\$ 14,937	\$ 18,388	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS								
Salaries	\$ 15,672	\$ 11,418	\$ 11,845	\$ 11,845	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	1,304	911	942	942	-	-	-	-
Materials and supplies	175	287	250	132	-	258	-	21
Services and other	2,225	1,370	1,900	1,954	543	568	543	671
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 19,376	\$ 13,986	\$ 14,937	\$ 14,873	\$ 543	\$ 826	\$ 543	\$ 692
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 5,486	\$ (2,153)	\$ -	\$ 3,515	\$ (543)	\$ (826)	\$ (543)	\$ (692)
CASH AND INVESTMENTS, JANUARY 1	2,153	2,153	-	-	2,807	2,807	1,981	1,981
CASH AND INVESTMENTS, DECEMBER 31	\$ 7,639	\$ -	\$ -	\$ 3,515	\$ 2,264	\$ 1,981	\$ 1,438	\$ 1,289

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	79,500	70,593	60,000	78,442	-	-	-	-
Intergovernmental	-	-	-	2,148	-	-	-	-
Charges for services	-	-	-	-	200	400	400	364
Interest	-	1	-	21	-	-	-	-
Other	2,752	4,587	5,253	2,832	-	-	-	-
Transfers in	5,200	5,673	6,000	6,000	-	3	-	1,000
Total Receipts	<u>\$ 87,452</u>	<u>\$ 80,854</u>	<u>\$ 71,253</u>	<u>\$ 89,443</u>	<u>\$ 200</u>	<u>\$ 403</u>	<u>\$ 400</u>	<u>\$ 1,364</u>
DISBURSEMENTS								
Salaries	\$ 68,256	\$ 59,113	\$ 62,664	\$ 61,040	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	7,397	4,491	6,472	6,827	-	-	-	-
Materials and supplies	4,425	550	398	809	-	-	-	-
Services and other	5,100	7,575	1,600	10,971	500	800	350	300
Capital outlay	3,900	6,364	5,150	5,349	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 89,078</u>	<u>\$ 78,093</u>	<u>\$ 76,284</u>	<u>\$ 84,996</u>	<u>\$ 500</u>	<u>\$ 800</u>	<u>\$ 350</u>	<u>\$ 300</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,626)	\$ 2,761	\$ (5,031)	\$ 4,447	\$ (300)	\$ (397)	\$ 50	\$ 1,064
CASH AND INVESTMENTS, JANUARY 1	<u>4,522</u>	<u>4,522</u>	<u>7,283</u>	<u>7,283</u>	<u>409</u>	<u>409</u>	<u>12</u>	<u>12</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,896</u>	<u>\$ 7,283</u>	<u>\$ 2,252</u>	<u>\$ 11,730</u>	<u>\$ 109</u>	<u>\$ 12</u>	<u>\$ 62</u>	<u>\$ 1,076</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S TECHNOLOGY FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	355	484	475	641	42	101	75	92
Interest	1	1	1	1	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	24
Total Receipts	<u>\$ 356</u>	<u>\$ 485</u>	<u>\$ 476</u>	<u>\$ 642</u>	<u>\$ 42</u>	<u>\$ 101</u>	<u>\$ 75</u>	<u>\$ 116</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	506
Capital outlay	1,500	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,144)	\$ 485	\$ 476	\$ 642	\$ 42	\$ 101	\$ 75	\$ (390)
CASH AND INVESTMENTS, JANUARY 1	<u>7,410</u>	<u>7,410</u>	<u>7,895</u>	<u>7,895</u>	<u>359</u>	<u>359</u>	<u>460</u>	<u>460</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 6,266</u>	<u>\$ 7,895</u>	<u>\$ 8,371</u>	<u>\$ 8,537</u>	<u>\$ 401</u>	<u>\$ 460</u>	<u>\$ 535</u>	<u>\$ 70</u>

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WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER PRESERVATION FUND				SENIOR CITIZEN SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 15,290	\$ 15,849	\$ 15,900	\$ 15,875
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2	-	-	-
Charges for services	575	770	750	1,022	-	-	-	-
Interest	20	15	15	53	2	2	2	2
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 595</u>	<u>\$ 785</u>	<u>\$ 765</u>	<u>\$ 1,075</u>	<u>\$ 15,294</u>	<u>\$ 15,851</u>	<u>\$ 15,902</u>	<u>\$ 15,877</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	500	-	-	-	14,500	15,892	16,155	13,196
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,500</u>	<u>\$ 15,892</u>	<u>\$ 16,155</u>	<u>\$ 13,196</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 95	\$ 785	\$ 765	\$ 1,075	\$ 794	\$ (41)	\$ (253)	\$ 2,681
CASH AND INVESTMENTS, JANUARY 1	<u>17,350</u>	<u>17,350</u>	<u>\$ 18,135</u>	<u>\$ 18,135</u>	<u>10,876</u>	<u>10,876</u>	<u>10,835</u>	<u>10,835</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 17,445</u>	<u>\$ 18,135</u>	<u>\$ 18,900</u>	<u>\$ 19,210</u>	<u>\$ 11,670</u>	<u>\$ 10,835</u>	<u>\$ 10,582</u>	<u>\$ 13,516</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DOMESTIC VIOLENCE FUND				SHERIFF CIVIL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	50	40	50	45	1,240	1,660	1,350	1,200
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	437	240	1,263
Total Receipts	\$ 50	\$ 40	\$ 50	\$ 45	\$ 1,240	\$ 2,097	\$ 1,590	\$ 2,463
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	575	1,894	2,000	2,214
Services and other	100	50	50	40	230	256	-	-
Capital outlay	-	-	-	-	550	276	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 100	\$ 50	\$ 50	\$ 40	\$ 1,355	\$ 2,426	\$ 2,000	\$ 2,214
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (50)	\$ (10)	\$ -	\$ 5	\$ (115)	\$ (329)	\$ (410)	\$ 249
CASH AND INVESTMENTS, JANUARY 1	50	50	40	40	739	739	410	410
CASH AND INVESTMENTS, DECEMBER 31	\$ -	\$ 40	\$ 40	\$ 45	\$ 624	\$ 410	\$ -	\$ 659

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WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR'S TAX MAINTENANCE FUND				LOCAL USE TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	16,600	16,217	16,000	18,698
Intergovernmental	-	-	-	-	13,960	6,760	8,495	1,906
Charges for services	1,500	2,906	2,700	2,814	-	-	-	-
Interest	45	31	25	16	15	16	10	31
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,545	\$ 2,937	\$ 2,725	\$ 2,830	\$ 30,575	\$ 22,993	\$ 24,505	\$ 20,635
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	500	238	500	-	50	966	-	1,510
Services and other	-	-	-	-	28,150	-	-	-
Capital outlay	-	545	-	-	-	-	200	277
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	16,830	37,051	49,235	37,316
Total Disbursements	\$ 500	\$ 783	\$ 500	\$ -	\$ 45,030	\$ 38,017	\$ 49,435	\$ 39,103
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 1,045	\$ 2,154	\$ 2,225	\$ 2,830	\$ (14,455)	\$ (15,024)	\$ (24,930)	\$ (18,468)
CASH AND INVESTMENTS, JANUARY 1	32,922	32,922	35,076	35,076	129,106	129,106	114,082	114,082
CASH AND INVESTMENTS, DECEMBER 31	\$ 33,967	\$ 35,076	\$ 37,301	\$ 37,906	\$ 114,651	\$ 114,082	\$ 89,152	\$ 95,614

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HAZARDOUS MATERIAL EMERGENCY PLANNING FUND				COUNTY SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,780	3,253	1,500	494
Interest	-	-	-	-	1	2	2	2
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	850	-	-	-	-
Total Receipts	\$ -	\$ -	\$ -	\$ 850	\$ 1,781	\$ 3,255	\$ 1,502	\$ 496
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	9,500	201	14,020	3,385
Services and other	-	-	-	850	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ -	\$ 850	\$ 9,500	\$ 201	\$ 14,020	\$ 3,385
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ (7,719)	\$ 3,054	\$ (12,518)	\$ (2,889)
CASH AND INVESTMENTS, JANUARY 1	2,299	2,299	2,299	2,299	11,168	11,168	14,222	14,222
CASH AND INVESTMENTS, DECEMBER 31	\$ 2,299	\$ 2,299	\$ 2,299	\$ 2,299	\$ 3,449	\$ 14,222	\$ 1,704	\$ 11,333

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COURTROOM RESTORATION FUND				HPRP GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	15	15	15	26	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	565	-	-	565
Services and other	14,500	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 14,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 565</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,485)	\$ 15	\$ 15	\$ 26	\$ (565)	\$ -	\$ -	\$ (565)
CASH AND INVESTMENTS, JANUARY 1	<u>14,564</u>	<u>14,564</u>	<u>14,579</u>	<u>14,579</u>	<u>565</u>	<u>565</u>	<u>565</u>	<u>565</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 79</u>	<u>\$ 14,579</u>	<u>\$ 14,594</u>	<u>\$ 14,605</u>	<u>\$ -</u>	<u>\$ 565</u>	<u>\$ 565</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION FUND				ASSESSMENT TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	10,500	12,435	10,000	12,483
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	36	30	-	58	39	35	143
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 10,558</u>	<u>\$ 12,474</u>	<u>\$ 10,035</u>	<u>\$ 12,626</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	600	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	26,100	24,488	23,800	23,800
Total Disbursements	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,100</u>	<u>\$ 24,488</u>	<u>\$ 23,800</u>	<u>\$ 23,800</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (600)	\$ 36	\$ 30	\$ -	\$ (15,542)	\$ (12,014)	\$ (13,765)	\$ (11,174)
CASH AND INVESTMENTS, JANUARY 1	<u>613</u>	<u>613</u>	<u>649</u>	<u>649</u>	<u>73,166</u>	<u>73,166</u>	<u>61,152</u>	<u>61,152</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 13</u>	<u>\$ 649</u>	<u>\$ 679</u>	<u>\$ 649</u>	<u>\$ 57,624</u>	<u>\$ 61,152</u>	<u>\$ 47,387</u>	<u>\$ 49,978</u>

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WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	POST (SHERIFF) FUND				DEPUTY SHERIFF SALARY SUPPLEMENTAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	500	1,000	500	500	580	1,579	500	15,106
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	350	-	100	-	10,380	7,687	17,641	5,593
Total Receipts	<u>\$ 850</u>	<u>\$ 1,000</u>	<u>\$ 600</u>	<u>\$ 500</u>	<u>\$ 10,960</u>	<u>\$ 9,266</u>	<u>\$ 18,141</u>	<u>\$ 20,699</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 9,614	\$ 7,932	\$ 16,249	\$ 15,347
Employee fringe benefits	-	-	-	-	766	824	1,292	1,217
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	850	1,000	600	-	580	550	600	510
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 850</u>	<u>\$ 1,000</u>	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ 10,960</u>	<u>\$ 9,306</u>	<u>\$ 18,141</u>	<u>\$ 17,074</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ (40)	\$ -	\$ 3,625
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	40	40	-	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,625</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	911 MAINTENANCE FUND				TELECOMMUNICATIONS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	675	502	500	606
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	1,200	691	795	920	-	11	334	-
Total Receipts	<u>\$ 1,200</u>	<u>\$ 691</u>	<u>\$ 795</u>	<u>\$ 920</u>	<u>\$ 675</u>	<u>\$ 513</u>	<u>\$ 834</u>	<u>\$ 606</u>
DISBURSEMENTS								
Salaries	\$ -	\$ 224	\$ 400	\$ 367	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	85	95	144	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,200	382	300	409	675	515	878	126
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,200</u>	<u>\$ 691</u>	<u>\$ 795</u>	<u>\$ 920</u>	<u>\$ 675</u>	<u>\$ 515</u>	<u>\$ 878</u>	<u>\$ 126</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2)	\$ (44)	\$ 480
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	46	46	44	44
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 524</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FEMA FUND				LOCAL LAW ENFORCEMENT BLOCK GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	153,181	-	-	-	-	4,552	4,552
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	13	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	40
Total Receipts	\$ -	\$ 153,181	\$ -	\$ 13	\$ -	\$ -	\$ 4,552	\$ 4,592
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	4,552	4,592
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	44,804	76,380	-	-	-	-	-	-
Transfers out	-	3,506	-	-	-	-	-	-
Total Disbursements	\$ 44,804	\$ 79,886	\$ -	\$ -	\$ -	\$ -	\$ 4,552	\$ 4,592
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (44,804)	\$ 73,295	\$ -	\$ 13	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	44,804	44,804	118,099	118,099	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	\$ -	\$ 118,099	\$ 118,099	\$ 118,112	\$ -	\$ -	\$ -	\$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Worth County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Recorder, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Worth County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County’s legal entity.

Certain elected County officials, particularly the Collector and Treasurer, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County’s funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2017	2016
Special Road & Bridge	✓	N/A
Assessment	✓	✓
CIST 60% (Courthouse)	N/A	✓
Administrative Handling Costs	N/A	✓
Local Emergency Planning Committee	✓	✓
Law Enforcement Sales Tax	✓	N/A
Law Enforcement Training	N/A	✓
Prosecuting Attorney Training	✓	N/A
Senior Citizen Services	N/A	✓
Sheriff Civil	✓	✓
Collector's Tax Maintenance	N/A	✓
Hazardous Material Emergency Planning	✓	N/A
HPRP Grant	✓	N/A
Post (Sheriff)	N/A	✓
911 Maintenance	✓	N/A
FEMA	N/A	✓
Local Law Enforcement Block Grant	✓	N/A

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	2017	2016
Real Estate	\$ 17,529,410	\$ 17,224,880
Personal Property	10,161,220	10,448,200
Railroad and Utilities	4,124,141	4,353,100
Total	<u>\$ 31,814,771</u>	<u>\$ 32,026,180</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2017	2016
General Revenue	\$ 1.2000	\$ 1.1941
Special Road & Bridge	0.8540	0.8452
Senior Citizen Services	0.0500	0.0495

In addition, the County assesses a Special Gravel Tax in the amount of \$1 per agricultural acre. The assessed valuation of agricultural land in the County was \$162,745 and \$162,752 for the years December 31, 2017 and 2016, respectively.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$916,375 and \$938,838, respectively, and the bank balances were \$941,630 and \$1,008,355, respectively. Of the bank balances, \$250,000 was covered by federal depository insurance at both December 31, 2017 and December 31, 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$1,366,688 and \$1,453,221 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository

insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2017 and 2016, the County collected and remitted to CERF employee withholdings and fees collected of \$35,135 and \$32,536, respectively, for the years then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366 and \$2,618, respectively, for the years ended December 31, 2017 and 2016.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with an unlimited amount of sick time, to accrue at one day per complete calendar month of employment. Upon termination, an employee is not compensated for any unused accrued sick time. Vacation time is accrued for full and part time employees depending on length of employment. Vacation time accrues as follows: less than three years of service – one week per year; three through seven years of service – two weeks per year; eight or more years of service – three weeks per year. Employees may not carry over unused vacation days from one year to the next. Upon termination, no more than ten days of unused vacation shall be paid to employee.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

On November 16, 2012, the County entered into a five year equipment lease purchase agreement with Kansas State Bank in the amount of \$180,888 for the lease purchase of a 2012 Case motor grader. The lease is to be paid in five annual installments of \$39,614, which includes interest of 3.103%. The final payment was made during 2017.

On February 1, 2016, the County entered into a ten year promissory note with the Missouri Department of Natural Resources State Historic Preservation Office in the amount of \$214,158 for the purpose of replacing the courthouse roof. The note is to be paid in annual payments of \$23,000, which includes interest of 1.25%. The County made two payments during 2016, accelerating the final payment date to February 1, 2024.

On August 10, 2016, the County entered into a ten year equipment lease purchase agreement with Caterpillar Financial Services in the amount of \$284,669 for the lease purchase of a Caterpillar 12M3 AWD grader. The lease is to be paid in nine annual payments of \$36,681, which includes interest of 3.9%, with the final payment scheduled on March 25, 2025.

On March 20, 2017, the County entered into a five year equipment lease purchase agreement with Caterpillar Financial Services in the amount of \$87,691 for the lease purchase of a Caterpillar D5K2 tractor. The lease is to be paid in five annual payments of \$19,642, which includes interest of 3.9%, with the final payment scheduled on March 20, 2022.

The following schedule shows changes in long-term debt outstanding during the year ended December 31, 2016:

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
2012 Case Motor Grader	\$ 75,687	\$ -	\$ (37,265)	\$ 38,422	\$2,349
DNR Courthouse Roof	-	214,158	(43,611)	170,547	2,389
Caterpillar AWD Grader	-	284,669	(36,681)	247,988	-

The following schedule shows changes in long-term debt outstanding during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
2012 Case Motor Grader	\$ 38,422	\$ -	\$(38,422)	\$ -	\$1,192
DNR Courthouse Roof	170,547	-	(20,868)	149,679	2,132
Caterpillar AWD Grader	247,988	-	(27,010)	220,978	9,671
Caterpillar Tractor	-	87,691	-	87,691	-

The following schedule represents future payments under long-term debt obligations:

Year	Principal	Interest	Total
2018	\$ 65,414	\$13,909	\$ 79,323
2019	67,406	11,917	79,323
2020	69,467	9,856	79,323
2021	71,603	7,720	79,323
2022	73,814	5,509	79,323
2023-2025	110,644	4,832	115,476
Totals	<u>\$458,348</u>	<u>\$53,743</u>	<u>\$512,091</u>

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 3, 2018, the date the financial statements were available to be issued. Based on this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Worth County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Worth County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Worth County, Missouri's basic financial statements and have issued our report thereon dated August 3, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Worth County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Worth County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Worth County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and recommendations as 2017-001 and 2017-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Worth County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as 2017-003.

Worth County, Missouri's Responses to Findings

Worth County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Worth County, Missouri's responses were not subjected to the auditing procedures applied to the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
August 3, 2018

FINDINGS AND RECOMMENDATIONS

WORTH COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2017-001: Pay Rate Authorizations

Criteria: A proper system of internal controls requires adequate documentation of approval for employee pay rates and pay increases.

Condition: The County does not maintain documentation to support the approval of pay rates for hourly employees. Salaries for elected officials and their deputies are approved through the annual budget documents, however, the hourly rates for non-salaried employees are not formally approved by the County Commission. Additionally, the County does not maintain documentation to support the approval of cost of living pay increases. Cost of living increases are not noted in the Commission minutes or documented in personnel files. Currently the County Clerk maintains an informal list of salaries and wage levels at her desk to use as a reference during payroll processing.

Cause: The County has not implemented procedures to ensure pay rate and pay increase approvals are properly documented.

Effect: Without adequate documentation of approved pay rates and pay increases, payroll expenditures cannot be properly supported.

Recommendation: We recommend the County maintain documentation to support the approval of pay rates and pay increases for all employees within the County.

County's Response: The County Clerk's office will provide a list to the County Commissioners which includes current and previous pay rates for each employee for approval each pay period.

Auditor's Response: The response is appropriate to correct the concern.

2017-002: Disbursement Controls

Criteria: A proper system of internal controls requires adequate review of all County expenditures prior to approval and payment and procedures for properly cancelling invoices after payment.

Condition: Review of the disbursement process noted payment vouchers and checks are reviewed and signed by the Commissioners, Treasurer and County Clerk, however, supporting documents such as invoices and receipts for reimbursement are not reviewed by elected officials before payments are approved and checks are signed. Additionally, invoices are not properly cancelled to prevent duplicate payment.

Review of credit card purchases noted several instances in which original receipts are not attached to the correct monthly credit card statement resulting in a payment amount different from the statement balance and one instance in which the original receipt for an online purchase was not received prior to making the payment. Additionally, credit card statements and supporting receipts are not properly cancelled to prevent duplicate payment. In one instance a training travel expense for \$398 was paid twice due to lack of proper cancellation on the invoice.

Cause: The County has not implemented proper procedures to ensure expenditures are adequately reviewed prior to approval of the payment and invoices and statements are properly cancelled.

Effect: Without an adequate review process there is an increased risk of payment for unauthorized expenditures. Additionally, there is an increased risk of duplicate payment when invoices are not properly cancelled.

Recommendation: We recommend the County implement procedures to ensure expenditures, including credit card expenditures, are adequately reviewed prior to approval and payment. Additionally, we recommend credit card statement activity is reconciled to original receipts to ensure proper amount is paid on each monthly credit card statement. Furthermore, we recommend invoices should be marked as "Paid" to prevent duplicate payment of expenditures.

County's Response: The County will implement a process to ensure that, along with vouchers and checks, invoices and supporting documentation are provided to the Commissioners as part of the approval process. Additionally, the County Clerk's office will ensure original receipts are provided and maintained with the correct monthly credit card statement. Furthermore, invoices and statements will be stamped paid by the County Commissioners during the approval process.

Auditor's Response: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

2017-003: Budgetary Controls

Criteria: RSMo 50.740 prohibits expenditures in excess of the approved budgets.

Condition: Actual expenditures exceeded budgeted expenditures for ten funds in both 2016 and 2017. The detailed list of funds can be found in Note 1.D.10 to the financial statements.

Cause: The County failed to adequately review and amend budgeted expenditures for each fund to ensure actual expenditures do not exceed the budget. Additionally, the County approved expenditures in excess of budgeted amounts.

Recommendation: We recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget.

County's Response: The County will work to improve the budget process and will not approve expenditures in excess of budgeted amounts.

Auditor's Response: The response is appropriate to correct the concern.

WORTH COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Worth County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013 and 2012.

1. The County does not maintain documentation to support the approval of pay rates for hourly employees. Salaries for elected officials and their deputies are approved through the annual budget documents, however, the hourly rates for non-salaried employees are not formally approved by the County Commission and/or the employee's supervisor.

Status: Not resolved. See Finding 2017-001.

2. The County Road & Bridge department is not adequately monitoring fuel usage by employees using fuel from the County's bulk fuel tanks.

Status: Resolved.

3. Actual expenditures exceeded budgeted amounts for seven funds in 2012 and two funds in 2013.

Status: Not resolved. See Finding 2017-003.

4. The financial statements of the County as presented in the annual budget document present transfers between funds, however, the transfers reported in both 2012 and 2013 did not balance, in that transfers to other funds were not in agreement with transfers from other funds.

Status: Resolved.

5. The County had adopted an investment policy on October 31, 2000, however, the policy was not sufficient to meet the requirements of state statutes.

Status: Resolved.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Atchison County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Atchison County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-084

ANNUAL FINANCIAL REPORT

ATCHISON COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

ATCHISON COUNTY, MISSOURI

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INTRODUCTORY SECTION

ATCHISON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Curtis Livengood

Northern Commissioner – James Quimby

Southern Commissioner – Richard Burke

Other Elected Officials

Assessor – Lori Jones

Circuit Clerk – Lorie Hall

Collector – Diane Livengood

Coroner – Shawn Minter Jr.

County Clerk – Susette Taylor

Prosecuting Attorney – Brett Hurst

Public Administrator – Teresa Jayne Scott

Recorder – Eliza Beasing

Sheriff – Dennis Martin

Treasurer – Debbie True

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: 816-221-4559, F: 816-221-4563
E: admin@mcbriделock.com

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Atchison County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Atchison County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Atchison County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

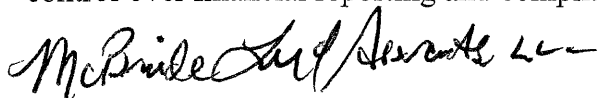
In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Atchison County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position, or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Atchison County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 18, 2018, on our consideration of Atchison County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
July 18, 2018

ATCHISON COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents
	January 1, 2016	2016	2016	December 31, 2016	2017	2017	December 31, 2017
General Revenue	\$ 1,105,574	\$ 1,525,820	\$ 1,564,131	\$ 1,067,263	\$ 2,066,760	\$ 1,636,826	\$ 1,497,197
Special Road & Bridge	408,808	1,493,834	1,378,171	524,471	1,626,361	1,520,345	630,487
Assessment	22,180	199,861	185,284	36,757	198,408	183,407	51,758
Law Enforcement Sales Tax	46,820	700,474	704,635	42,659	818,985	775,914	85,730
Landfill	20,163	29	1,082	19,110	103	1,356	17,857
Mitigation	79,395	27,014	-	106,409	327,814	-	434,223
Multi-Purpose Election	-	11,053	11,053	-	10,139	10,139	-
Law Enforcement Training	7,696	3,911	4,524	7,083	4,697	5,695	6,085
Prosecuting Attorney Training	2,552	788	1,385	1,955	765	393	2,327
Emergency Management	75,888	134,090	135,579	74,399	140,659	180,653	34,405
Chemical Emergency Preparedness	7,213	10	989	6,234	10	4,506	1,738
Victims of Domestic Violence	2,874	3,592	2,875	3,591	3,965	3,592	3,964
Collector's Tax Maintenance	35,002	10,049	6,783	38,268	11,158	11,783	37,643
County Road Rock	111,157	436,767	434,523	113,401	441,297	410,025	144,673
Economic Development	-	217,716	217,716	-	251,666	251,666	-
Recorder's	12,297	3,676	900	15,073	3,627	900	17,800
Senate Bill 40 Board	22,050	134,565	132,379	24,236	135,343	130,534	29,045
Sheriff's Civil Fees	16,811	15,518	9,349	22,980	9,906	12,543	20,343
Prosecuting Attorney Bad Check	5,191	1,847	2,171	4,867	1,494	181	6,180
911	111,024	289,779	273,177	127,626	302,396	362,687	67,335
HAVA Election Grant	-	2,038	2,038	-	-	-	-
Senior Citizens Service Board	15,153	65,196	62,425	17,924	65,557	66,254	17,227
Sheriff's Revolving	35,235	12,672	4,027	43,880	2,821	4,209	42,492
Resthome Improvement	1,944	3	120	1,827	10	40	1,797
County Law Enforcement Restitution	108,962	11,951	29,470	91,443	10,661	-	102,104
Inmate Security	19,651	8,356	13,456	14,551	8,916	5,844	17,623
Election Services	8,567	3,445	2,775	9,237	986	2,669	7,554
Health Reimbursement	125,570	60,750	6,669	179,651	66,000	10,736	234,915
Total	<u>\$ 2,407,777</u>	<u>\$ 5,374,804</u>	<u>\$ 5,187,686</u>	<u>\$ 2,594,895</u>	<u>\$ 6,510,504</u>	<u>\$ 5,592,897</u>	<u>\$ 3,512,502</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 656,800	\$ 675,336	\$ 674,000	\$ 675,994
Sales taxes	410,000	397,251	420,000	928,386
Intergovernmental	10,105	24,268	2,000	1,340
Charges for services	289,500	294,362	293,300	294,995
Interest	1,840	2,189	2,825	8,475
Other	115,229	119,274	116,467	142,058
Transfers in	13,141	13,140	15,512	15,512
Total Receipts	<u>\$ 1,496,615</u>	<u>\$ 1,525,820</u>	<u>\$ 1,524,104</u>	<u>\$ 2,066,760</u>
DISBURSEMENTS				
County Commission	\$ 122,470	\$ 115,593	\$ 126,000	\$ 116,806
County Clerk	153,853	128,453	154,675	131,206
Elections	52,450	58,978	8,100	4,582
Buildings and grounds	522,388	131,080	550,700	113,098
Employee fringe benefits	245,000	221,489	276,000	232,311
Treasurer	62,765	56,272	63,480	57,241
Collector	110,753	104,058	122,675	113,651
Recorder of Deeds	59,087	53,184	58,475	54,347
Circuit Clerk	26,607	20,290	26,964	15,415
Court administration	9,300	3,365	9,300	4,824
Public Administrator	40,105	34,991	40,730	35,635
Prosecuting Attorney	117,841	113,296	120,155	113,456
Juvenile Officer	7,829	6,445	8,110	6,592
Coroner	24,458	21,426	25,085	19,689
Other County Government	62,658	43,704	67,850	61,901
Health and Welfare	8,000	3,426	6,250	5,072
Transfers out	530,000	448,081	530,000	551,000
Emergency Fund	100,000	-	100,000	-
Total Disbursements	<u>\$ 2,255,564</u>	<u>\$ 1,564,131</u>	<u>\$ 2,294,549</u>	<u>\$ 1,636,826</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (758,949)	\$ (38,311)	\$ (770,445)	\$ 429,934
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,105,574</u>	<u>1,105,574</u>	<u>1,067,263</u>	<u>1,067,263</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 346,625</u>	<u>\$ 1,067,263</u>	<u>\$ 296,818</u>	<u>\$ 1,497,197</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 842,000	\$ 838,033	\$ 828,000	\$ 830,967	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	558,900	631,393	630,000	643,202	167,500	166,443	166,300	164,934
Charges for services	15,000	10,994	85,400	132,250	-	-	-	-
Interest	680	1,438	1,011	3,933	70	87	83	332
Other	13,000	-	12,000	-	3,000	3,331	3,000	3,142
Transfers in	8,000	11,976	16,000	16,009	30,000	30,000	30,000	30,000
Total Receipts	<u>\$ 1,437,580</u>	<u>\$ 1,493,834</u>	<u>\$ 1,572,411</u>	<u>\$ 1,626,361</u>	<u>\$ 200,570</u>	<u>\$ 199,861</u>	<u>\$ 199,383</u>	<u>\$ 198,408</u>
DISBURSEMENTS								
Salaries	\$ 430,000	\$ 419,963	\$ 450,000	\$ 384,904	\$ 104,429	\$ 104,139	\$ 106,770	\$ 104,868
Employee fringe benefits	188,005	161,993	194,100	159,205	49,527	42,157	46,850	40,235
Materials and supplies	306,650	138,867	312,150	153,536	16,631	5,536	21,339	6,386
Services and Other	369,060	206,513	516,220	247,777	9,405	26,569	9,725	24,813
Capital Outlay	393,000	270,315	445,995	399,220	17,820	2,383	16,225	2,605
Construction	125,000	136,149	133,300	131,332	-	-	-	-
Transfers out	27,871	44,371	27,871	44,371	-	4,500	-	4,500
Total Disbursements	<u>\$ 1,839,586</u>	<u>\$ 1,378,171</u>	<u>\$ 2,079,636</u>	<u>\$ 1,520,345</u>	<u>\$ 197,812</u>	<u>\$ 185,284</u>	<u>\$ 200,909</u>	<u>\$ 183,407</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (402,006)</u>	<u>\$ 115,663</u>	<u>\$ (507,225)</u>	<u>\$ 106,016</u>	<u>\$ 2,758</u>	<u>\$ 14,577</u>	<u>\$ (1,526)</u>	<u>\$ 15,001</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>408,808</u>	<u>408,808</u>	<u>524,471</u>	<u>524,471</u>	<u>22,180</u>	<u>22,180</u>	<u>36,757</u>	<u>36,757</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,802</u>	<u>\$ 524,471</u>	<u>\$ 17,246</u>	<u>\$ 630,487</u>	<u>\$ 24,938</u>	<u>\$ 36,757</u>	<u>\$ 35,231</u>	<u>\$ 51,758</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				LANDFILL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	275,000	262,007	275,000	272,109	-	-	-	-
Intergovernmental	76,000	25,329	30,000	28,685	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	75	120	80	534	35	29	30	103
Other	45,000	13,018	29,000	17,657	-	-	-	-
Transfers in	500,000	400,000	500,000	500,000	-	-	-	-
Total Receipts	\$ 896,075	\$ 700,474	\$ 834,080	\$ 818,985	\$ 35	\$ 29	\$ 30	\$ 103
DISBURSEMENTS								
Salaries	\$ 412,562	\$ 408,831	\$ 416,700	\$ 422,040	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	143,567	134,339	133,200	142,997	-	-	-	-
Materials and supplies	18,350	9,423	50,900	6,891	9,400	29	3,400	34
Services and other	228,500	107,148	221,000	121,323	9,600	53	14,600	322
Capital outlay	84,000	29,894	5,000	66,163	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	17,000	15,000	18,000	16,500	1,000	1,000	1,000	1,000
Total Disbursements	\$ 903,979	\$ 704,635	\$ 844,800	\$ 775,914	\$ 20,000	\$ 1,082	\$ 19,000	\$ 1,356
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,904)	\$ (4,161)	\$ (10,720)	\$ 43,071	\$ (19,965)	\$ (1,053)	\$ (18,970)	\$ (1,253)
CASH AND CASH EQUIVALENTS, JANUARY 1	46,820	46,820	42,659	42,659	20,163	20,163	19,110	19,110
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 38,916	\$ 42,659	\$ 31,939	\$ 85,730	\$ 198	\$ 19,110	\$ 140	\$ 17,857

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	MITIGATION FUND				MULTI-PURPOSE ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	20,000	11,053	21,100	10,139
Interest	-	143	140	943	-	-	-	-
Other	-	-	300,000	300,000	-	-	-	-
Transfers in	326,996	26,871	26,871	26,871	-	-	-	-
Total Receipts	<u>\$ 326,996</u>	<u>\$ 27,014</u>	<u>\$ 327,011</u>	<u>\$ 327,814</u>	<u>\$ 20,000</u>	<u>\$ 11,053</u>	<u>\$ 21,100</u>	<u>\$ 10,139</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ 3,219	\$ 4,000	\$ 2,132
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	11,525	5,184	11,750	5,654
Services and other	-	-	-	-	4,000	491	4,150	360
Capital outlay	106,000	-	133,250	-	125	1,631	200	1,602
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	850	528	1,000	391
Total Disbursements	<u>\$ 106,000</u>	<u>\$ -</u>	<u>\$ 133,250</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 11,053</u>	<u>\$ 21,100</u>	<u>\$ 10,139</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 220,996	\$ 27,014	\$ 193,761	\$ 327,814	\$ -	\$ -	\$ -	\$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>79,395</u>	<u>79,395</u>	<u>106,409</u>	<u>106,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 300,391</u>	<u>\$ 106,409</u>	<u>\$ 300,170</u>	<u>\$ 434,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	5,312	3,901	3,700	4,662	577	785	750	753
Interest	-	10	12	35	-	3	3	12
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,312</u>	<u>\$ 3,911</u>	<u>\$ 3,712</u>	<u>\$ 4,697</u>	<u>\$ 577</u>	<u>\$ 788</u>	<u>\$ 753</u>	<u>\$ 765</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	7,500	4,524	7,000	5,695	2,750	1,385	1,800	393
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,500</u>	<u>\$ 4,524</u>	<u>\$ 7,000</u>	<u>\$ 5,695</u>	<u>\$ 2,750</u>	<u>\$ 1,385</u>	<u>\$ 1,800</u>	<u>\$ 393</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,188)	\$ (613)	\$ (3,288)	\$ (998)	\$ (2,173)	\$ (597)	\$ (1,047)	\$ 372
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>7,696</u>	<u>7,696</u>	<u>7,083</u>	<u>7,083</u>	<u>2,552</u>	<u>2,552</u>	<u>1,955</u>	<u>1,955</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 5,508</u>	<u>\$ 7,083</u>	<u>\$ 3,795</u>	<u>\$ 6,085</u>	<u>\$ 379</u>	<u>\$ 1,955</u>	<u>\$ 908</u>	<u>\$ 2,327</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	EMERGENCY MANAGEMENT FUND				CHEMICAL EMERGENCY PREPAREDNESS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	54,688	51,179	61,000	55,971	-	-	-	-
Charges for services	82,751	82,767	106,404	84,418	-	-	-	-
Interest	100	144	130	270	-	10	10	10
Other	-	-	-	-	3,007	-	4,000	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 137,539</u>	<u>\$ 134,090</u>	<u>\$ 167,534</u>	<u>\$ 140,659</u>	<u>\$ 3,007</u>	<u>\$ 10</u>	<u>\$ 4,010</u>	<u>\$ 10</u>
DISBURSEMENTS								
Salaries	\$ 59,530	\$ 59,392	\$ 59,147	\$ 60,506	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	14,129	13,871	14,415	14,487	-	-	-	-
Materials and supplies	6,900	3,732	11,950	12,152	-	-	-	-
Services and other	93,671	36,724	90,371	70,010	-	-	-	-
Capital outlay	21,750	1,750	21,750	1,750	6,500	989	7,500	4,506
Construction	-	-	-	-	-	-	-	-
Transfers out	1,750	20,110	750	21,748	-	-	-	-
Total Disbursements	<u>\$ 197,730</u>	<u>\$ 135,579</u>	<u>\$ 198,383</u>	<u>\$ 180,653</u>	<u>\$ 6,500</u>	<u>\$ 989</u>	<u>\$ 7,500</u>	<u>\$ 4,506</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (60,191)	\$ (1,489)	\$ (30,849)	\$ (39,994)	\$ (3,493)	\$ (979)	\$ (3,490)	\$ (4,496)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>75,888</u>	<u>75,888</u>	<u>74,399</u>	<u>74,399</u>	<u>7,213</u>	<u>7,213</u>	<u>6,234</u>	<u>6,234</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 15,697</u>	<u>\$ 74,399</u>	<u>\$ 43,550</u>	<u>\$ 34,405</u>	<u>\$ 3,720</u>	<u>\$ 6,234</u>	<u>\$ 2,744</u>	<u>\$ 1,738</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VICTIMS OF DOMESTIC VIOLENCE FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,302	3,589	3,400	3,949	13,050	9,993	13,000	10,930
Interest	-	3	3	16	-	56	55	228
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,302</u>	<u>\$ 3,592</u>	<u>\$ 3,403</u>	<u>\$ 3,965</u>	<u>\$ 13,050</u>	<u>\$ 10,049</u>	<u>\$ 13,055</u>	<u>\$ 11,158</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,875	2,875	3,592	3,592	32,100	4,695	38,000	7,708
Capital outlay	-	-	-	-	-	88	-	2,075
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	2,000	2,000	2,000	2,000
Total Disbursements	<u>\$ 2,875</u>	<u>\$ 2,875</u>	<u>\$ 3,592</u>	<u>\$ 3,592</u>	<u>\$ 34,100</u>	<u>\$ 6,783</u>	<u>\$ 40,000</u>	<u>\$ 11,783</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 427	\$ 717	\$ (189)	\$ 373	\$ (21,050)	\$ 3,266	\$ (26,945)	\$ (625)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,874</u>	<u>2,874</u>	<u>3,591</u>	<u>3,591</u>	<u>35,002</u>	<u>35,002</u>	<u>38,268</u>	<u>38,268</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,301</u>	<u>\$ 3,591</u>	<u>\$ 3,402</u>	<u>\$ 3,964</u>	<u>\$ 13,952</u>	<u>\$ 38,268</u>	<u>\$ 11,323</u>	<u>\$ 37,643</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY ROAD ROCK FUND				ECONOMIC DEVELOPMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 170,000	\$ 162,204	\$ 164,000	\$ 162,394	\$ -	\$ -	\$ -	\$ -
Sales taxes	275,000	262,524	275,000	272,188	180,000	131,262	200,000	136,094
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	12,000	11,785	12,000	5,768	-	-	-	-
Interest	50	254	250	947	-	-	-	-
Other	-	-	-	-	86,467	86,454	115,573	115,572
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 457,050</u>	<u>\$ 436,767</u>	<u>\$ 451,250</u>	<u>\$ 441,297</u>	<u>\$ 266,467</u>	<u>\$ 217,716</u>	<u>\$ 315,573</u>	<u>\$ 251,666</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	86,461	196,588	115,573	223,422
Capital outlay	-	-	-	-	-	-	-	-
Construction	452,723	434,523	440,777	410,025	-	-	-	-
Transfers out	-	-	-	-	180,000	21,128	180,000	28,244
Total Disbursements	<u>\$ 452,723</u>	<u>\$ 434,523</u>	<u>\$ 440,777</u>	<u>\$ 410,025</u>	<u>\$ 266,461</u>	<u>\$ 217,716</u>	<u>\$ 295,573</u>	<u>\$ 251,666</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 4,327	\$ 2,244	\$ 10,473	\$ 31,272	\$ 6	\$ -	\$ 20,000	\$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>111,157</u>	<u>111,157</u>	<u>113,401</u>	<u>113,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 115,484</u>	<u>\$ 113,401</u>	<u>\$ 123,874</u>	<u>\$ 144,673</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ -</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S FUND				SENATE BILL 40 BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 128,750	\$ 133,084	\$ 132,952	\$ 133,335
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,500	3,675	3,500	3,625	-	-	-	-
Interest	-	1	2	2	37	72	100	125
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	1,409	1,409	1,884	1,883
Total Receipts	<u>\$ 3,500</u>	<u>\$ 3,676</u>	<u>\$ 3,502</u>	<u>\$ 3,627</u>	<u>\$ 130,196</u>	<u>\$ 134,565</u>	<u>\$ 134,936</u>	<u>\$ 135,343</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	14,500	900	15,000	900	135,800	132,379	159,000	130,534
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 14,500</u>	<u>\$ 900</u>	<u>\$ 15,000</u>	<u>\$ 900</u>	<u>\$ 135,800</u>	<u>\$ 132,379</u>	<u>\$ 159,000</u>	<u>\$ 130,534</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (11,000)	\$ 2,776	\$ (11,498)	\$ 2,727	\$ (5,604)	\$ 2,186	\$ (24,064)	\$ 4,809
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>12,297</u>	<u>12,297</u>	<u>15,073</u>	<u>15,073</u>	<u>22,050</u>	<u>22,050</u>	<u>24,236</u>	<u>24,236</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,297</u>	<u>\$ 15,073</u>	<u>\$ 3,575</u>	<u>\$ 17,800</u>	<u>\$ 16,446</u>	<u>\$ 24,236</u>	<u>\$ 172</u>	<u>\$ 29,045</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S CIVIL FEES FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	9,020	15,493	11,000	9,777	1,385	1,840	1,850	1,460
Interest	-	25	25	129	-	7	7	34
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 9,020</u>	<u>\$ 15,518</u>	<u>\$ 11,025</u>	<u>\$ 9,906</u>	<u>\$ 1,385</u>	<u>\$ 1,847</u>	<u>\$ 1,857</u>	<u>\$ 1,494</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	21,000	9,349	18,000	12,479	5,850	2,171	4,800	181
Capital outlay	-	-	-	64	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 21,000</u>	<u>\$ 9,349</u>	<u>\$ 18,000</u>	<u>\$ 12,543</u>	<u>\$ 5,850</u>	<u>\$ 2,171</u>	<u>\$ 4,800</u>	<u>\$ 181</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	<u>\$ (11,980)</u>	<u>\$ 6,169</u>	<u>\$ (6,975)</u>	<u>\$ (2,637)</u>	<u>\$ (4,465)</u>	<u>\$ (324)</u>	<u>\$ (2,943)</u>	<u>\$ 1,313</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>16,811</u>	<u>16,811</u>	<u>22,980</u>	<u>22,980</u>	<u>5,191</u>	<u>5,191</u>	<u>4,867</u>	<u>4,867</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,831</u>	<u>\$ 22,980</u>	<u>\$ 16,005</u>	<u>\$ 20,343</u>	<u>\$ 726</u>	<u>\$ 4,867</u>	<u>\$ 1,924</u>	<u>\$ 6,180</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	911 FUND				HAVA ELECTION GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	270,000	262,119	270,000	272,160	-	-	-	-
Intergovernmental	-	-	-	-	2,038	2,038	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	110	173	160	407	-	-	-	-
Other	24,760	9,127	9,360	9,831	-	-	-	-
Transfers in	20,000	18,360	19,200	19,998	-	-	-	-
Total Receipts	<u>\$ 314,870</u>	<u>\$ 289,779</u>	<u>\$ 298,720</u>	<u>\$ 302,396</u>	<u>\$ 2,038</u>	<u>\$ 2,038</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ 155,800	\$ 150,645	\$ 160,000	\$ 161,813	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	52,710	51,733	57,070	56,573	-	-	-	-
Materials and supplies	700	578	700	164	-	-	-	-
Services and other	134,890	53,048	190,900	58,787	2,038	2,038	-	-
Capital outlay	1,200	8,673	1,200	77,600	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	8,500	8,500	7,750	7,750	-	-	-	-
Total Disbursements	<u>\$ 353,800</u>	<u>\$ 273,177</u>	<u>\$ 417,620</u>	<u>\$ 362,687</u>	<u>\$ 2,038</u>	<u>\$ 2,038</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (38,930)	\$ 16,602	\$ (118,900)	\$ (60,291)	\$ -	\$ -	\$ -	\$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>111,024</u>	<u>111,024</u>	<u>127,626</u>	<u>127,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 72,094</u>	<u>\$ 127,626</u>	<u>\$ 8,726</u>	<u>\$ 67,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZENS SERVICE BOARD FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 62,620	\$ 64,434	\$ 64,250	\$ 64,492	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	7,540	12,611	12,000	2,579
Interest	47	58	70	124	-	61	70	242
Other	-	-	-	-	-	-	-	-
Transfers in	704	704	941	941	-	-	-	-
Total Receipts	<u>\$ 63,371</u>	<u>\$ 65,196</u>	<u>\$ 65,261</u>	<u>\$ 65,557</u>	<u>\$ 7,540</u>	<u>\$ 12,672</u>	<u>\$ 12,070</u>	<u>\$ 2,821</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	350	325	350	154	7,500	622	7,500	30
Services and other	69,000	62,000	82,000	66,000	24,500	3,323	33,500	2,216
Capital outlay	-	-	-	-	-	82	-	1,963
Construction	-	-	-	-	-	-	-	-
Transfers out	100	100	100	100	-	-	-	-
Total Disbursements	<u>\$ 69,450</u>	<u>\$ 62,425</u>	<u>\$ 82,450</u>	<u>\$ 66,254</u>	<u>\$ 32,000</u>	<u>\$ 4,027</u>	<u>\$ 41,000</u>	<u>\$ 4,209</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (6,079)	\$ 2,771	\$ (17,189)	\$ (697)	\$ (24,460)	\$ 8,645	\$ (28,930)	\$ (1,388)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>15,153</u>	<u>15,153</u>	<u>17,924</u>	<u>17,924</u>	<u>35,235</u>	<u>35,235</u>	<u>43,880</u>	<u>43,880</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 9,074</u>	<u>\$ 17,924</u>	<u>\$ 735</u>	<u>\$ 17,227</u>	<u>\$ 10,775</u>	<u>\$ 43,880</u>	<u>\$ 14,950</u>	<u>\$ 42,492</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RESTHOME IMPROVEMENT FUND				COUNTY LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	4,000	4,000	4,000	3,100
Interest	3	3	3	10	150	171	160	560
Other	-	-	-	-	10,000	7,780	10,000	7,001
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 3	\$ 3	\$ 3	\$ 10	\$ 14,150	\$ 11,951	\$ 14,160	\$ 10,661
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	10,000	-	5,000	-
Services and other	1,944	120	1,827	40	90,000	29,470	85,000	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,944	\$ 120	\$ 1,827	\$ 40	\$ 100,000	\$ 29,470	\$ 90,000	\$ -
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,941)	\$ (117)	\$ (1,824)	\$ (30)	\$ (85,850)	\$ (17,519)	\$ (75,840)	\$ 10,661
CASH AND CASH EQUIVALENTS, JANUARY 1	1,944	1,944	1,827	1,827	108,962	108,962	91,443	91,443
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 3	\$ 1,827	\$ 3	\$ 1,797	\$ 23,112	\$ 91,443	\$ 15,603	\$ 102,104

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	697	-	-
Charges for services	5,022	8,327	8,300	8,818	-	-	-	-
Interest	-	29	30	98	15	13	-	47
Other	-	-	-	-	1,000	627	-	549
Transfers in	-	-	-	-	1,500	2,108	1,765	390
Total Receipts	<u>\$ 5,022</u>	<u>\$ 8,356</u>	<u>\$ 8,330</u>	<u>\$ 8,916</u>	<u>\$ 2,515</u>	<u>\$ 3,445</u>	<u>\$ 1,765</u>	<u>\$ 986</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	1,000	1,096
Services and other	19,000	13,456	14,550	5,844	10,500	2,775	8,200	1,573
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 19,000</u>	<u>\$ 13,456</u>	<u>\$ 14,550</u>	<u>\$ 5,844</u>	<u>\$ 10,500</u>	<u>\$ 2,775</u>	<u>\$ 9,200</u>	<u>\$ 2,669</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (13,978)	\$ (5,100)	\$ (6,220)	\$ 3,072	\$ (7,985)	\$ 670	\$ (7,435)	\$ (1,683)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>19,651</u>	<u>19,651</u>	<u>14,551</u>	<u>14,551</u>	<u>8,567</u>	<u>8,567</u>	<u>9,237</u>	<u>9,237</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 5,673</u>	<u>\$ 14,551</u>	<u>\$ 8,331</u>	<u>\$ 17,623</u>	<u>\$ 582</u>	<u>\$ 9,237</u>	<u>\$ 1,802</u>	<u>\$ 7,554</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

HEALTH REIMBURSEMENT FUND				
Year Ended December 31,				
	2016		2017	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers in	61,500	60,750	63,000	66,000
Total Receipts	<u>\$ 61,500</u>	<u>\$ 60,750</u>	<u>\$ 63,000</u>	<u>\$ 66,000</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	60,500	6,669	63,000	10,736
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 60,500</u>	<u>\$ 6,669</u>	<u>\$ 63,000</u>	<u>\$ 10,736</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 1,000	\$ 54,081	\$ -	\$ 55,264
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>125,570</u>	<u>125,570</u>	<u>179,651</u>	<u>179,651</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 126,570</u></u>	<u><u>\$ 179,651</u></u>	<u><u>\$ 179,651</u></u>	<u><u>\$ 234,915</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Atchison County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Atchison County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the Collector and Treasurer, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
 2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
 3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
 4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
 5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
 6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
 7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
 8. Budgets are prepared and adopted on the cash basis of accounting.
 9. Adoption of a formal budget is required by law.
 10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.
- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	2017	2016
Real Estate	\$ 79,047,867	\$ 79,002,167
Personal Property	33,231,322	33,238,228
Railroad and Utilities	21,178,162	21,767,124
Total	<u>\$ 133,457,351</u>	<u>\$ 134,007,519</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2017	2016
General Revenue	\$ 0.4927	\$ 0.4887
Road & Bridge	0.4927	0.4887
Senate Bill 40 Board	0.0986	0.0978
Senior Citizens Service Board	0.0492	0.0488
Special Road & Bridge	0.3500	0.3500

In addition to the levies above, the County assesses a \$0.50 levy to every agricultural acre in Atchison County to be used solely for rock. The property tax revenues of the Special Road & Bridge Fund consist of 69% of the collections from the Road & Bridge and Special Road & Bridge levies.

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash equivalents balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents includes deposits and short-term investments with maturities that are less than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$3,512,502 and \$2,594,895, respectively, and the bank balances were \$3,638,007 and \$2,742,114, respectively. Of the bank balances, \$500,000 for both December 31, 2017 and December 31, 2016, were covered by federal depository insurance. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$5,727,168 and \$5,486,814 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Atchison County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Atchison County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 11.0% and 10.9% (General), and 7.4% and 8.4% (Police) of annual covered payroll for 2017 and 2016 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2017 and 2016, the County contributed \$165,339 and \$162,063 to LAGERS.

4) Funding Status

As of February 28, 2017, the accrued liabilities exceeded the actuarial value of assets of the plan by \$257,489 for the General division and the actuarial value of assets exceeded the accrued liabilities by \$157,221 for the Police division. As of February 29, 2016, the accrued liabilities exceeded the actuarial value of assets of the plan by \$320,939 for the General division and the actuarial value of assets exceeded the accrued liabilities by \$127,791 for the Police division. These net pension assets and liabilities are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2017 and 2016, the County collected and remitted to CERF employee withholding and fees collected of \$111,881 and \$84,441, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,086 and \$2,525, respectively, for the years ended December 31, 2017 and 2016.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with up to 180 days of sick time, to accrue at one day per complete calendar month of employment. Upon termination, employees are compensated for up to 173 hours of accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of 48 hours per year up to 216 hours per year depending on length of employment. However, employees may only carry over a maximum of two years' worth of vacation hours from one year to the next. Any days accrued in excess of two years will be forfeited as they are earned. Upon termination, employees are compensated for up to 173 hours of unused vacation time.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Landfill

The County owns a solid waste disposal area and is obligated in the amount of \$389,628 to the Missouri Department of Natural Resources upon failure to close and/or provide post-closure care of the solid waste disposal area. At December 31, 2017, the County is not aware of any current obligation, however, any future obligations or liabilities related to the solid waste disposal area are unknown.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CAPITAL LEASES

On May 7, 2015, the County Commission entered into a \$196,650 capital lease with John Deere Financial for the lease purchase of a 2015 John Deere 672G Motor Grader at a nominal interest rate of 3.0%. The lease term is effective from May 13, 2015 to May 13, 2020, with five annual lease payments of \$42,995.

The following schedule shows changes in long-term debt outstanding during the year ended December 31, 2016:

Description	Balance	Additions	Payments	Balance	Interest
	12/31/2015			12/31/2016	Paid
Motor Grader	\$ 196,670	\$ -	\$ 34,198	\$ 162,472	\$ 8,797

The following schedule shows changes in long-term debt outstanding during the year ended December 31, 2017:

Description	Balance	Additions	Payments	Balance	Interest
	12/31/2016			12/31/2017	Paid
Motor Grader	\$ 162,472	\$ -	\$ 38,811	\$ 123,661	\$ 4,184

The following schedule represents future payments under capital lease obligations:

Year	Principal	Interest	Total
2018	\$ 39,992	\$ 3,003	\$ 42,995
2019	41,208	1,787	42,995
2020	42,461	534	42,995
Totals	<u>\$ 123,661</u>	<u>\$ 5,324</u>	<u>\$ 128,985</u>

8. INTERFUND LOAN

In May 2013, the County purchased an excavator for the Road & Bridge department in the amount of \$126,655 out of the Mitigation Fund, with the Special Road & Bridge Fund reimbursing the Mitigation Fund over five years. The agreement called for five annual payments of \$26,871, including interest at 2%. The final payment is due in June 2018. These payments are reflected as transfers between the funds in the financial statements.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 18, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Atchison County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Atchison County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Atchison County, Missouri's basic financial statements and have issued our report thereon dated July 18, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Atchison County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Atchison County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Atchison County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Atchison County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
July 18, 2018

FINDINGS AND RECOMMENDATIONS

ATCHISON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

None

ATCHISON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Atchison County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013 and 2012.

1. The County did not prepare a budget for the Multi-Purpose Election fund for 2013 and 2012.

Status: Resolved.

2. The County did not perform a formal fraud risk assessment.

Status: Resolved.

3. The County printed and signed checks in the accounting software in order to initiate transfers between funds. The checks were signed by all authorized signatories for formal approval of interfund transfers, however, they remained in County possession and were never submitted to the bank for processing.

Status: Resolved.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Hickory County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Hickory County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-083

ANNUAL FINANCIAL REPORT

HICKORY COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

HICKORY COUNTY, MISSOURI

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INTRODUCTORY SECTION

HICKORY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Robert Sawyer

Eastern Commissioner – Chase Crawford

Western Commissioner – Rick Pearson

Other Elected Officials

Assessor – Clint Baker

Circuit Clerk – Cee Cee Smith

Collector – Karen Stokes

Coroner – Connie Boller

County Clerk – Jeanne Lindsey

Prosecuting Attorney – J. Michael Brown

Public Administrator – Venessa Prettyman

Recorder – Pamela Hutton

Sheriff – W. Brian Whalen

Treasurer – Kenny Ratliff

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: 816-221-4559, F: 816-221-4563
E: admin@mcbriделock.com

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Hickory County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Hickory County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Hickory County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Hickory County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position, or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Hickory County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 31, 2018, on our consideration of Hickory County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



McBride, Lock & Associates, LLC
Kansas City, Missouri
July 31, 2018

HICKORY COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Investments	Receipts	Disbursements	Cash and Investments	Receipts	Disbursements	Cash and Investments
	January 1, 2016	2016	2016	December 31, 2016	2017	2017	December 31, 2017
General Revenue	\$ 544,791	\$ 1,387,280	\$ 1,263,030	\$ 669,041	\$ 1,496,082	\$ 1,268,399	\$ 896,724
Special Road & Bridge	519,612	827,768	1,216,227	131,153	830,153	887,597	73,709
Assessment	26,786	156,387	143,978	39,195	152,148	144,711	46,632
Law Enforcement Training	3,519	1,078	1,500	3,097	906	1,495	2,508
Prosecuting Attorney Training	712	270	-	982	229	-	1,211
Recorder User Fees	5,924	7,009	6,567	6,366	7,420	5,499	8,287
Law Enforcement Drug	15,189	70	15,250	9	-	9	-
P.A. Administrative Handling	5,099	2,829	454	7,474	4,095	1,430	10,139
Children's Special	1,298	1,332	1,297	1,333	1,138	1,332	1,139
Law Enforcement Post Commission	2,199	492	500	2,191	484	500	2,175
Sheriff's Special	19,786	5,073	9,699	15,160	3,092	17,898	354
Election Services	9,602	64,935	72,866	1,671	3,722	2,942	2,451
Tax Maintenance	52,322	12,231	10,367	54,186	12,640	14,050	52,776
Capital Projects	659,906	28,572	-	688,478	4,867	-	693,345
Sheriff's Revolving	33,321	14,743	7,852	40,212	721	17,972	22,961
County Law Enforcement Restitution	10,049	3,670	3,455	10,264	9,211	4,000	15,475
Inmate Security	8,515	2,623	2,500	8,638	6,966	7,055	8,549
K-9	41	-	41	-	-	-	-
Law Enforcement Sales Tax	53,951	654,990	656,321	52,620	725,264	724,412	53,472
John Sally Trust	62,129	440	50	62,519	476	-	62,995
Emergency Storm Damage	1,556	-	1,556	-	-	-	-
Total	<u>\$ 2,036,307</u>	<u>\$ 3,171,792</u>	<u>\$ 3,413,510</u>	<u>\$ 1,794,589</u>	<u>\$ 3,259,614</u>	<u>\$ 3,099,301</u>	<u>\$ 1,954,902</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 200,900	\$ 226,159	\$ 209,500	\$ 202,270
Sales taxes	680,000	679,417	675,000	710,243
Intergovernmental	429,311	277,493	390,282	387,661
Charges for services	132,400	151,966	137,450	150,158
Interest	4,500	4,514	4,400	5,804
Other	50,720	32,920	25,049	30,383
Transfers in	14,811	14,811	9,655	9,563
Total Receipts	<u>\$ 1,512,642</u>	<u>\$ 1,387,280</u>	<u>\$ 1,451,336</u>	<u>\$ 1,496,082</u>
DISBURSEMENTS				
County Commission	\$ 84,222	\$ 82,928	\$ 81,740	\$ 80,675
County Clerk	64,758	61,404	68,660	67,096
Elections	59,882	54,864	48,011	46,709
Buildings and grounds	128,826	116,793	160,504	123,253
Employee fringe benefits	65,295	54,711	66,800	57,244
Treasurer	41,600	41,112	40,550	39,711
Collector	81,530	80,255	83,280	78,608
Recorder of Deeds	50,544	50,316	56,954	50,641
Circuit Clerk	7,500	4,020	10,500	8,409
Court administration	10,909	929	15,009	9,312
Public Administrator	24,924	22,023	24,700	22,826
Jail	47,500	46,267	62,000	50,885
Prosecuting Attorney	82,605	76,948	84,901	76,783
Juvenile Officer	24,496	22,073	25,130	23,037
Coroner	19,400	13,714	25,600	20,413
Other County government	190,035	183,662	188,818	172,797
Transfers out	351,010	351,011	340,000	340,000
Emergency fund	40,800	-	43,800	-
Total Disbursements	<u>\$ 1,375,836</u>	<u>\$ 1,263,030</u>	<u>\$ 1,426,957</u>	<u>\$ 1,268,399</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 136,806	\$ 124,250	\$ 24,379	\$ 227,683
CASH AND INVESTMENTS, JANUARY 1	<u>544,791</u>	<u>544,791</u>	<u>669,041</u>	<u>669,041</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 681,597</u>	<u>\$ 669,041</u>	<u>\$ 693,420</u>	<u>\$ 896,724</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 280,600	\$ 300,988	\$ 306,500	\$ 298,937	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	461,850	518,076	522,710	529,143	104,509	111,151	107,645	107,499
Charges for services	-	-	-	-	4,000	4,930	4,500	4,278
Interest	2,800	2,996	2,700	1,663	170	220	200	258
Other	1,000	5,708	9,500	410	-	86	86	113
Transfers in	-	-	-	-	40,000	40,000	40,000	40,000
Total Receipts	<u>\$ 746,250</u>	<u>\$ 827,768</u>	<u>\$ 841,410</u>	<u>\$ 830,153</u>	<u>\$ 148,679</u>	<u>\$ 156,387</u>	<u>\$ 152,431</u>	<u>\$ 152,148</u>
DISBURSEMENTS								
Salaries	\$ 250,178	\$ 249,286	\$ 279,719	\$ 271,158	\$ 107,144	\$ 105,861	\$ 107,700	\$ 104,801
Employee fringe benefits	59,350	55,656	66,615	66,888	21,222	20,121	22,612	21,278
Materials and supplies	122,600	125,357	142,226	141,496	4,000	4,010	4,000	4,542
Services and other	29,800	27,325	30,600	29,998	18,282	13,986	21,700	14,090
Capital outlay	543,710	542,758	175,914	176,864	-	-	-	-
Construction	191,603	186,848	202,382	201,193	-	-	-	-
Transfers out	28,997	28,997	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,226,238</u>	<u>\$ 1,216,227</u>	<u>\$ 897,456</u>	<u>\$ 887,597</u>	<u>\$ 150,648</u>	<u>\$ 143,978</u>	<u>\$ 156,012</u>	<u>\$ 144,711</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (479,988)	\$ (388,459)	\$ (56,046)	\$ (57,444)	\$ (1,969)	\$ 12,409	\$ (3,581)	\$ 7,437
CASH AND INVESTMENTS, JANUARY 1	519,612	519,612	131,153	131,153	26,786	26,786	39,195	39,195
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 39,624</u>	<u>\$ 131,153</u>	<u>\$ 75,107</u>	<u>\$ 73,709</u>	<u>\$ 24,817</u>	<u>\$ 39,195</u>	<u>\$ 35,614</u>	<u>\$ 46,632</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,100	1,078	1,000	906	280	270	280	229
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 1,100	\$ 1,078	\$ 1,000	\$ 906	\$ 280	\$ 270	\$ 280	\$ 229
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,500	1,500	1,500	1,495	300	-	800	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,495	\$ 300	\$ -	\$ 800	\$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (400)	\$ (422)	\$ (500)	\$ (589)	\$ (20)	\$ 270	\$ (520)	\$ 229
CASH AND INVESTMENTS, JANUARY 1	3,519	3,519	3,097	3,097	712	712	982	982
CASH AND INVESTMENTS, DECEMBER 31	\$ 3,119	\$ 3,097	\$ 2,597	\$ 2,508	\$ 692	\$ 982	\$ 462	\$ 1,211

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FEES FUND				LAW ENFORCEMENT DRUG FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	7,000	6,959	7,000	7,364	-	-	-	-
Interest	70	50	70	56	61	70	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,070</u>	<u>\$ 7,009</u>	<u>\$ 7,070</u>	<u>\$ 7,420</u>	<u>\$ 61</u>	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	5,650	491	-	-	-	-	-	-
Services and other	5,000	4,580	9,800	3,894	4,500	4,500	9	9
Capital outlay	-	-	-	-	10,750	10,750	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	1,496	1,496	1,605	1,605	-	-	-	-
Total Disbursements	<u>\$ 12,146</u>	<u>\$ 6,567</u>	<u>\$ 11,405</u>	<u>\$ 5,499</u>	<u>\$ 15,250</u>	<u>\$ 15,250</u>	<u>\$ 9</u>	<u>\$ 9</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (5,076)	\$ 442	\$ (4,335)	\$ 1,921	\$ (15,189)	\$ (15,180)	\$ (9)	\$ (9)
CASH AND INVESTMENTS, JANUARY 1	<u>5,924</u>	<u>5,924</u>	<u>6,366</u>	<u>6,366</u>	<u>15,189</u>	<u>15,189</u>	<u>9</u>	<u>9</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 848</u>	<u>\$ 6,366</u>	<u>\$ 2,031</u>	<u>\$ 8,287</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	P.A. ADMINISTRATIVE HANDLING FUND				CHILDREN'S SPECIAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,225	2,785	2,800	4,031	1,200	1,319	1,250	1,125
Interest	30	44	40	64	12	13	15	13
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,255</u>	<u>\$ 2,829</u>	<u>\$ 2,840</u>	<u>\$ 4,095</u>	<u>\$ 1,212</u>	<u>\$ 1,332</u>	<u>\$ 1,265</u>	<u>\$ 1,138</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,500	194	1,500	-	-	-	-	-
Services and other	300	260	300	230	1,297	1,297	1,332	1,332
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	1,292	1,200	-	-	-	-
Total Disbursements	<u>\$ 1,800</u>	<u>\$ 454</u>	<u>\$ 3,092</u>	<u>\$ 1,430</u>	<u>\$ 1,297</u>	<u>\$ 1,297</u>	<u>\$ 1,332</u>	<u>\$ 1,332</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 455	\$ 2,375	\$ (252)	\$ 2,665	\$ (85)	\$ 35	\$ (67)	\$ (194)
CASH AND INVESTMENTS, JANUARY 1	<u>5,099</u>	<u>5,099</u>	<u>7,474</u>	<u>7,474</u>	<u>1,298</u>	<u>1,298</u>	<u>1,333</u>	<u>1,333</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 5,554</u>	<u>\$ 7,474</u>	<u>\$ 7,222</u>	<u>\$ 10,139</u>	<u>\$ 1,213</u>	<u>\$ 1,333</u>	<u>\$ 1,266</u>	<u>\$ 1,139</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT POST COMMISSION FUND				SHERIFF'S SPECIAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	500	492	400	484	-	-	-	-
Charges for services	-	-	-	-	7,000	5,073	3,500	3,092
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 500	\$ 492	\$ 400	\$ 484	\$ 7,000	\$ 5,073	\$ 3,500	\$ 3,092
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	8,800	6,286	11,450	11,224
Services and other	500	500	500	500	4,350	3,413	6,900	6,674
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 500	\$ 500	\$ 500	\$ 500	\$ 13,150	\$ 9,699	\$ 18,350	\$ 17,898
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (8)	\$ (100)	\$ (16)	\$ (6,150)	\$ (4,626)	\$ (14,850)	\$ (14,806)
CASH AND INVESTMENTS, JANUARY 1	2,199	2,199	2,191	2,191	19,786	19,786	15,160	15,160
CASH AND INVESTMENTS, DECEMBER 31	\$ 2,199	\$ 2,191	\$ 2,091	\$ 2,175	\$ 13,636	\$ 15,160	\$ 310	\$ 354

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICES FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	12,737	12,738	1,623	1,623	-	-	-	-
Charges for services	2,350	1,078	2,870	2,091	12,500	11,829	11,800	12,226
Interest	60	109	100	8	450	402	390	414
Other	-	-	-	-	-	-	-	-
Transfers in	51,010	51,010	-	-	-	-	-	-
Total Receipts	<u>\$ 66,157</u>	<u>\$ 64,935</u>	<u>\$ 4,593</u>	<u>\$ 3,722</u>	<u>\$ 12,950</u>	<u>\$ 12,231</u>	<u>\$ 12,190</u>	<u>\$ 12,640</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	2,300	854
Services and other	2,500	1,856	3,008	2,942	36,000	3,609	31,000	6,438
Capital outlay	71,010	71,010	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	6,758	6,758	6,758	6,758
Total Disbursements	<u>\$ 73,510</u>	<u>\$ 72,866</u>	<u>\$ 3,008</u>	<u>\$ 2,942</u>	<u>\$ 42,758</u>	<u>\$ 10,367</u>	<u>\$ 40,058</u>	<u>\$ 14,050</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,353)	\$ (7,931)	\$ 1,585	\$ 780	\$ (29,808)	\$ 1,864	\$ (27,868)	\$ (1,410)
CASH AND INVESTMENTS, JANUARY 1	<u>9,602</u>	<u>9,602</u>	<u>1,671</u>	<u>1,671</u>	<u>52,322</u>	<u>52,322</u>	<u>54,186</u>	<u>54,186</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 2,249</u>	<u>\$ 1,671</u>	<u>\$ 3,256</u>	<u>\$ 2,451</u>	<u>\$ 22,514</u>	<u>\$ 54,186</u>	<u>\$ 26,318</u>	<u>\$ 52,776</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CAPITAL PROJECTS FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	12,000	14,486	10,000	527
Interest	4,800	4,575	4,500	4,867	200	257	230	194
Other	-	-	-	-	-	-	-	-
Transfers in	23,977	23,997	-	-	-	-	-	-
Total Receipts	<u>\$ 28,777</u>	<u>\$ 28,572</u>	<u>\$ 4,500</u>	<u>\$ 4,867</u>	<u>\$ 12,200</u>	<u>\$ 14,743</u>	<u>\$ 10,230</u>	<u>\$ 721</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	6,500	3,818	8,750	1,877
Services and other	-	-	-	-	4,500	4,034	19,500	16,095
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ 7,852</u>	<u>\$ 28,250</u>	<u>\$ 17,972</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 28,777	\$ 28,572	\$ 4,500	\$ 4,867	\$ 1,200	\$ 6,891	\$ (18,020)	\$ (17,251)
CASH AND INVESTMENTS, JANUARY 1	<u>659,906</u>	<u>659,906</u>	<u>688,478</u>	<u>688,478</u>	<u>33,321</u>	<u>33,321</u>	<u>40,212</u>	<u>40,212</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 688,683</u>	<u>\$ 688,478</u>	<u>\$ 692,978</u>	<u>\$ 693,345</u>	<u>\$ 34,521</u>	<u>\$ 40,212</u>	<u>\$ 22,192</u>	<u>\$ 22,961</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,000	3,670	8,650	9,211	2,200	2,623	9,200	6,966
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 2,000	\$ 3,670	\$ 8,650	\$ 9,211	\$ 2,200	\$ 2,623	\$ 9,200	\$ 6,966
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	6,000	3,455	-	-	2,500	2,500	8,550	7,055
Services and other	-	-	8,000	4,000	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 6,000	\$ 3,455	\$ 8,000	\$ 4,000	\$ 2,500	\$ 2,500	\$ 8,550	\$ 7,055
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,000)	\$ 215	\$ 650	\$ 5,211	\$ (300)	\$ 123	\$ 650	\$ (89)
CASH AND INVESTMENTS, JANUARY 1	10,049	10,049	10,264	10,264	8,515	8,515	8,638	8,638
CASH AND INVESTMENTS, DECEMBER 31	\$ 6,049	\$ 10,264	\$ 10,914	\$ 15,475	\$ 8,215	\$ 8,638	\$ 9,288	\$ 8,549

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	K-9 FUND				LAW ENFORCEMENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	330,000	339,710	336,300	355,370
Intergovernmental	-	-	-	-	-	-	-	22,734
Charges for services	-	-	-	-	15,000	31,560	22,955	41,020
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	41,549	23,720	48,114	6,140
Transfers in	-	-	-	-	260,000	260,000	300,000	300,000
Total Receipts	\$ -	\$ -	\$ -	\$ -	\$ 646,549	\$ 654,990	\$ 707,369	\$ 725,264
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 460,711	\$ 458,493	\$ 470,912	\$ 460,375
Employee fringe benefits	-	-	-	-	65,862	64,539	76,757	67,976
Materials and supplies	-	-	-	-	67,475	47,297	96,174	91,458
Services and other	41	41	-	-	-	-	-	-
Capital outlay	-	-	-	-	86,730	85,992	107,000	104,603
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 41	\$ 41	\$ -	\$ -	\$ 680,778	\$ 656,321	\$ 750,843	\$ 724,412
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (41)	\$ (41)	\$ -	\$ -	\$ (34,229)	\$ (1,331)	\$ (43,474)	\$ 852
CASH AND INVESTMENTS, JANUARY 1	41	41	-	-	53,951	53,951	52,620	52,620
CASH AND INVESTMENTS, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 19,722	\$ 52,620	\$ 9,146	\$ 53,472

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JOHN SALLY TRUST FUND				EMERGENCY STORM DAMAGE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	440	440	440	476	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 440</u>	<u>\$ 440</u>	<u>\$ 440</u>	<u>\$ 476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,000	50	5,000	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	1,556	1,556	-	-
Total Disbursements	<u>\$ 5,000</u>	<u>\$ 50</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 1,556</u>	<u>\$ 1,556</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,560)	\$ 390	\$ (4,560)	\$ 476	\$ (1,556)	\$ (1,556)	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>62,129</u>	<u>62,129</u>	<u>62,519</u>	<u>62,519</u>	<u>1,556</u>	<u>1,556</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 57,569</u>	<u>\$ 62,519</u>	<u>\$ 57,959</u>	<u>\$ 62,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hickory County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Hickory County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the Collector and Treasurer, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
 2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
 3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
 4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
 5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
 6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
 7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
 8. Budgets are prepared and adopted on the cash basis of accounting.
 9. Adoption of a formal budget is required by law.
 10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. The County did not have any funds which had actual expenditures exceed budgeted amounts.
- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	2017	2016
Real Estate	\$ 85,422,400	\$ 84,057,940
Personal Property	31,317,212	31,449,068
Railroad and Utilities	7,781,986	7,975,466
Total	<u>\$ 124,521,598</u>	<u>\$ 123,482,474</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2017	2016
General Revenue	\$ 0.1790	\$ 0.1577
Special Road & Bridge	\$ 0.2405	\$ 0.2402

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$1,954,902 and \$1,794,589, respectively, and the bank balances were \$2,186,134 and \$1,889,249, respectively. Of the bank balances, \$312,896 and \$312,419 for December 31, 2017 and 2016, respectively, were covered by federal depository insurance. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$2,752,463 and \$2,650,270 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior

plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2017 and 2016, the County collected and remitted to CERF employee withholding and fees collected of \$110,598 and \$103,519, respectively, for the years then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. During 2017 and 2016, the County contributed \$3,366 and \$2,618, respectively.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

Regular full-time employees accumulate sick leave at the rate of one day for each month of employment. Part-time employees accumulate four hours of sick leave each month. Sick leave may be carried over from one year to the next. Unused sick leave will be forfeited upon resignation, retirement, dismissal or death. No compensation shall be paid for unused sick leave.

Employees are entitled to five days of vacation leave after one full year of employment, ten days after two full years of employment, and fifteen days after ten full years of employment.

Vacation leave cannot be carried over from one year to the next. Years are based on the employee's anniversary date for leave purposes.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CAPITAL LEASE

On October 15, 2015, the County Commission entered into a \$837,676 capital lease with John Deere Financial for the lease purchase of four 2015 John Deere 670GP motor graders at a nominal interest rate of 2.50%. The lease term is effective from October 15, 2015, through October 15, 2021, with monthly interest payments and six annual lease payments. The outstanding debt as of December 31, 2017, is as follows:

Year	Principal	Interest	Total
2018	\$ 61,272	\$ 18,242	\$ 79,514
2019	62,825	16,689	79,514
2020	64,417	15,097	79,514
2021	531,176	13,501	544,677
Totals	<u>\$ 719,690</u>	<u>\$ 63,529</u>	<u>\$ 783,219</u>

8. OPERATING LEASE

In April, 2017, the County entered into a 60 month operating lease for a Hewlett Packard Design Jet Plotter and support contract for the Assessor's Department. The lease is to be paid in monthly payments of \$209, which includes support of \$10 per month, with the final payment scheduled on August 15, 2022.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 31, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

McBride, Lock & Associates, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Hickory County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hickory County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Hickory County, Missouri's basic financial statements and have issued our report thereon dated July 31, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hickory County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hickory County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Hickory County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and recommendations as 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hickory County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Hickory County, Missouri's Response to Findings

Hickory County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. Hickory County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
July 31, 2018

FINDINGS AND RECOMMENDATIONS

HICKORY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2017-001: Treasurer's Account Bank Reconciliation

Criteria: The Treasurer is charged with maintaining accountability over funds in the county treasury. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per the accounting records agree to the cash balances held in the bank.

Condition: At both December 31, 2017 and December 31, 2016, the Treasurer's Annual Settlement did not agree to the respective reconciled bank account balances for the Treasurer's main checking account. At December 31, 2017, the Treasurer's Annual Settlement had a stated cash balance of \$1,954,799, however, the bank reconciliations for December 31, 2017 showed a reconciled bank balance of \$1,952,694, a difference of \$2,105. At December 31, 2016, the Treasurer's Annual Settlement had a stated cash balance of \$1,773,821, however, the bank reconciliation for December 31, 2016 showed a reconciled bank balance of \$1,771,729, a difference of \$2,092. A variance was noted each month during the audit period between the Treasurer's Settlement and reconciled bank balances. Additionally, it was noted the Treasurer did not maintain a copy of the January 2016 bank reconciliation for the Treasurer's main checking account.

Cause: The variance could not be explained by the County Treasurer.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the County's cash balances due to error or misappropriation is heightened.

Recommendation: We recommend the Treasurer implement the necessary procedures to ensure the bank balances reconcile to the book balance of the County's funds when performing the bank reconciliations on a monthly basis.

County's Response: The County will follow-up with the Treasurer to ensure the monthly reconciled bank account balances are agreed to the Treasurer's Settlement so that variances are followed-up on and corrected in a timely manner.

Auditor's Response: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

None

HICKORY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Hickory County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2015 and 2014.

There were no applicable findings in the prior audit report to follow-up on.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Shannon County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Shannon County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-082

**The County of Shannon
Eminence, Missouri
Financial Statements, Independent Auditor's Reports and Supplementary Information
December 31, 2017 & 2016**



**The County of Shannon
Eminence, Missouri
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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Shannon County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Shannon County, Missouri, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Shannon County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Shannon County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Shannon County, Missouri as of December 31, 2017 and 2016, or changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Shannon County, Missouri as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Matters

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shannon County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018 on our consideration of Shannon County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Shannon County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shannon County, Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
June 29, 2018

The County of Shannon
Eminence, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017

<u>Fund</u>	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	\$ 46,421	\$ 1,232,492	\$ 1,157,351	\$ 121,562
Special Road and Bridge	926,443	1,150,577	1,315,259	761,761
Assessment	-	125,291	117,043	8,248
Sheriff Revolving	23,534	429	640	23,323
Sheriff Civil Fee	24,697	26,997	39,143	12,551
Prosecuting Attorney Administrative Handling Cost	-	431	-	431
Prosecuting Attorney Training	3,979	433	-	4,412
Law Enforcement Training	1,287	1,665	2,550	402
Law Enforcement Training P.O.S.T.	2,258	892	2,257	893
Crime Victim Advocate	8,500	27,285	35,756	29
County Clerk	6,426	2,041	3,132	5,335
Tax Maintenance	29,059	11,835	1,073	39,821
Title III	98,824	214	32,965	66,073
Law Enforcement Restitution	2,525	307	-	2,832
Shelter for Abused Victims	952	664	-	1,616
Recorder	8,891	1,692	-	10,583
Recorder User Fee	21,928	2,852	-	24,780
Recorder Equipment	6,210	6,222	-	12,432
Local Emergency Planning Commission	560	2,088	83	2,565
Help America Vote Act	95	-	-	95
Prosecuting Attorney State Tax Commission	13,954	621	10,625	3,950
Family Service	2,062	1,477	-	3,539
Community Development Block Grant	-	8,488	8,488	-
National Forest	-	147,129	147,129	-
Senior Citizens Service Board	8,183	37,874	35,137	10,920
Senate Bill 40 Board	144,977	100,016	60,812	184,181
Total	<u>\$ 1,381,765</u>	<u>\$ 2,890,012</u>	<u>\$ 2,969,443</u>	<u>\$ 1,302,334</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2016

<u>Fund</u>	Cash and Equivalents January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Equivalents December 31, 2016
General Revenue	\$ 174,438	\$ 1,134,679	\$ 1,262,696	\$ 46,421
Special Road and Bridge	188,030	1,950,207	1,211,794	926,443
Assessment	-	103,636	103,636	-
Sheriff Revolving	16,981	15,372	8,819	23,534
Sheriff Civil Fee	33,680	45,704	54,687	24,697
Prosecuting Attorney Administrative Handling Cost	-	-	-	-
Prosecuting Attorney Training	3,385	594	-	3,979
Law Enforcement Training	737	2,270	1,720	1,287
Law Enforcement Training P.O.S.T.	1,491	767	-	2,258
Crime Victim Advocate	7,588	35,373	34,461	8,500
County Clerk	4,916	2,593	1,083	6,426
Tax Maintenance	28,399	9,698	9,038	29,059
Title III	66,749	40,127	8,052	98,824
Law Enforcement Restitution	3,821	3,456	4,752	2,525
Shelter for Abused Victims	451	501	-	952
Recorder	7,047	1,844	-	8,891
Recorder User Fee	18,908	3,020	-	21,928
Recorder Equipment	801	5,409	-	6,210
Local Emergency Planning Commission	559	1	-	560
Help America Vote Act	95	-	-	95
Prosecuting Attorney State Tax Commission	17,043	2,078	5,167	13,954
Family Service	2,137	1,753	1,828	2,062
Community Development Block Grant	-	47,154	47,154	-
National Forest	-	388,450	388,450	-
Senior Citizens Service Board	5,851	36,832	34,500	8,183
Senate Bill 40 Board	128,211	74,066	57,300	144,977
Total	\$ 711,318	\$ 3,905,584	\$ 3,235,137	\$ 1,381,765

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	General Revenue Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 114,900	\$ 132,131	\$ 124,500	\$ 115,667
Sales Taxes	561,000	563,090	540,000	561,019
Intergovernmental	282,763	344,088	276,532	287,041
Charges for Services	160,200	165,059	134,500	161,730
Interest	480	317	600	481
Other Receipts	-	12,113	-	3,141
Transfers In	37,300	15,694	-	5,600
Total Receipts	<u>\$ 1,156,643</u>	<u>\$ 1,232,492</u>	<u>\$ 1,076,132</u>	<u>\$ 1,134,679</u>
Disbursements				
County Commission	\$ 97,481	\$ 93,204	\$ 96,161	\$ 90,137
County Clerk	95,225	94,719	95,025	93,181
Elections	-	20,529	32,816	66,800
Building and Grounds	80,000	70,041	100,000	95,089
Employee Fringe Benefits	35,887	31,323	35,887	35,362
County Treasurer	46,430	43,224	46,430	43,858
Collector	92,050	94,048	92,050	89,713
Recorder of Deeds	32,170	25,446	32,170	27,125
Circuit Clerk	43,790	28,091	43,790	36,150
Court Administration	2,022	1,047	2,522	919
Public Administrator	23,010	21,834	21,010	18,759
Sheriff	279,000	332,173	277,050	271,980
Jail	85,719	48,342	85,719	79,321
Prosecuting Attorney	82,627	79,728	82,627	81,882
Juvenile Officer	52,473	47,341	52,473	49,527
Coroner	25,275	21,127	24,800	22,705
Public Defender	3,340	2,420	3,040	2,992
Court Reporter	973	725	973	657
Other Disbursements	102,966	82,295	95,333	121,953
Transfers Out	19,694	19,694	28,335	34,586
Emergency Fund	-	-	-	-
Total Disbursements	<u>\$ 1,200,132</u>	<u>\$ 1,157,351</u>	<u>\$ 1,248,211</u>	<u>\$ 1,262,696</u>
Receipts Over (Under)				
Disbursements	\$ (43,489)	\$ 75,141	\$ (172,079)	\$ (128,017)
Cash and Cash Equivalents				
January 1	<u>46,421</u>	<u>46,421</u>	<u>174,438</u>	<u>174,438</u>
Cash and Cash Equivalents				
December 31	<u><u>\$ 2,932</u></u>	<u><u>\$ 121,562</u></u>	<u><u>\$ 2,359</u></u>	<u><u>\$ 46,421</u></u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Special Road and Bridge Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 175,431	\$ 187,859	\$ 170,000	\$ 183,131
Sales Taxes	-	-	-	-
Intergovernmental	798,611	886,744	1,032,500	1,664,787
Charges for Services	-	-	-	2,840
Interest	1,516	1,683	600	1,516
Other Receipts	-	37,509	-	10,795
Transfers In	87,138	36,782	85,000	87,138
Total Receipts	<u>\$ 1,062,696</u>	<u>\$ 1,150,577</u>	<u>\$ 1,288,100</u>	<u>\$ 1,950,207</u>
<u>Disbursements</u>				
Salaries	\$ 354,428	\$ 401,172	\$ 354,428	\$ 374,590
Employee Fringe Benefits	99,702	131,161	99,702	110,602
Supplies	218,151	251,558	218,151	216,777
Insurance	16,526	28,931	16,526	17,556
Road and Bridge Materials	51,000	16,895	51,000	74,161
Equipment Repairs	36,000	58,571	36,000	49,236
Equipment Purchases	93,784	72,041	93,784	115,179
Road and Bridge Construction	-	294,982	-	179,707
Other Disbursements	80,409	59,948	80,409	73,986
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 950,000</u>	<u>\$ 1,315,259</u>	<u>\$ 950,000</u>	<u>\$ 1,211,794</u>
Receipts Over (Under)				
Disbursements	\$ 112,696	\$ (164,682)	\$ 338,100	\$ 738,413
Cash and Cash Equivalents				
January 1	<u>926,443</u>	<u>926,443</u>	<u>188,030</u>	<u>188,030</u>
Cash and Cash Equivalents				
December 31	<u>\$ 1,039,139</u>	<u>\$ 761,761</u>	<u>\$ 526,130</u>	<u>\$ 926,443</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Assessment Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	81,330	97,883	84,565	64,270
Charges for Services	-	2,108	4,500	3,527
Interest	-	46	-	23
Other Receipts	-	1,181	-	1,230
Transfers In	32,717	24,073	28,335	34,586
Total Receipts	<u>\$ 114,047</u>	<u>\$ 125,291</u>	<u>\$ 117,400</u>	<u>\$ 103,636</u>
 <u>Disbursements</u>				
Salaries	\$ 66,247	\$ 62,853	\$ 85,550	\$ 61,962
Employee Fringe Benefits	19,000	21,898	8,850	18,793
Materials and Supplies	6,500	27,470	4,500	7,551
Services and Other	5,500	4,822	5,000	7,330
Capital Outlay	16,800	-	13,500	8,000
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 114,047</u>	<u>\$ 117,043</u>	<u>\$ 117,400</u>	<u>\$ 103,636</u>
 Receipts Over (Under)				
Disbursements	\$ -	\$ 8,248	\$ -	\$ -
 Cash and Cash Equivalents				
January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash and Cash Equivalents				
December 31	<u>\$ -</u>	<u>\$ 8,248</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Sheriff Revolving Fund				Sheriff Civil Fee Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	7
Charges for Services	15,000	373	10,000	15,308	5,035	11,807	50,000	39,224
Interest	-	56	75	64	-	40	75	67
Other Receipts	-	-	-	-	-	15,150	-	6,406
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 15,000</u>	<u>\$ 429</u>	<u>\$ 10,075</u>	<u>\$ 15,372</u>	<u>\$ 5,035</u>	<u>\$ 26,997</u>	<u>\$ 50,075</u>	<u>\$ 45,704</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,902	\$ -	\$ 35,495
Employee Fringe Benefits	-	-	-	-	-	1,054	-	6,198
Materials and Supplies	20,000	-	10,000	779	-	2,375	-	-
Services and Other	18,000	640	-	40	29,000	5,972	60,000	2,576
Capital Outlay	-	-	-	-	-	25,840	-	10,418
Transfers Out	-	-	8,000	8,000	-	-	-	-
Total Disbursements	<u>\$ 38,000</u>	<u>\$ 640</u>	<u>\$ 18,000</u>	<u>\$ 8,819</u>	<u>\$ 29,000</u>	<u>\$ 39,143</u>	<u>\$ 60,000</u>	<u>\$ 54,687</u>
Receipts Over (Under)								
Disbursements	\$ (23,000)	\$ (211)	\$ (7,925)	\$ 6,553	\$ (23,965)	\$ (12,146)	\$ (9,925)	\$ (8,983)
Cash and Cash Equivalents								
January 1	<u>23,534</u>	<u>23,534</u>	<u>16,981</u>	<u>16,981</u>	<u>24,697</u>	<u>24,697</u>	<u>33,680</u>	<u>33,680</u>
Cash and Cash Equivalents								
December 31	<u>\$ 534</u>	<u>\$ 23,323</u>	<u>\$ 9,056</u>	<u>\$ 23,534</u>	<u>\$ 732</u>	<u>\$ 12,551</u>	<u>\$ 23,755</u>	<u>\$ 24,697</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Prosecuting Attorney Administrative Handling Cost Fund				Prosecuting Attorney Training Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	430	-	-	700	423	800	585
Interest	-	1	-	-	10	10	15	9
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 710</u>	<u>\$ 433</u>	<u>\$ 815</u>	<u>\$ 594</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	4,000	-	4,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ 431	\$ -	\$ -	\$ (3,290)	\$ 433	\$ (3,185)	\$ 594
Cash and Cash Equivalents								
January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,979</u>	<u>3,979</u>	<u>3,385</u>	<u>3,385</u>
Cash and Cash Equivalents								
December 31	<u>\$ -</u>	<u>\$ 431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689</u>	<u>\$ 4,412</u>	<u>\$ 200</u>	<u>\$ 3,979</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Law Enforcement Training Fund				Law Enforcement Training P.O.S.T. Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,000	890	1,000	763
Charges for Services	2,400	1,664	2,100	2,268	-	-	-	-
Interest	3	1	5	2	5	2	5	4
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,403</u>	<u>\$ 1,665</u>	<u>\$ 2,105</u>	<u>\$ 2,270</u>	<u>\$ 1,005</u>	<u>\$ 892</u>	<u>\$ 1,005</u>	<u>\$ 767</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	264	-	-	-	-
Materials and Supplies	-	-	-	-	2,000	2,257	2,000	-
Services and Other	3,600	2,550	2,800	1,456	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,600</u>	<u>\$ 2,550</u>	<u>\$ 2,800</u>	<u>\$ 1,720</u>	<u>\$ 2,000</u>	<u>\$ 2,257</u>	<u>\$ 2,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (1,197)	\$ (885)	\$ (695)	\$ 550	\$ (995)	\$ (1,365)	\$ (995)	\$ 767
Cash and Cash Equivalents								
January 1	<u>1,287</u>	<u>1,287</u>	<u>737</u>	<u>737</u>	<u>2,258</u>	<u>2,258</u>	<u>1,491</u>	<u>1,491</u>
Cash and Cash Equivalents								
December 31	<u>\$ 90</u>	<u>\$ 402</u>	<u>\$ 42</u>	<u>\$ 1,287</u>	<u>\$ 1,263</u>	<u>\$ 893</u>	<u>\$ 496</u>	<u>\$ 2,258</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Crime Victim Advocate Fund				County Clerk Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	32,000	23,277	27,000	27,365	700	1,289	-	691
Charges for Services	-	-	-	-	600	730	2,300	1,891
Interest	10	8	-	8	12	22	15	11
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	8,000	4,000	7,925	8,000	-	-	-	-
Total Receipts	<u>\$ 40,010</u>	<u>\$ 27,285</u>	<u>\$ 34,925</u>	<u>\$ 35,373</u>	<u>\$ 1,312</u>	<u>\$ 2,041</u>	<u>\$ 2,315</u>	<u>\$ 2,593</u>
Disbursements								
Salaries	\$ 27,000	\$ 26,238	\$ 27,000	\$ 26,035	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	7,500	6,636	10,000	5,375	-	-	-	-
Materials and Supplies	2,000	1,304	1,400	1,470	5,000	2,714	5,000	-
Services and Other	3,500	1,578	3,500	1,581	2,000	418	-	1,083
Capital Outlay	-	-	600	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 40,000</u>	<u>\$ 35,756</u>	<u>\$ 42,500</u>	<u>\$ 34,461</u>	<u>\$ 7,000</u>	<u>\$ 3,132</u>	<u>\$ 5,000</u>	<u>\$ 1,083</u>
Receipts Over (Under)								
Disbursements	\$ 10	\$ (8,471)	\$ (7,575)	\$ 912	\$ (5,688)	\$ (1,091)	\$ (2,685)	\$ 1,510
Cash and Cash Equivalents								
January 1	<u>8,500</u>	<u>8,500</u>	<u>7,588</u>	<u>7,588</u>	<u>6,426</u>	<u>6,426</u>	<u>4,916</u>	<u>4,916</u>
Cash and Cash Equivalents								
December 31	<u>\$ 8,510</u>	<u>\$ 29</u>	<u>\$ 13</u>	<u>\$ 8,500</u>	<u>\$ 738</u>	<u>\$ 5,335</u>	<u>\$ 2,231</u>	<u>\$ 6,426</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Tax Maintenance Fund				Title III Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	11,000	10,860	11,000	9,620	-	-	-	-
Interest	75	84	75	78	250	214	125	230
Other Receipts	-	891	-	-	-	-	-	-
Transfers In	-	-	-	-	45,000	-	40,000	39,897
Total Receipts	<u>\$ 11,075</u>	<u>\$ 11,835</u>	<u>\$ 11,075</u>	<u>\$ 9,698</u>	<u>\$ 45,250</u>	<u>\$ 214</u>	<u>\$ 40,125</u>	<u>\$ 40,127</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	20,000	1,073	20,000	2,549	60,000	-	-	-
Services and Other	-	-	-	889	-	-	-	-
Capital Outlay	-	-	-	-	84,074	8,892	75,000	8,052
Transfers Out	-	-	-	5,600	-	24,073	-	-
Total Disbursements	<u>\$ 20,000</u>	<u>\$ 1,073</u>	<u>\$ 20,000</u>	<u>\$ 9,038</u>	<u>\$ 144,074</u>	<u>\$ 32,965</u>	<u>\$ 75,000</u>	<u>\$ 8,052</u>
Receipts Over (Under)								
Disbursements	\$ (8,925)	\$ 10,762	\$ (8,925)	\$ 660	\$ (98,824)	\$ (32,751)	\$ (34,875)	\$ 32,075
Cash and Cash Equivalents								
January 1	<u>29,059</u>	<u>29,059</u>	<u>28,399</u>	<u>28,399</u>	<u>98,824</u>	<u>98,824</u>	<u>66,749</u>	<u>66,749</u>
Cash and Cash Equivalents								
December 31	<u>\$ 20,134</u>	<u>\$ 39,821</u>	<u>\$ 19,474</u>	<u>\$ 29,059</u>	<u>\$ -</u>	<u>\$ 66,073</u>	<u>\$ 31,874</u>	<u>\$ 98,824</u>

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The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Law Enforcement Restitution Fund				Shelter for Abused Victims Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,000	300	10,000	3,450	750	660	1,000	500
Interest	40	7	75	6	3	4	5	1
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,040</u>	<u>\$ 307</u>	<u>\$ 10,075</u>	<u>\$ 3,456</u>	<u>\$ 753</u>	<u>\$ 664</u>	<u>\$ 1,005</u>	<u>\$ 501</u>
<u>Disbursements</u>								
Salaries	\$ 9,000	\$ -	\$ 13,000	\$ 4,752	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	1,500	-	1,456	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ 4,752</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 1,456</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (1,960)	\$ 307	\$ (2,925)	\$ (1,296)	\$ (747)	\$ 664	\$ (451)	\$ 501
Cash and Cash Equivalents								
January 1	<u>2,525</u>	<u>2,525</u>	<u>3,821</u>	<u>3,821</u>	<u>952</u>	<u>952</u>	<u>451</u>	<u>451</u>
Cash and Cash Equivalents								
December 31	<u>\$ 565</u>	<u>\$ 2,832</u>	<u>\$ 896</u>	<u>\$ 2,525</u>	<u>\$ 205</u>	<u>\$ 1,616</u>	<u>\$ -</u>	<u>\$ 952</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Recorder Fund				Recorder User Fee Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,000	1,669	1,500	1,825	3,500	2,852	2,500	3,020
Interest	25	23	22	19	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,025</u>	<u>\$ 1,692</u>	<u>\$ 1,522</u>	<u>\$ 1,844</u>	<u>\$ 3,500</u>	<u>\$ 2,852</u>	<u>\$ 2,500</u>	<u>\$ 3,020</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	21,000	-	21,000	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	8,500	-	8,568	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,500</u>	<u>\$ -</u>	<u>\$ 8,568</u>	<u>\$ -</u>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 21,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ (6,475)	\$ 1,692	\$ (7,046)	\$ 1,844	\$ (17,500)	\$ 2,852	\$ (18,500)	\$ 3,020
Cash and Cash Equivalents								
January 1	<u>8,891</u>	<u>8,891</u>	<u>7,047</u>	<u>7,047</u>	<u>21,928</u>	<u>21,928</u>	<u>18,908</u>	<u>18,908</u>
Cash and Cash Equivalents								
December 31	<u>\$ 2,416</u>	<u>\$ 10,583</u>	<u>\$ 1</u>	<u>\$ 8,891</u>	<u>\$ 4,428</u>	<u>\$ 24,780</u>	<u>\$ 408</u>	<u>\$ 21,928</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Recorder Equipment Fund				Local Emergency Planning Commission Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	7,500	2,083	-	-
Charges for Services	4,800	6,200	6,000	5,400	-	-	4,000	-
Interest	8	22	1	9	5	5	10	1
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,808</u>	<u>\$ 6,222</u>	<u>\$ 6,001</u>	<u>\$ 5,409</u>	<u>\$ 7,505</u>	<u>\$ 2,088</u>	<u>\$ 4,010</u>	<u>\$ 1</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	7,000	83	4,000	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	4,800	-	6,001	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,800</u>	<u>\$ -</u>	<u>\$ 6,001</u>	<u>\$ -</u>	<u>\$ 7,000</u>	<u>\$ 83</u>	<u>\$ 4,000</u>	<u>\$ -</u>
Receipts Over (Under)								
Disbursements	\$ 8	\$ 6,222	\$ -	\$ 5,409	\$ 505	\$ 2,005	\$ 10	\$ 1
Cash and Cash Equivalents								
January 1	<u>6,210</u>	<u>6,210</u>	<u>801</u>	<u>801</u>	<u>560</u>	<u>560</u>	<u>559</u>	<u>559</u>
Cash and Cash Equivalents								
December 31	<u>\$ 6,218</u>	<u>\$ 12,432</u>	<u>\$ 801</u>	<u>\$ 6,210</u>	<u>\$ 1,065</u>	<u>\$ 2,565</u>	<u>\$ 569</u>	<u>\$ 560</u>

See Notes to the Financial Statements

The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Help America Vote Act Fund				Prosecuting Attorney State Tax Commission Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	100	-	-	-	3,000	600	3,500	2,040
Interest	-	-	-	-	-	21	40	38
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 621</u>	<u>\$ 3,540</u>	<u>\$ 2,078</u>
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 10,332	\$ 10,095	\$ 20,000	\$ 5,044
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	195	-	95	-	-	-	-	123
Services and Other	-	-	-	-	-	530	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	4,000	-	-	-
Total Disbursements	<u>\$ 195</u>	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 14,332</u>	<u>\$ 10,625</u>	<u>\$ 20,000</u>	<u>\$ 5,167</u>
Receipts Over (Under)								
Disbursements	\$ (95)	\$ -	\$ (95)	\$ -	\$ (11,332)	\$ (10,004)	\$ (16,460)	\$ (3,089)
Cash and Cash Equivalents								
January 1	<u>95</u>	<u>95</u>	<u>95</u>	<u>95</u>	<u>13,954</u>	<u>13,954</u>	<u>17,043</u>	<u>17,043</u>
Cash and Cash Equivalents								
December 31	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ 2,622</u>	<u>\$ 3,950</u>	<u>\$ 583</u>	<u>\$ 13,954</u>

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The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Family Service Fund				Community Development Block Grant Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	8,488	-	47,154
Charges for Services	1,720	1,470	1,800	1,750	-	-	-	-
Interest	-	7	3	3	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,720</u>	<u>\$ 1,477</u>	<u>\$ 1,803</u>	<u>\$ 1,753</u>	<u>\$ -</u>	<u>\$ 8,488</u>	<u>\$ -</u>	<u>\$ 47,154</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,500	-	3,940	1,828	-	-	-	-
Services and Other	-	-	-	-	-	8,488	-	47,154
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,500</u>	<u>\$ -</u>	<u>\$ 3,940</u>	<u>\$ 1,828</u>	<u>\$ -</u>	<u>\$ 8,488</u>	<u>\$ -</u>	<u>\$ 47,154</u>
Receipts Over (Under)								
Disbursements	\$ (1,780)	\$ 1,477	\$ (2,137)	\$ (75)	\$ -	\$ -	\$ -	\$ -
Cash and Cash Equivalents								
January 1	<u>2,062</u>	<u>2,062</u>	<u>2,137</u>	<u>2,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents								
December 31	<u>\$ 282</u>	<u>\$ 3,539</u>	<u>\$ -</u>	<u>\$ 2,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	National Forest Fund				Senior Citizens Service Board Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 37,874	\$ 41,000	\$ 36,832
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	147,129	-	388,450	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 147,129</u>	<u>\$ -</u>	<u>\$ 388,450</u>	<u>\$ 35,000</u>	<u>\$ 37,874</u>	<u>\$ 41,000</u>	<u>\$ 36,832</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	80	217	-	-
Services and Other	-	110,347	-	261,415	34,920	34,920	41,000	34,500
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	36,782	-	127,035	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 147,129</u>	<u>\$ -</u>	<u>\$ 388,450</u>	<u>\$ 35,000</u>	<u>\$ 35,137</u>	<u>\$ 41,000</u>	<u>\$ 34,500</u>
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,737	\$ -	\$ 2,332
Cash and Cash Equivalents								
January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,183</u>	<u>8,183</u>	<u>5,851</u>	<u>5,851</u>
Cash and Cash Equivalents								
December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,183</u>	<u>\$ 10,920</u>	<u>\$ 5,851</u>	<u>\$ 8,183</u>

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The County of Shannon
Eminence, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Senate Bill 40 Board Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 60,000	\$ 75,920	\$ 73,211	\$ 73,886
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	150	178	161	161
Other Receipts	-	23,918	-	19
Transfers In	-	-	-	-
Total Receipts	<u>\$ 60,150</u>	<u>\$ 100,016</u>	<u>\$ 73,372</u>	<u>\$ 74,066</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	65,000	60,812	57,500	57,300
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 65,000</u>	<u>\$ 60,812</u>	<u>\$ 57,500</u>	<u>\$ 57,300</u>
Receipts Over (Under)				
Disbursements	\$ (4,850)	\$ 39,204	\$ 15,872	\$ 16,766
Cash and Cash Equivalents				
January 1	<u>144,977</u>	<u>144,977</u>	<u>128,211</u>	<u>128,211</u>
Cash and Cash Equivalents				
December 31	<u><u>\$ 140,127</u></u>	<u><u>\$ 184,181</u></u>	<u><u>\$ 144,083</u></u>	<u><u>\$ 144,977</u></u>

See Notes to the Financial Statements

**The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies

The County of Shannon, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1841 and named for George Shannon of the Lewis and Clark Expedition. In addition to the three Commissioners, there are nine elected Constitutional Officers: County Clerk, Collector, Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk and *ex officio* Recorder, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County, the Senior Citizens Service Board, and the Senate Bill 40 Board.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and recreation services.

The financial statements referred to above include only the primary government of the County, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The Senior Citizens Service Board and the Senate Bill 40 Board are controlled by separate boards and are also included under the control of the County.

Certain elected County officials, such as the County Collector and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of the County and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During the audit, it was noted the County was not in compliance with Missouri budgetary statute RSMo. Chapter 50. The following funds had actual expenditures which exceeded the budgeted expenditures in 2017: Special Road and Bridge Fund, Assessment Fund, Sheriff Civil Fee Fund, Law Enforcement Training P.O.S.T. Fund, and the Senior Citizens Service Board Fund. The following funds had actual expenditures which exceeded the budgeted expenditures in 2016: General Revenue Fund and Special Road and Bridge Fund. The following funds did not have a budget prepared for 2017: Prosecuting Attorney Administrative Handling Cost Fund, Community Development Block Grant Fund, and National Forest Fund. The following funds did not have a budget prepared for 2016: Community Development Block Grant Fund and National Forest Fund.

The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for the purposes of taxation was:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 50,066,510	\$ 48,668,640
Personal Property	26,573,921	26,008,361
Railroad and Utilities	1,448,048	1,618,239
	<u>\$ 78,088,479</u>	<u>\$ 76,295,240</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2017 and 2016, respectively, for the purpose of County taxation, was as follows:

	<u>2017</u>	<u>2016</u>
General Revenue Fund	\$ 0.1798	\$ 0.1450
Special Road and Bridge Fund	0.2421	0.2421
Senior Citizens Service Board Fund	0.0499	0.0499
Senate Bill 40 Board Fund	0.0971	0.0971

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2017, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 1,290,131	\$ 1,579,281
Investments	<u>12,203</u>	<u>12,203</u>
Total Deposits and Investments as of December 31, 2017	<u>\$ 1,302,334</u>	<u>\$ 1,591,484</u>

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2016, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 1,369,605	\$ 1,720,259
Investments	<u>12,160</u>	<u>12,160</u>
Total Deposits and Investments as of December 31, 2016	<u>\$ 1,381,765</u>	<u>\$ 1,732,419</u>

Note: Bank balances are inclusive of all funds of Shannon County, and as such, include balances of unaudited funds which are not included in the scope of this report.

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2017 and 2016, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

**The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Shannon County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2017 Balance	% of Portfolio	2016 Balance	% of Portfolio
Security Bank of the Ozarks	Cert. of Deposit	\$ 12,203	100.00%	\$ 12,160	100.00%

Note 3 - Capital Leases

In 2012, the County entered into a capital lease financing agreement with Caterpillar Financial Services Corporation for a 2012 motor grader for \$112,039. The lease expires October 11, 2017, with a nominal annual rate of 3.200%. Combined interest and principal payments are paid annually in the amount of \$31,000.

In 2013, the County entered into a capital lease financing agreement with John Deere for a 6412 Utility Cab Tractor for \$30,270. The lease expires on April 29, 2016, with a nominal annual rate of 3.952%. Combined interest and principal payments are paid annually in the amount of \$10,898.

In 2015, the County entered into a capital lease financing agreement with Security Bank of the Ozarks for a computerized temperature control system for \$74,556. The lease expires on December 15, 2014, with a nominal annual rate of 5.000%. Combined interest and principal payments are paid monthly in the amount of \$791.

The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 3 - Capital Leases (continued)

In 2016, the County entered into a capital lease financing agreement with Caterpillar Financial Services Corporation for a motor grader for \$173,475. The lease expires on December 20, 2020, with a nominal annual rate of 3.200%. Combined principal and interest payments are paid annually in the amount of \$36,914.

In 2017, the County entered into a capital lease financing agreement with Caterpillar Financial Services Corporation for a motor grader for \$71,655. The lease expires on July 5, 2022, with a nominal annual rate of 3.700%. Combined principal and interest payments are paid annually in the amount of \$15,960.

In 2017, the County entered into a capital lease financing agreement with John Deere financial for a tractor for \$83,741. The lease expires on December 20, 2019, with a nominal annual rate of 3.640%. Combined principal and interest payments are made in accordance with irregular payment schedule.

	Balance at 1/1/2017	Amount Borrowed	Amount Repaid	Balance at 12/31/2017	Interest Paid During Year
2012 Motor Grader	\$ 15,577	\$ -	\$ 15,577	\$ -	\$ 1,805
Utility Cab Tractor	-	-	-	-	-
Temperature Control	62,484	-	6,514	55,970	2,975
Motor Grader	120,965	-	29,033	91,932	3,882
Motor Grader	-	71,655	-	71,655	-
Tractor	-	83,741	596	83,145	1,004
	<u>\$ 199,026</u>	<u>\$ 155,396</u>	<u>\$ 51,720</u>	<u>\$ 302,702</u>	<u>\$ 9,666</u>

	Balance at 1/1/2016	Amount Borrowed	Amount Repaid	Balance at 12/31/2016	Interest Paid During Year
2012 Motor Grader	\$ 15,577	\$ -	\$ -	\$ 15,577	\$ -
Utility Cab Tractor	10,438	-	10,438	-	487
Temperature Control	68,671	-	6,187	62,484	3,302
Motor Grader	-	173,475	52,510	120,965	404
Motor Grader	-	-	-	-	-
Tractor	-	-	-	-	-
	<u>\$ 94,686</u>	<u>\$ 173,475</u>	<u>\$ 69,135</u>	<u>\$ 199,026</u>	<u>\$ 4,193</u>

As of December 31, 2017, the schedule of future payments of capital leases of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 106,439	\$ 10,295	\$ 116,734
2019	86,962	7,512	94,474
2020	44,587	4,348	48,935
2021	22,770	2,679	25,449
2022	23,890	1,559	25,449
2023-2024	18,054	955	19,009
Total	<u>\$ 302,702</u>	<u>\$ 27,348</u>	<u>\$ 330,050</u>

**The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 3 - Capital Leases (continued)

As of December 31, 2016, the schedule of future payments of capital leases of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2017	\$ 51,123	\$ 8,662	\$ 59,785
2018	40,995	5,409	46,404
2019	42,235	4,169	46,404
2020	30,307	2,668	32,975
2021	7,953	1,536	9,489
2022-2024	26,413	2,085	28,498
Total	<u>\$ 199,026</u>	<u>\$ 24,529</u>	<u>\$ 223,555</u>

Note 4 - Interfund Transfers

Transfers between funds for the years ended December 31, 2017 and 2016 are as follows:

Fund	2017		2016	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 15,694	\$ 19,694	\$ 5,600	\$ 34,586
Special Road and Bridge Fund	36,782	-	87,138	-
Assessment Fund	24,073	-	34,586	-
Sheriff Revolving Fund	-	-	-	8,000
Crime Victim Advocate Fund	4,000	-	8,000	-
Tax Maintenance Fund	-	-	-	5,600
Title III Fund	-	24,073	39,897	-
National Forest Fund	-	36,782	-	127,035
Total	<u>\$ 80,549</u>	<u>\$ 80,549</u>	<u>\$ 175,221</u>	<u>\$ 175,221</u>

Note 5 - Local Government Employees Retirement System (LAGERS)

Plan Description

The County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, RSMo. Sections 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri, 65102, by calling (800) 447-4334, or by visiting the LAGERS website at www.molagers.org.

**The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 5 - Local Government Employees Retirement System (LAGERS) (continued)

Benefits Provided

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police) and early retirement age is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and the amount of credited service time.

Contributions

Full-time employees of the County contribute 4% to the pension plan. The January 1st statutorily required employer contribution rates were .2% (General) and .4% (Police) of annual covered payroll for the year ended December 31, 2017, and .2% (General) and .2% (Police) of annual covered payroll for the year ended December 31, 2016. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2017 and 2016, the County contributed \$2,138 and \$1,975 to LAGERS.

Note 6 - State of Missouri County Employees Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

**The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 6 - State of Missouri County Employees Retirement Fund (CERF) (continued)

Contributions

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to CERF. All participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2017 and 2016, the County collected and remitted to CERF employee contributions of \$28,780 and \$27,639, respectively, for the years ended.

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statute RSMo. Section 56.807, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$2,618, respectively, for the years ended December 31, 2017 and 2016.

Note 8 - Post Employment Benefits

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County is not involved in pending litigation as of the audit report date.

Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation leave. Vacation days not used by the end of the year are forfeited.

The County provides employees with four hours of paid sick leave per month. Sick leave may not accumulate from year to year. Upon termination from county employment, an employee is not reimbursed for unused sick leave.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

**The County of Shannon
Eminence, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through June 29, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

To the County Commission and
Officeholders of Shannon County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Shannon County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Shannon County, Missouri's basic financial statements, and have issued our report thereon dated June 29, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Shannon County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shannon County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Shannon County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as items 2017-002, 2017-003, and 2017-004.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether Shannon County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-005.

Shannon County, Missouri's Response to Findings

Shannon County, Missouri's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Shannon County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri
June 29, 2018

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Shannon County, Missouri

Report on Compliance for the Major Federal Program

We have audited Shannon County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Shannon County, Missouri's major federal program for the years ended December 31, 2017 and 2016. Shannon County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Shannon County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about Shannon County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Shannon County, Missouri's compliance.

Opinion on the Major Federal Program

In our opinion, Shannon County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2017 and 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-006. Our opinion on the major federal program is not modified with respect to this matter.

Shannon County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Shannon County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Shannon County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Shannon County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Shannon County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-006, that we consider to be a significant deficiency.

Shannon County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Shannon County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
June 29, 2018

**The County of Shannon
Eminence, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2017 & 2016**

For the years ended December 31, 2017, & 2016						
Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,		Awards Provided to Subrecipients	
			2017	2016	2017	2016
U.S. Department of Agriculture						
Forest Service Schools and Roads Cluster						
Passed through state:						
Missouri Office of Administration - Schools and Roads - Grants to States	10.665	n/a	\$ 147,129	\$ 388,450	\$ 110,347	\$ 261,415
Total Forest Service Schools and Roads Cluster			147,129	388,450	110,347	261,415
Total U.S. Department of Agriculture			147,129	388,450	110,347	261,415
U.S. Department of Housing and Urban Development						
Passed through state:						
Missouri Department of Social Services - Community Development Block Grant Program	14.228	2007-PF-839	8,488	47,146	8,488	47,146
Total U.S. Department of Housing and Urban Development			8,488	47,146	8,488	47,146
U.S. Department of Interior						
Direct Program:						
Payments in Lieu of Taxes	15.226	n/a	196,470	188,575	-	-
U.S. Department of Justice						
Passed through state:						
Missouri Department of Public Safety - Crime Victim Assistance	16.575	2016-VOCA-041-SE	21,009	21,433	-	-
Missouri Department of Prosecuting Attorneys - Crime Victim Assistance	16.575	ER130180073	8,280	-	-	-
Total U.S. Department of Justice			29,289	21,433	-	-
Election Assistance Commission						
Passed through State:						
Missouri Office of Secretary of State - Help America Vote Act Requirements Payments	90.401	n/a	943	-	-	-

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Shannon
Eminence, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2017 & 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures		Awards Provided	
			Year Ended December 31,		to Subrecipients	
			2017	2016	2017	2016
U.S. Department of Homeland Security						
Passed through State:						
Missouri Emergency Management Agency						
Presidentially Declared Disasters	97.036	FEMA-4238-DR-MO	217,083	246,107	-	-
Presidentially Declared Disasters	97.036	FEMA-4250-DR-MO	134,299	156,079	-	-
Presidentially Declared Disasters	97.036	FEMA-4317-DR-MO	200,417	-	-	-
Total U.S. Department of Homeland Security			551,799	402,186	-	-
Total Expenditures of Federal Awards			\$ 934,118	\$ 1,047,790	\$ 118,835	\$ 308,561

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Shannon
Eminence, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Shannon County, Missouri.

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because the Schedule presents only a selected portion of the operations of Shannon County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Shannon County, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Shannon County, Missouri has not elected to use the 10% de minimis indirect cost rate.

**The County of Shannon
Eminence, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes _____ None Reported

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with section 2 CFR section 200.516(a)?

 X Yes _____ No

Identification of Major Programs:

CFDA
Number
97.036

Name of Federal Program or Cluster
Presidentially Declared Disasters

Dollar threshold used to distinguish
between type A and type B programs:

 \$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**The County of Shannon
Eminence, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 2 - Financial Statement Findings

2017-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute RSMo. Chapter 50. The following funds had actual expenditures which exceeded the budgeted expenditures in 2017: Special Road and Bridge Fund, Assessment Fund, Sheriff Civil Fee Fund, Law Enforcement Training P.O.S.T. Fund, and the Senior Citizens Service Board Fund. The following funds had actual expenditures which exceeded the budgeted expenditures in 2016: General Revenue Fund and Special Road and Bridge Fund. The following funds did not have a budget prepared for 2017: Prosecuting Attorney Administrative Handling Cost Fund, Community Development Block Grant Fund, and National Forest Fund. The following funds did not have a budget prepared for 2016: Community Development Block Grant Fund and National Forest Fund.

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds and not prepared budgets for certain funds.

Cause: Oversight

Recommendation: We recommend that the County adopt a budget for all funds and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2018. The phone number for the Clerk's office is (573) 226-3414.

2017-002 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2018. The phone number for the Clerk's office is (573) 226-3414.

**The County of Shannon
Eminence, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 2 - Financial Statement Findings (Continued)

2017-003 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2018. The phone number for the Clerk's office is (573) 226-3414.

2017-004 **Criteria:** Strong internal controls over payroll expense require that there be a formal approval process over the approval of payroll processing and disbursement of payroll expense.

Condition: During our audit, we noted payroll reports were not being approved by management prior to the disbursement of cash related to payroll expense.

Effect: Without a formal approval process over payroll processing and disbursement of payroll expense, improper cash disbursements related to payroll could be processed and disbursed either due to error or fraud.

Cause: The County has not developed and implemented formal controls over payroll processing and disbursement of payroll expense.

Recommendation: We recommend that the County develop and implement a process to ensure payroll reports are being reviewed and approved prior to the disbursement of cash related to payroll.

Management's Response: The County will develop and implement a process in writing to ensure payroll reports are being reviewed by management prior to the cash being disbursed. The expected completion date is December 31, 2018. The phone number for the Clerk's office is (573) 226-3414.

**The County of Shannon
Eminence, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2017 & 2016**

Section 2 - Financial Statement Findings (Continued)

2017-005 **Criteria:** Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources.

Condition: During our audit, we noted the Collector has not prepared an annual settlement for the tax years ended February 28, 2018, February 28, 2017, or February 29, 2016.

Effect: By not preparing timely annual settlements, the County Collector has not provided the County Commission or the taxpayers with a complete accounting of property tax transactions.

Cause: The County Collector had not prepared annual settlements of property taxes.

Recommendation: We recommend that the County Collector prepare and file annual settlements as required by state law.

Management's Response: The Collector will work to prepare a Collector's annual settlement for the tax year-ended February 28, 2019. The expected completion date is March 31, 2019. The phone number for the Collectors's office is (573) 226-3416.

Section 3 - Federal Award Findings and Questioned Costs

2017-006 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200 requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended. CFDA title and number, award number, name of the Federal agency, and name of pass-through entity.

Condition: Management has not implemented internal controls related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). During our audit we noted the SEFA contained errors.

Effect: Federal expenditures reported in the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accounts, if possible, to ensure an accurate SEFA is prepared.

Management's Response: Title 2 U.S. *Code of Federal Regulations* Part 200 is being reviewed and training sessions will be initiated by the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period. The expected completion date is December 31, 2018. The County Clerk's office phone number is (573) 226-3414.

**The County of Shannon
Eminence, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Shannon County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013.

Prior Year Financial Statement Findings

FS 13/12-01 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's (Shelly McAfee) office has informed us that the County will attempt to prepare the SAS 112 documentation of internal control for the next audit period. The Clerk's office phone number is 573-226-3414.

Status: Management has not corrected this issue and the finding is repeated as finding 2017-002 in the current year. This finding initially occurred in the 2013 and 2012 fiscal years.

FS 13/12-02 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

**The County of Shannon
Eminence, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

Prior Year Financial Statement Findings (continued)

FS 13/12-02 **Cause:** Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's (Shelly McAfee) office has informed us that the County will attempt to prepare the SAS 122 documentation of fraud risk for the next audit period. The Clerk's office phone number is 573-226-3414.

Status: Management has not corrected this issue and the finding is repeated as finding 2017-003 in the current year. This finding initially occurred in the 2013 and 2012 fiscal years.

FS 13/12-03 **Criteria:** Bank reconciliations must be prepared monthly on a timely basis by the Prosecuting Attorney's office.

Condition: We noted that there were no bank reconciliations for the Prosecuting Attorney's office.

Context: The deficiency became apparent through our testing of the Prosecuting Attorney's cash accounts and the related reconciliations.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate recommendations.

Recommendation: We recommend that the Prosecuting Attorney's office prepare monthly bank reconciliations and adjustments to the cash accounts.

Views of responsible officials and planned corrective actions: The Prosecuting Attorney's (Jodie Brumble) office will consider the auditor's recommendation and attempt to begin reconciling bank statements in a timely manner in the 2014 fiscal year. The Prosecuting Attorney's office phone number is 573-226-3714.

Status: This issue has been corrected. This finding initially occurred in the 2013 and 2012 fiscal years.

FS 13/12-04 **Criteria:** During our review of the QuickBooks, we were unable to tie the Clerk's QuickBooks to the Treasurer's settlement statement in 2012.

Condition: The QuickBooks general ledger is not accurately reflecting the County's financial position.

Context: During testing of cash the general ledger within QuickBooks was not matching the Treasurer's settlement sheet.

Effect: The County is not properly recording cash receipts and disbursements within the financial statements which could lead to incorrectly stated financial statements.

**The County of Shannon
Eminence, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

Prior Year Financial Statement Findings (continued)

FS 13/12-04 **Cause:** The County is not properly recording financial data within the QuickBooks General Ledger.
(cont.)

Recommendation: We recommend that the County's QuickBooks be reconciled and maintained in such a way that the settlement statement, budget and QuickBooks reports all reconcile.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's (Shelly McAfee) office has informed us that they will seek outside help and training in order to get the QuickBooks general ledger to match the settlement statement and budgets. The Clerk's office phone number is 573-226-3414.

Status: This issue has been corrected. This finding initially occurred in the 2013 and 2012 fiscal years.



Office of Missouri State Auditor
Nicole Galloway, CPA

Andrew County



CITIZENS SUMMARY

Findings in the audit of Andrew County

Financial Condition and Sales Tax Rollback	The Law Enforcement Fund is in poor financial condition and the General Revenue Fund is in a weakened condition as a result of supporting the Law Enforcement Fund. In addition, property tax reductions were not sufficient to offset 50 percent of sales tax monies received.
Architectural Services	The Andrew County Public Benefit Corporation Board (which consists of the 3 County Commissioners, the Sheriff, and the County Treasurer) contracted with an architectural firm in May 2017 for the design of a 20 bed jail expansion without soliciting requests for qualifications of at least 2 other firms as required by state law.
Sheriff's Controls and Procedures	The Sheriff's office does not prepare a monthly list of liabilities for the fee account or the commissary account, and consequently, liabilities are not agreed to the reconciled bank balances. The Sheriff's office does not remit net proceeds from commissary sales timely to the county Inmate Prisoner Detainee Security Fund as required by state law. The Sheriff's office charges a \$15 flat fee for mileage when serving civil papers, which is not in accordance with state law.
County Assessor's Receipting, Recording, and Transmitting	The County Assessor has not established proper controls or procedures for receipting, recording, and transmitting monies.
Electronic Data Security	The Recorder of Deeds and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The County Assessor, County Clerk, Recorder of Deeds, Public Administrator and the County Collector do not have security controls in place to lock computers after a certain period of inactivity.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations of another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Andrew County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Andrew County

We have audited certain operations of Andrew County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, has been engaged to audit the financial statements of Andrew County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

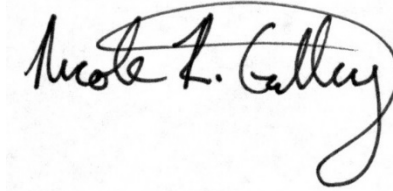
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Andrew County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Hunter O'Donnell, M.Acct.
	Troy Tallman, CFE
	Joseph T. Magoffin
	Dale Walker, MBA

Andrew County

Management Advisory Report

State Auditor's Findings

1. Financial Condition and Sales Tax Rollback

The Law Enforcement Fund (LEF) is in poor financial condition and the General Revenue Fund (GRF) is in a weakened condition as a result of supporting the LEF. In addition, property tax reductions were not sufficient to offset 50 percent of sales tax monies received.

1.1 Financial condition

The LEF is in poor financial condition and the GRF is in a weakened condition as a result of supporting the LEF.

The following tables reflect the budgeted receipts, disbursements, and beginning and ending cash balances for the year ended December 31, 2018; and actual receipts, disbursements, and beginning and ending cash balances, for the 4 years ended December 31, 2017, of the LEF and GRF as reported in the county budgets:

Law Enforcement Fund:

		Year Ended December 31,				
		2018	2017	2016	2015	2014
Beginning cash balance	\$	818	4,333	954	413	16,366
Receipts		1,272,500	1,136,013	941,912	960,333	782,901
Transfers in:						
From General Revenue Fund		668,000	489,000	575,000	471,000	570,000
Disbursements		1,940,066	1,628,528	1,513,533	1,430,792	1,368,854
Ending Cash Balance	\$	1,252	818	4,333	954	413

General Revenue Fund:

		Year Ended December 31,				
		2018	2017	2016	2015	2014
Beginning cash balance	\$	434,220	314,123	508,712	480,403	223,373
Receipts		2,553,602	2,344,097	2,316,198	2,271,551	2,079,222
Transfers in:						
From Special Road and Bridge Fund		116,864	116,686	135,162	115,577	144,464
From Capital Improvement Fund		134,457	130,309	106,169	12,676	8,716
From Administrative Handling Cost Fund		31,352	0	15,676	15,676	12,787
Disbursements*		2,330,702	1,981,995	2,192,794	1,916,171	1,418,159
Transfers out:						
To Law Enforcement Fund		668,000	489,000	575,000	471,000	570,000
Ending Cash Balance	\$	271,793	434,220	314,123	508,712	480,403

* Includes the jail lease payment for 2015-2017 and appropriated for 2018. This payment was made from the Capital Improvement Fund in 2014.



Andrew County Management Advisory Report - State Auditor's Findings

The cash balance of the LEF is low and while receipts have increased between 2015 and 2017, yearly receipts are significantly less than yearly disbursements and disbursements have increased faster than receipts. The LEF cannot continue to operate as it is currently operating. Disbursements would have been higher if the county had not borrowed \$79,292 in March 2016 for 4 Sheriff's office vehicles and \$112,519 in August 2017 to purchase 4 more vehicles for that office. At December 31, 2017, the total amount of principal and interest outstanding on these loans was approximately \$185,000. The obligations on these loans for 2018 total \$51,559.

In addition, the LEF was supported by \$2,105,000 in transfers from the GRF between 2014 and 2017. If the GRF continues to make these large transfers to the LEF each year, the fund may not have enough monies in reserve to address budget shortfalls in the event of an economic downturn or other significant financial emergency.

The GRF is experiencing cash flow problems as a result of supporting the LEF and the county has borrowed \$250,000 yearly on a bank line of credit from 2014 to 2017 to help pay the annual jail lease payment. For 2017, this payment totaled \$337,892. The county has repaid these amounts borrowed each year by February 2, and as of January 28, 2018, all amounts have been repaid.

The tables above do not take into account significant liabilities of the GRF including \$240,726 as a result of the county's sales tax rollback methodology.

- The County Commission will need to develop a plan to correct for the accumulation of prior years' over collection of property taxes (see section 1.2) which will further reduce general property tax revenues and the ending cash balance in future years.
- In January 2018, the county entered into an additional lease contract for improvements to the jail (see MAR finding number 2). The new lease requires an additional payment of \$30,509 each January beginning in 2019. Payments will come from the GRF.

It is essential the County Commission address the financial condition of the GRF and the LEF both in the immediate and long-term future. To ensure the financial condition of both funds is improved, the County Commission should reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.

1.2 Reduction of property tax levy

The county has not sufficiently reduced the property tax levy to offset 50 percent of sales tax monies received. The County Clerk incorrectly calculated the adjustment for the prior year's sales tax calculations. As a result, \$270,217



Andrew County Management Advisory Report - State Auditor's Findings

in excess property taxes were collected for the years 2014 through 2017. At December 31, 2017, the cumulative total insufficient property tax reduction was \$240,726.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Andrew County voters enacted a one-half of 1 percent general sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet the 50 percent reduction requirement based on estimated sales tax collections of the current year, and in the following year calculate any excess property taxes collected based upon actual sales taxes collected. Any excess should be included as an adjustment in the next year's property tax levy calculation to ensure property taxes are reduced in the subsequent year by the amount of the excess collection.

Recommendations

The County Commission:

- 1.1 Closely monitor the county's financial condition and perform a study of the county's current level of expenditures and determine whether normal operations and other financial commitments have expanded to the point where they cannot be sustained by operating revenues. If so, expenditures should be reduced where possible without eliminating necessary services. In addition, a long-range budget should be prepared and used in planning for future years' operations.
- 1.2 And the County Clerk properly calculate property tax rate reductions, adequately reduce the property tax levy for 50 percent of sales tax revenue, and develop a plan to correct for the accumulation of prior years' over collection of property taxes.

Auditee's Response

- 1.1 *The new 20 bed jail expansion began housing prisoners at the end of June 2018. We anticipate operating the jail and the 20 bed jail expansion at maximum capacity. While at maximum capacity, approximately \$292,000 annually in additional revenue should be generated while only incurring \$120,000 in additional expenditures including the new lease payment on the 20 bed jail expansion. Therefore, the 20 bed jail expansion will help reduce transfers to the LEF from the GRF annually. In addition, we will continue to monitor county operations to maximize revenues and limit expenditures for both the LEF and GRF.*
- 1.2 *We have developed a four-year plan to correct the over collection of property taxes and we anticipate this plan to be completed in 2021. We recognize where these errors occurred and are adjusting the process to try to ensure that they are not repeated in the future.*



Andrew County
Management Advisory Report - State Auditor's Findings

2. Architectural Services

The Andrew County Public Benefit Corporation (ACPBC) Board (which consists of the 3 County Commissioners, the Sheriff, and the County Treasurer) contracted with an architectural firm in May 2017 for the design of a 20 bed jail expansion without soliciting requests for qualifications of at least 2 other firms as required by state law.

The ACPBC is a not-for-profit organization formed by the county in September 2011 for the purpose of providing funding for the construction of a Sheriff's office and jail facility, which was completed in November 2012. The county leases the facility and the expansion from the ACPBC for payments equal to the amounts due to retire the ACPBC's debt. Information on the ACPBC financing arrangements is discussed in the Organization and Statistical Information section.

The expansion was completed in June 2018 at a cost of approximately \$585,900 including \$41,500 paid to the architect. The County Commission indicated the architect selected for the jail expansion was the same firm used for the original construction of the jail.

Section 8.291, RSMo, requires political subdivisions to consider the qualifications of at least three firms when negotiating contracts for architectural services. Complete documentation should be maintained of the selection process.

Recommendation

The County Commission comply with state law when procuring architectural services and document the reasons for selecting the winning firm.

Auditee's Response

In the future, we will clearly document the reasons and criteria used to make our selection of architectural services and record the reason for our selection in the County Commission minutes.

3. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office are in need of improvement. Office personnel deposited approximately \$160,000 collected for civil and criminal process fees, bonds, boarding and transporting prisoners, inmate monies, and other miscellaneous fees into the fee and commissary accounts during the year ended December 31, 2017.

3.1 Liabilities

The Sheriff's office does not prepare a monthly list of liabilities for the fee account or the commissary account, and consequently, liabilities are not agreed to the reconciled bank balances.

For the fee account, identified liabilities totaled \$10,432 at February 28, 2018. The reconciled bank balance was \$6,438, resulting in a shortage of \$3,994. For the commissary account, we requested a list of liabilities as of March 31, 2018. The list totaled \$14,135, which agreed with the total of the reconciled bank balance of \$13,289 and cash of \$846 deposited in a kiosk per the kiosk's trial balance.



Andrew County
Management Advisory Report - State Auditor's Findings

Monthly lists of liabilities should be prepared and reconciled to the available cash balance to ensure sufficient cash is available for the payments of amounts due and all monies in the bank can be identified. Prompt follow up on discrepancies is necessary to resolve errors. Various statutory provisions provide for the disposition of unidentified monies.

A similar condition was noted in our 2 prior audit reports.

3.2 Commissary net proceeds

The Sheriff's office does not remit net proceeds from commissary sales timely to the county Inmate Prisoner Detainee Security Fund as required by state law. During 2017, commissary net proceeds were only disbursed twice to the County Treasurer and totaled \$25,794.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer. In addition, Section 50.370, RSMo, requires county officials to turn over all fees to the County Treasurer monthly.

3.3 Civil paper service fees

The Sheriff's office charges a \$15 flat fee for mileage when serving civil papers, which is not in accordance with state law. The Sheriff's office collected approximately \$17,500 for civil paper service fees, including mileage, during the year ended December 31, 2017.

Section 57.280, RSMo, provides that the Sheriff be reimbursed for each mile actually traveled to serve any summons, writ, subpoena, or other order of the court. Charging a per-mile reimbursement for service will bring the Sheriff into compliance with state law.

Recommendations

The Sheriff:

- 3.1 Prepare monthly lists of liabilities and reconcile the list to the available cash balances. Any differences should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.
- 3.2 Disburse timely net proceeds not necessary to meet cash flow needs or current operating expenses to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.
- 3.3 Ensure civil paper service fees are charged in accordance with state law.



Andrew County
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 3.1 *I have worked with the County Treasurer and identified the differences, which have been corrected. I have implemented a procedure to prepare a monthly list of liabilities and will reconcile it to the available cash balances for both the fee and commissary bank accounts on a monthly basis.*
- 3.2 *This recommendation has been implemented.*
- 3.3 *I am aware of the state law, however for simplification of accounting I charge a \$15 flat fee for mileage when serving civil papers. The flat fee was enacted because it was requested by local attorneys. However I will take this recommendation under advisement.*

4. County Assessor's Receipting, Recording, and Transmitting

The County Assessor has not established proper controls or procedures for receipting, recording, and transmitting monies. We could not determine the amount of monies received by the County Assessor's office during the year ended December 31, 2017. Between January 2016 and December 2017, the office prepared an unnumbered form for monies received. This form was given to the County Treasurer upon transmittal and not retained and no other documentation was maintained of monies collected or transmitted to the County Treasurer.

The County Assessor's office began issuing receipt slips in January 2018. The County Assessor does not perform a review of receipt slips to ensure all monies received have been transmitted. We reviewed monies received during January and February 2018, and identified various concerns:

- The method of payment was not indicated on 40 percent (8 of 20) of receipts slips issued in January 2018. At our recommendation the office began recording the method of payment on all receipt slips in February 2018.
- Some receipt slips did not accurately record the method of payment or amount received. For example, we reviewed 2 receipt slips each issued for \$2 (cash) in January 2018; however, the County Treasurer's 2 receipt slips written to the County Assessor for those 2 receipts indicate these payments occurred by check for \$200 each. The County Assessor indicated the receipt slips were written for the wrong type of receipt and therefore indicated the incorrect amounts.

Failure to implement adequate receipting, recording, and transmitting procedures increases the risk of loss, theft, or misuse of monies received will go undetected.

Recommendation

The County Assessor issue prenumbered receipt slips for all monies received, indicate the method of payment on all receipt slips, and record all receipts on a receipts log. In addition, the numerical sequence of receipt slips should be



Andrew County
Management Advisory Report - State Auditor's Findings

accounted for and the composition of receipts should be reconciled to the composition of amounts transmitted.

Auditee's Response

We have started using a prenumbered receipt slip book to keep track of the money we collect. The method of payment is indicated on all receipt slips. We also keep a receipt log to make sure all monies collected are turned over to the County Treasurer. The log is also used to account for the numerical sequence of receipt slips and reconcile the composition of receipts to the composition of monies turned over. We also get a receipt slip back from the County Treasurer so we can balance with each other. We will continue this until the property tax system is programmed to allow the County Collector's office to receipt our monies; this change is expected to take place by the end of 2018.

5. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

5.1 Passwords

The Recorder of Deeds and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The Recorder of Deeds and the Deputy Recorder of Deeds use the same password to access the office's computer and are not required to change the password. In addition, the password is not required to have a minimum number of characters. Also, the Public Administrator's computer password is not required to be changed.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords are not kept confidential or contain a minimum number of characters in one office and do not have to be periodically changed in two offices, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential, contain a minimum number of characters, and be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

5.2 Security controls

The County Assessor, County Clerk, Recorder of Deeds, Public Administrator and the County Collector do not have security controls in place to lock computers after a certain period of inactivity.

Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.



Andrew County
Management Advisory Report - State Auditor's Findings

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The County Commission work with other county officials to:

- 5.1 Require employees maintain confidential passwords with a minimum number of characters that must be periodically changed.
- 5.2 Ensure county computers have security controls in place to lock each computer after a specified period of inactivity.

Auditee's Response

- 5.1 *This recommendation has been implemented.*
- 5.2 *This recommendation has been implemented.*

Andrew County

Organization and Statistical Information

Andrew County is a county-organized, third-class county. The county seat is Savannah.

Andrew County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 55 full-time employees and 18 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board, the Senior Citizens Services Board, the Johnson Grass Board, and 3 neighborhood improvement districts.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Bob Caldwell, Presiding Commissioner	\$	29,540
Fritz Hegeman, Associate Commissioner		28,860
Gary Baumann, Associate Commissioner		28,860
Rosa Lea Lancey, Recorder of Deeds		41,980
Sarah Miller, County Clerk		41,980
Steven Stevenson, Prosecuting Attorney		51,480
Bryan Atkins, Sheriff		48,480
Cindy Esely, County Treasurer		41,980
Doug Johnson, County Coroner		15,480
Janet Rosenauer, Public Administrator		25,000
Phil Rogers, County Collector (1), year ended February 28 (29),	47,321	
Paul Garrison, County Assessor, year ended August 31,		41,442
F. Shane Terhune, County Surveyor (2)		

(1) Includes \$5,405 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

Financing Arrangements

The county entered into lease contracts with the Andrew County Public Benefit Corporation (ACPBC) in January 2011 and January 2018.



Andrew County Organization and Statistical Information

The terms of the January 2011 contract call for the ACPBC to provide funding for the construction of a Sheriff's office and jail facility and for the county to lease the facility from the ACPBC for lease payments equal to the amount due to retire the ACPBC's indebtedness and administrative costs. To fund construction, the ACPBC obtained 2 loans from the United States Department of Agriculture (USDA) totaling \$5.9 million in September 2011. Construction was completed in November 2012. Both loans are scheduled to be paid off in September 2051. The remaining principal outstanding at December 31, 2017, was \$5,571,045. Interest remaining to be paid over the life of the agreement totals \$5,020,970.

The terms of the January 2018 contract call for the ACPBC to construct a storage shed and complete renovations and additions to the jail and for the county to lease these improvements from the ACPBC for lease payments equal to the amount due to retire the ACPBC's indebtedness and administrative costs. To fund the construction, the ACPBC obtained a loan from the USDA totaling \$553,500 in January 2018. Construction began in January 2018 and was completed in June 2018. The first principal payment is scheduled for January 2019 and the loan is scheduled to be paid off in January 2058. Interest remaining to be paid over the life of the agreement totals \$386,500.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Department of Parks, Recreation, and Forestry

Report No. 2018-080
September 2018

auditor.mo.gov

City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Director of Parks, Recreation, and Forestry
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2008-96, *City of St. Louis, Department of Parks, Recreation, and Forestry*, issued in December 2008, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Department of Parks, Recreation, and Forestry. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Department of Parks, Recreation, and Forestry that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in June 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Department of Parks, Recreation, and Forestry

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Forestry Division

Finding Number: 1.A.

Finding: The Forestry Division computer system billing rates for mowing vacant lots were not set at the correct amount. The division did not submit some billing information to the collection agency in a timely manner and did not submit the entire outstanding amount to the collection agency for some accounts. The Forestry Division billing system did not provide some information necessary to efficiently operate the division.

Recommendation: The Department of Parks, Recreation, and Forestry evaluate the need for a new billing system to provide the necessary information for the Forestry Division. The division should ensure the correct billing rates have been entered into the system. In addition, the division should ensure accounts over 90 days old are submitted to the collection agency in a timely manner and the entire outstanding account is submitted to the collection agency.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Dataflex billing system remains in place with corrections and minor improvements. A new billing system has not yet been implemented. The contracted collection agency is notified monthly of all accounts over 90 days old.

Contact Person: Vicki Wakeland
Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.B.

Finding: The Forestry Division was not adequately documenting adjustments and write-offs made in the billing system. The division was unable to produce a report from the billing system showing the amount and number of adjustments and write-offs. In addition, the employee who authorized and the employee who posted the adjustment or write-off was not identified and the reason and supporting documentation for the adjustment or write-off was not maintained.

Recommendation: The Department of Parks, Recreation, and Forestry ensure the authorization and reasons for any billing adjustments or write-offs are adequately documented by the Forestry Division. In addition, the periodic review and approval of all such billing adjustments and write-offs by an appropriate management official should be documented.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Practices are in place requiring all customer service representatives to make a notation for any and all adjustments including the date and reason. A report is produced periodically and reviewed by the Executive Assistant, and any concerns are submitted to the Director.

Contact Person: Vicki Wakeland
Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.C.

Finding: The Forestry Division had not documented how the administrative fee charged for handling billings for the Department of Public Safety, Building Division was established or determined.

Recommendation: The Department of Parks, Recreation, and Forestry review and document the costs of administering the Department of Public Safety, Building Division's billing service and establish the administrative fee to recover those costs.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Forestry Division no longer handles billing for the Department of Public Safety, Building Division.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.D.1.

Finding: Accounting duties were not adequately segregated and there was no independent oversight related to the Forestry Division receipts.

Recommendation: The Department of Parks, Recreation, and Forestry segregate the accounting duties of the Forestry Division to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent review of the work performed and investigation into unusual items and variances is necessary.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Invoices are prepared and mailed by the last Tuesday of each month. Data needed to prepare invoices is entered by a customer service representative (CSR). We have two CSRs during our peak season of March to October. The Executive Assistant coordinates with the Labor Supervisor and Foreman to ensure all work orders and ward rotation sheets are submitted for billing in a timely manner. Ward rotation sheets are generated from the billing system and given to the field staff supervisor before the field crew enters into a particular ward to perform grass maintenance services (vacant buildings or vacant lots).

Payments (checks/money orders) are processed only by the Secretary to the Commissioner of Forestry (Secretary). Receipts are recorded in a spreadsheet maintained by the Secretary, and then posted in the billing system by the Secretary. After posting in the billing system, payments are forwarded to the Director's office to be processed for transmittal to the Comptroller's office. Employees are restricted from making adjustments over \$200 without approval of the Executive Assistant. All adjustments are initiated by the CSRs.

Contact Person: Vicki Wakeland
Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.D.2.

Finding: Some monies received by the Forestry Division were not recorded in the billing system or the receipt spreadsheet in a timely manner.

Recommendation: The Department of Parks, Recreation, and Forestry ensure all receipts are promptly recorded on the spreadsheet.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Receipts are recorded within 24 to 48 hours. The Executive Assistant reviews the spreadsheet (receipt of payments) for accuracy and compares that to the payment information entered in the billing system.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.D.3.

Finding: The Forestry Division did not generate a report of daily receipts posted to the billing system which could then be reconciled with the receipt spreadsheet and transmittals to the Director's office.

Recommendation: The Department of Parks, Recreation, and Forestry ensure the division reconciles receipts per the spreadsheet to the billing system and to amounts transmitted.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Forestry Division's billing system cannot generate a report of payments received by account. Therefore, as described in the response to finding 1.D.2., the division checks the accuracy of system entries by comparing the spreadsheet of receipts to the payment information in the billing system.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.D.4.

Finding: Some monies received by the Forestry Division were not transmitted to the Director's office in a timely manner. In addition, checks and money orders received were not restrictively endorsed immediately upon receipt.

Recommendation: The Department of Parks, Recreation, and Forestry ensure all receipts are deposited intact on a timely basis. In addition, all checks should be restrictively endorsed immediately upon receipt.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Upon receipt, all checks/money orders are restrictively endorsed by the Secretary. Payments received are transmitted to the Director's office for processing within 24 to 48 hours, not including weekends.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Board of Parks and Recreation

Finding Number: 2.

Finding: The Board of Parks and Recreation was inactive.

Recommendation: The Department of Parks, Recreation, and Forestry ensure it is in compliance with the city charter and work with the Mayor's office to reestablish the Board of Parks and Recreation or to determine if a change to the city charter is necessary.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city charter did not change and the Board of Parks and Recreation has not been in existence for approximately 35 years. The Parks Division sets internal policies and meets with the Board of Aldermen annually on all proposed capital projects in the division's parks. The Board of Aldermen also has an established Parks Committee that Parks Division staff meet with on any related matters.

Contact Person: Greg Hayes

Contact Phone Number: (314) 289-5310



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Written Agreements

Finding Number: 3.A.

Finding: The Forestry Division had not entered into a written agreement for services performed on property owned by the Land Reutilization Authority (LRA).

Recommendation: The Department of Parks, Recreation, and Forestry enter into formal written contracts for services rendered or obtained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Forestry Division has an agreement with the LRA to maintain properties, and sends the LRA an annual letter after each fiscal year which lists the total costs of maintaining the properties. The Forestry Division has no control over funds that may be received from the LRA and included in the Forestry Division's General Revenue Fund budget.

Contact Person: Alan Jankowski

Contact Phone Number: (314) 613-7204



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Written Agreements

Finding Number: 3.B.

Finding: The Parks Division performed grass cutting services without charge for a not-for-profit organization.

Recommendation: The Department of Parks, Recreation, and Forestry bill for all services rendered such as grass cutting.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

If similar instances were to occur, the Department of Parks, Recreation, and Forestry would verify rates with the Forestry Division and bill accordingly.

Contact Person: Kim Haegele

Contact Phone Number: (314) 289-5339



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Written Agreements

Finding Number: 3.C.

Finding: The Department of Parks, Recreation, and Forestry had not conducted a review of the accounting records of the catering company that operated the boathouse under a lease agreement with the city. The lease agreement called for a monthly rent payment of which a portion was based on the gross revenues of the catering company. In addition, the lease agreement required the catering company to keep complete and accurate records of revenues for three years which were to be open to the city for inspection. The Department of Parks, Recreation, and Forestry had not conducted a review of the accounting records nor had it requested the Internal Audit Section of the Comptroller's office to conduct a review to ensure the accuracy of the gross revenues reported to the department. There were also other resources available to the department that could have been used to help independently verify some of the information submitted by the catering company.

Recommendation: The Department of Parks, Recreation, and Forestry ensure a periodic review is conducted of the boathouse accounting records to ensure accounting records and rent payment calculations are accurate. In addition, the department should verify information received with other city government offices.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Comptroller's office is responsible for performing internal audit services.

Contact Person: Kathy Sullivan
Contact Phone Number: (314) 289-5387



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Emergency Purchases

Finding Number: 4.

Finding: Some emergency purchases did not appear to meet the city's definition of "emergency." In addition, the department did not have one individual responsible for approving emergency purchases.

Recommendation: The Department of Parks, Recreation, and Forestry ensure emergency purchases meet the definition of an emergency and centralize the approval process for emergency purchases through one individual.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

No policies were amended. The Director and three Commissioners are the only individuals authorized to request emergency purchases. Concerted effort is being made to limit these requests which must involve both the Comptroller's office and the Supply Division.

Contact Person: Vanessa Carter
Contact Phone Number: (314) 289-5372



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Parks Division Receipts

Finding Number: 5.

Finding: The numerical sequence of receipt slips was not accounted for properly and voided receipt slips were not properly defaced and retained in the Parks Division.

Recommendation: The Department of Parks, Recreation, and Forestry, Parks Division, require the numerical sequence of receipt slips be accounted for properly, voided receipts be properly defaced, and all copies of voided receipt slips be retained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All staff have been instructed that voided receipt slips are to remain in the receipt book with a detailed message written on the receipt slip documenting the reason for the void. Periodic checks of receipt slips are conducted by the Permit Section Manager to ensure all receipt slips are accounted for and all monies have been received and deposited.

Contact Person: Kim Haegele

Contact Phone Number: (314) 289-5339



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Soulard Market

Finding Number: 6.A.

Finding: The Soulard Market petty cash fund was short \$80 because the Market Manager deposited a petty cash reimbursement check into a personal account. In addition, a petty cash ledger supporting the petty cash fund's activity did not adequately document receipts, disbursements, and the balance of the petty cash fund.

Recommendation: The Department of Parks, Recreation, and Forestry ensure the petty cash funds are repaid by the Market Manager. In addition, the ledger should properly account for the receipts, disbursements, and balance of the petty cash fund.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The practice of keeping petty cash has not been allowed since the prior audit.

Contact Person: Kathy Sullivan

Contact Phone Number: (314) 289-5387



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Soulard Market

Finding Number: 6.B.

Finding: The method of payment (cash or check) was not indicated on some receipt slips issued.

Recommendation: The Department of Parks, Recreation, and Forestry ensure the method of payment is recorded on receipt slips and the composition of receipt slips is reconciled to transmittals.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The method of payment notation on receipt slips is confirmed when deposits are processed.

Contact Person: Kathy Sullivan

Contact Phone Number: (314) 289-5387



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Office of Mayor and Other City Offices

Report No. 2018-079
September 2018

auditor.mo.gov

City of St. Louis - Office of Mayor and Other City Offices

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Chief Medical Examiner
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2010-42, *City of St. Louis, Office of Mayor and Other City Offices*, issued in April 2010, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Office of Mayor and Other City Offices. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Offices of Mayor and Medical Examiner that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Office of Mayor and Other City Offices

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Contractual Services

Finding Number: 1.A. and 1.B.

Finding: The Mayor's office had not periodically solicited proposals for lobbying services. The city's Public Facilities Protection Corporation (PFPC) had not periodically solicited proposals for administration of city refuse vehicle damage claims.

Recommendation: The Mayor's office periodically solicit proposals for lobbying services and work with the PFPC to periodically solicit proposals for administration of city refuse vehicle damage claims, in accordance with city procurement policies.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

We have one contract for lobbying services, which was effective January 19, 2018, using a request for proposal process.

The contract for administration of city refuse vehicle damage claims ended on February 18, 2010, and we have since performed this operation in house with city staff.

Contact Person: Todd Waelterman

Contact Phone Number: (314) 622-3744



City of St. Louis - Office of Mayor and Other City Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Medical Examiner's Office

Finding Number: 2.A.1.

Finding: The duties of processing and approving expenditures were not adequately segregated. There was no formal expenditure approval process by the Chief Medical Examiner or another employee independent of the expenditure processing duties.

Recommendation: The Medical Examiner's office adequately segregate expenditure processing and approval duties, and ensure all expenditures are reviewed and approved by the Chief Medical Examiner or another employee independent of expenditure processing duties.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All expenditures are reviewed and approved by the Chief Medical Examiner. All payment vouchers sent to the Comptroller's office are reviewed by the Executive Secretary to the Chief Medical Examiner and signed by the Chief Medical Examiner.

Contact Person: Tara M. Rick
Contact Phone Number: (314) 622-4974



City of St. Louis - Office of Mayor and Other City Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Medical Examiner's Office

Finding Number: 2.A.2.

Finding: The Medical Examiner's office did not have procedures to ensure invoices were submitted timely to the Comptroller's office for payment.

Recommendation: The Medical Examiner's office adopt procedures to ensure the timely payment of all invoices.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Invoices are submitted to the Comptroller's office for payment in a timely manner (monthly).

Contact Person: Tara M. Rick

Contact Phone Number: (314) 622-4974



City of St. Louis - Office of Mayor and Other City Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Medical Examiner's Office

Finding Number: 2.B.1.

Finding: The Medical Examiner's office had not adequately documented the minimum work requirements for full-time employment. Our review of payroll records noted at least 2 employees recorded less than 80 hours on their timesheets during the 2-week pay period ended June 20, 2009 (70 and 73 hours, respectively). In addition, the employees' timesheets did not agree to the time report submitted to the Comptroller's office which listed these employees as each working 80 hours for the 2-week period.

Recommendation: The Medical Examiner's office review current personnel policies and practices regarding required work hours for full-time employees to ensure compliance with city ordinance, and ensure all applicable policies are fully documented in writing. In addition, time records submitted to the Comptroller's office should reflect actual time worked by all employees.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

We have taken steps to ensure all employees' time is monitored and documented to reflect hours worked. We will recommend a reference to the required minimum work hours for full-time employees is reflected in our pay ordinance.

Contact Person: Tara M. Rick
Contact Phone Number: (314) 622-4974



City of St. Louis - Office of Mayor and Other City Offices
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Medical Examiner's Office

Finding Number: 2.B.2.

Finding: Immediate supervisors did not always sign off on employee timesheets to indicate their review and approval. In addition, one employee recorded overtime earned on his/her timesheet; however, there was no overtime approval form filled out and approved by the employee's supervisor as required by office policy.

Recommendation: The Medical Examiner's office ensure all timesheets and overtime approval forms are signed by the employees and approved by the employees' supervisors attesting to the accuracy of the time reported.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Timesheets and overtime approval forms are signed by the employee and approved by the employee's supervisor. All employees have been informed of the overtime request policy and procedure. Monitoring of these requests has been implemented.

Contact Person: Tara M. Rick

Contact Phone Number: (314) 622-4974



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
St. Louis Lambert International Airport

Report No. 2018-078
September 2018

auditor.mo.gov

City of St. Louis - St. Louis Lambert International Airport

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Airport Director
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2009-121, *City of St. Louis, Lambert-St. Louis International Airport*, issued in November 2009, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the St. Louis Lambert International Airport. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the St. Louis Lambert International Airport that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - St. Louis Lambert International Airport

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Operational Costs

Finding Number: 1.A.

Finding: The airport was incurring unnecessary costs by continuing to fund the operations of the south firehouse at the airport. The airport had received confirmation from the Federal Aviation Administration (FAA) that the south firehouse was not necessary to meet FAA regulations for emergency response times. A cost analysis performed by the airport estimated the potential cost savings of closing the south firehouse would be approximately \$1.8 million per year. Because the airport operations were accounted for as an enterprise fund of the city, the costs associated with the south firehouse were charged to the airport. However, the airport did not have the authority to close the south firehouse or reassign the firefighters stationed there. The City of St. Louis Fire Department was in control of all firehouse operations and would be responsible for making the decision to close the south firehouse. Based on discussions with Fire Department officials, they felt the south firehouse was still necessary, but did not provide any specific information to support this position.

Recommendation: The Airport Director work with the St. Louis Fire Department to conduct additional analysis regarding the feasibility of closing the south firehouse.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The south firehouse at the airport closed during fiscal year 2011 and several other cost-cutting measures undertaken by airport management have contributed to a 26 percent decrease in the landing fee rate from fiscal year 2011 to fiscal year 2018.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Operational Costs

Finding Number: 1.B.

Finding: Airport management had not performed a cost analysis to determine if janitorial services should be performed by city employees or outsourced.

Recommendation: The Airport Director perform a cost analysis to determine the most cost effective method of providing janitorial services.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Cost-cutting measures initiated at the airport during the spring of 2010 resulted in a competitive bidding process for cleaning services. Airport janitorial staffing has decreased 59.5 percent from fiscal year 2009 to fiscal year 2018.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Contract Monitoring

Finding Number: 2.A.1.

Finding: Landing and fuel flowage fees charged to users of fixed based operator facilities, also called general aviation traffic, had not been updated for approximately 10 years, and the airport had no documentation of how the fees were determined.

Recommendation: The Airport Director review and document the costs of fixed based operators and establish the fee to recover those costs.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

During fiscal year 2017, the airport analyzed and documented the costs associated with the use of its landing field and passenger terminal facilities for activity that is not expressly covered in the airport Use and Lease Agreement or Operating Agreement.

The "Schedule of Fees and Charges" became effective February 1, 2017, and the schedule was distributed to fixed based operators and ground handlers.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Contract Monitoring

Finding Number: 2.A.2.

Finding: Fees charged to the various food vendors, car rental companies, and miscellaneous shops at the airport terminals were not subject to a competitive process and had not been updated for approximately 10 years. Each vendor contract required the vendor to pay a minimum annual guarantee, or a fixed percent of gross revenues, whichever was larger. Historically, the majority of vendors paid the fixed percent fee. While the bid process for concession vendors allowed the vendors to state their annual minimum guarantee, the fixed percent fee remained the same for all vendors and was not subject to a competitive process or negotiated.

Recommendation: The Airport Director subject the fee portion of concession contracts to a competitive process.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Our response to the audit finding remains the same. Per the city charter, we use a solicitation for bid process and changing this process would require a change to the city charter. The airport has always taken advantage of a competitive bid process for its concessions. The concessions are awarded based on a bid of the highest Minimum Annual Guarantee (MAG). A MAG is the minimum dollar amount the concession operator promises to pay the airport each year of the agreement. In addition to the MAG, concession agreements have financial terms that call for payment of the greater of the MAG or a specific percentage specified to bidders, in advance, by the airport. This percentage becomes payable if the concession operator's total gross sales percentage surpasses the MAG. For example, a concession operator with a MAG of \$100,000 and a percentage of 10 percent would begin paying 10 percent of all gross sales over \$1 million. It is true that the airport only bids the amount of the MAG and sets the percentage fee for concession agreements. This policy allows the airport to conduct a clear, unbiased solicitation process, wherein, a single bid item is evaluated transparently.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Contract Monitoring

Finding Number: 2.B.

Finding: The airport had not adequately monitored the cash receipt operations of the parking contractor. The airport's agreement with the parking contractor provided the airport the right to audit and examine the accounting records of the management company at any time; however, the airport had not performed a review of parking cash collections or receipt transmittal operations since 2007. The parking contractor had performed its own internal audits, which had been critical of parking operations; however, the airport had not requested copies of such reports be submitted for review. The parking contractor also had financial statement audits performed and copies were not submitted to the airport for review.

Recommendation: The Airport Director ensure a periodic review is conducted of the parking facility management cash collection and transmittal procedures. In addition, the agreement with the contractor should require copies of audit reports related to the parking facilities be submitted, and those audit reports should be reviewed by airport management.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

An Accounting Coordinator in our Finance and Accounting department performs a monthly reconciliation for the parking operations and receives quarterly internal audit reports from our current parking operator, ABM. The city's Internal Audit Section performed a comprehensive internal audit of the parking operator during 2011 for the period July 1, 2007, through January 31, 2010.

Annual financial statement audits of the parking operator are performed by independent audit firm, KPMG LLP (KPMG), and reports are available on the parking operator's website (<http://investor.abm.com/download-library>).

Contact Person Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Contract Monitoring

Finding Number: 2.C.

Finding: The airport had not adequately reviewed audit reports of passenger facility charge (PFC) revenues. While the airport received an audit of its PFC Fund expenditures with no issues noted, the airport had not requested copies of the airlines' PFC audits for verification of revenues or general review.

Recommendation: The Airport Director request and review all PFC account audit reports to ensure amounts received are correct.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Independent audit firm, KPMG, performs an annual audit of the airport PFC Fund. Also, the airport receives and reviews PFC independent audit reports from our airline operators with more than 50,000 annual passengers.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Airport Accounting Controls and Procedures

Finding Number: 3.A.

Finding: Accounting duties were not adequately segregated and there was minimal independent oversight related to receipts.

Recommendation: The Airport Director segregate the accounting duties of the Finance and Accounting Division to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent review of the work performed and investigation into unusual items and variances is necessary.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Finance and Accounting Division has independent oversight and duties segregated between the Account Clerk I, Accountant I, and Accountant II. Processes performed are reviewed and approved by the Accounting Coordinator or Accounting Manager I.

Contact Person: Antonio Strong
Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Airport Accounting Controls and Procedures

Finding Number: 3.B.

Finding: Receipts collected and recorded by the account clerk were not always transmitted intact. The Finance and Accounting Division allowed vending machine commission checks and petty cash replenishment checks to be cashed from the daily cash receipts.

Recommendation: The Airport Director discontinue the practice of cashing checks from daily cash receipts. Daily receipts should be deposited intact.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The accounts receivable policy was updated to discontinue the practice of cashing checks from daily receipts.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Airport Accounting Controls and Procedures

Finding Number: 3.C.

Finding: The method of payment (i.e., cash, check, or money order) was not recorded on some receipt slips issued by the front office window and the composition of receipts was not reconciled to turnovers to the Treasurer's office.

Recommendation: The Airport Director ensure the method of payment is recorded on each receipt slip, and the composition of the receipt slips issued is reconciled to the composition of transmittals.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The process is performed as recommended.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Airport Accounting Controls and Procedures

Finding Number: 3.D.

Finding: Several large airport expenditures were not properly approved.

Recommendation: The Airport Director ensure all expenditures are properly authorized.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Expenditures are authorized based on the dollar amount of the voucher. Expense vouchers less than \$50,000 are approved by the Accounting Manager I, vouchers equal to or greater than \$50,000 and less than \$100,000 are approved by the Accounting Manager II, and vouchers totaling \$100,000 or greater are approved by the Assistant Director of Finance and Accounting.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles and Fueling Procedures

Finding Number: 4.A.

Finding: Monitoring procedures for the airport's vehicles were not sufficient. The airport did not require usage logs be maintained for its vehicles. In addition, no documentation was provided to show the airport regularly monitored the fleet to ensure vehicles are used efficiently and effectively.

Recommendation: The Airport Director require the preparation of usage logs for all vehicles and ensure these logs are properly reviewed.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The airport's response remains similar to the previous response. The airport said it did not agree with the finding and recommendation. The airport believes daily reports would be time consuming and not cost effective. The airport recently purchased a new computerized fuel dispensing system that is tied into a badge holders individual ID badge so the time, date, and person requesting fuel is recorded. Further, a new computerized preventative maintenance system integrates with the fuel system and provides for monthly reports that detail the efficient and effective usage of vehicles, and are reviewed by both the Fleet Maintenance Manager and the Assistant Director of Operations and Maintenance. Vehicle usage is reviewed annually, at a minimum, by the Fleet Manager and Assistant Director of Operations and Maintenance to ensure an adequate vehicle replacement schedule is created during the budget preparation season. Vehicle usage for the year is examined at this time.

Contact Person: Antonio Strong
Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles and Fueling Procedures

Finding Number: 4.B.

Finding: The airport did not have adequate procedures in place to ensure employees assigned a take home vehicle did not continue to receive a commuting allowance.

Recommendation: The Airport Director establish procedures to ensure employees assigned a take home vehicle do not also receive a commuting allowance.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A vehicle take home list is periodically cross referenced to the commuting allowance log by the Accounting Payroll Specialist and approved by the Accounting Manager II to ensure employees with take home vehicles do not receive a commuting allowance.

Contact Person: Antonio Strong
Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Vehicles and Fueling Procedures
Finding Number:	4.C.
Finding:	The airport did not reconcile fuel purchased to fuel used.
Recommendation:	The Airport Director require reconciliation of fuel purchased to fuel used, and require follow-up procedures on significant differences. In addition, the reconciliation and follow-up procedures should be properly documented.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The airport's procedures for delivery, dispensing, and review of fuel reports are as follows:

Delivery:

The fuel level is checked on Veeder-Root (electronic tank gauging system).

Fuel is ordered by the Autoshop Foreman or Lead man.

The fuel delivery receipt is sent to Materials Management and a copy is retained by the Shop Secretary.

Dispensing:

We are now using a 2-card system and fuel cannot be dispensed unless the following criteria are met:

Card 1 is the employee activating the fuel system (airport issued employee ID).

Card 2 is the fob assigned to the specific vehicle.

Fuel system activation process:

Employee places ID next to fuel reader.

Employee places fob next to fuel reader.

Employee enters mileage or hours for specific vehicle.

Employee enters which pump to activate.

Employee dispenses fuel into vehicle.

Reporting:

Typically during the first week of the following month, 2 reports are generated:

The Operators Dispensing Fuel report includes the following information: date, time, transaction number, site, card 2 title, short name, account, odometer, product, pump number, price, quantity (gallons), and dollar amount.

The Vehicles Receiving Fuel report includes the following information: date, time, transaction number, site, card 1 title, account, product, pump number, odometer, quantity (gallons), and dollar amount.

These 2 reports are retained electronically on the Shop Manager's computer and forwarded electronically to the Airport Administrator.



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Fuel reports are reviewed monthly by the Fleet Manager and the Airport Assistant Director of Operations and Maintenance.

Contact Person: Antonio Strong
Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Asset Controls and Procedures

Finding Number: 5.A.

Finding: The airport had two conflicting written policies concerning assets. One policy indicated physical inventories should have been performed every 3 to 5 years, but the other policy indicated the physical existence of assets should have been verified and reconciled to the asset records on an ongoing basis.

Recommendation: The Airport Director revise and approve the written policy concerning procedures for assets and ensure the policies do not conflict.

Status of Finding Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The airport has a policy for the inventory of capital assets (\$10,000 and over) and we have a separate policy for the inventory of non-capital assets (under \$10,000) to ensure assets are properly controlled.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Asset Controls and Procedures

Finding Number: 5.B.

Finding: The airport had not recently performed an annual physical inventory of assets.

Recommendation: The Airport Director ensure physical inventories are conducted annually.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Physical inventories are performed annually for non-capital assets (under \$10,000). Physical inventories for capital assets (\$10,000 and over) are performed every 2 years per our Fixed Asset Policy due to the volume of capital assets.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Asset Controls and Procedures

Finding Number: 5.C.

Finding: Property purchases and accumulated depreciation were not adequately reconciled between the general ledger trial balance and the capital asset list.

Recommendation: The Airport Director ensure capital asset additions and depreciation amounts are periodically reconciled to the property records.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Capital assets and depreciation are reconciled on a monthly basis between the Fixed Asset System and the General Ledger System. Our external auditors, KPMG, review and test asset records to ensure the accuracy of both systems on an annual basis. No issues were noted by KPMG.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Asset Controls and Procedures

Finding Number: 5.D.

Finding: The property records maintained did not include all necessary information. The capital asset records for items over \$10,000 contained some descriptions which were not accurate. The asset record for items between \$1,000 to \$10,000 did not include some information such as acquisition costs, tag numbers, complete descriptions of the asset, and date and method of disposal.

Recommendation: The Airport Director ensure asset records contain all necessary information such as accurate descriptions, acquisition costs, tag numbers, and the date and method of disposal.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Non-capital assets (under \$10,000) procedures are in place to ensure asset records contain information by department, brand, model, serial number, part number (if applicable), tag number, cost, date received, date disposed, and date audited.

Capital assets (\$10,000 and over) procedures are in place to ensure asset records contain information by department, department description, asset number, asset year, manufacturer, model, asset description, vehicle identification number (if applicable), asset verification, date in service/acquired, serial number, disposal method, disposal date, asset account number, contract number (if applicable), ordinance number (if applicable), professional service agreement number (if applicable), vendor name (if applicable), and purchase order number (if applicable).

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



City of St. Louis - St. Louis Lambert International Airport
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Asset Controls and Procedures

Finding Number: 5.E.

Finding: The airport police department maintained an additional property list that duplicated the records maintained by the Finance and Accounting Division. In addition, the police department list contained small items (minimum value of \$20) that may not have needed to be tracked. The only documentation of police department property disposal was an approval of the Supply Officer.

Recommendation: The Airport Director require the police department to discontinue the practice of tracking all police assets and track only sensitive items, such as badges and weapons. In addition, disposal of police department property should be authorized by an appropriate level of the department and reported to the Finance and Accounting Division.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The current Interim Airport Chief of Police believes the Airport Police Department (APD) has an obligation to ensure the safekeeping of all property purchased using airport funds, particularly items that are law enforcement related. Tracking items such as badges and weapons only is not sufficient to fulfill our obligation to safeguard airport property.

The APD maintains inventory lists of furniture and equipment assigned to the department. The APD tracks assignment of 800 MHz radios, desktop computers, laptops, cell phones, office furniture, hazmat equipment, ballistic vests, and police uniform items (including such things as weapons, badges, batons, handcuffs, etc). The inventory lists include the description, serial number (if applicable), person, and/or room number/location of the item. Adjustments to the inventory lists occur when reassigning equipment within the APD or when a "Request for Surplus Material Disposal" form is completed for submittal to Materials Management.

Contact Person: Antonio Strong

Contact Phone Number: (314) 426-8026



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Information Technology Services Agency

Report No. 2018-077

September 2018

auditor.mo.gov

City of St. Louis - Information Technology Services Agency

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Chief Information Officer/Director
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2009-37, *City of St. Louis, Information Technology Services Agency*, issued in April 2009, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our ongoing audit of the Information Technology Services Agency. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Information Technology Services Agency that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Information Technology Services Agency

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Network Services Contract

Finding Number: 1.A.

Finding: The Information Technology Services Agency (ITSA) did not retain adequate documentation regarding the award of the United Forensics consulting contract in 2005. As a result, the exact value of the approved contract amount was not clear.

Recommendation: The ITSA ensure it fully complies with documentation retention requirements for professional service contracts in accordance with city rules and regulations. In addition, the ITSA should ensure documentation clearly indicates the value of contracts approved by the contract selection committee.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The ITSA follows the Board of Public Service rules regarding professional service contractor selection, documentation of the selection process, and record retention. All contracts, requisitions, purchase orders, vouchers, and invoices are on file and kept for 10 years.

Contact Person: Cindy Riordan

Contact Phone Number: (314) 622-3653



City of St. Louis - Information Technology Services Agency
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Network Services Contract

Finding Number: 1.B.

Finding: The ITSA and the city approved annual contract extensions with United Forensics that significantly increased the total value of the contract and the hourly rates to be paid by the city; however, these contract extensions were approved without considering proposals from other vendors. The original contract approved for fiscal year 2006 did not include any language regarding contract extensions; however, the ITSA approved a contract extension for fiscal year 2007, and this contract extension included language allowing unlimited annual contract extensions.

Recommendation: The ITSA discontinue approving contract extensions that significantly increase the value of the contract unless the increases are approved by competitive negotiations. If the ITSA considers contract extensions to be desirable, the original contract should include language that allows contract extensions and caps on increased rates paid for services and the total value of the contract.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Contract extensions that significantly increase the value of the contract or change the scope of the original contract are not granted.

Contact Person: Cindy Riordan
Contact Phone Number: (314) 622-3653



City of St. Louis - Information Technology Services Agency
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Network Services Contract

Finding Number: 1.C.

Finding: During the first quarter of 2008, one of the owners of United Forensics created a company called Access Forensics. The ITSA began utilizing the services of Access Forensics and discontinued utilizing the services of United Forensics. The former ITSA director notified the Comptroller's office by letter to pay Access Forensics even though the city had not negotiated a contract with Access Forensics. The ITSA did not adequately document the reasons for discontinuing the services of United Forensics, and the city may have made payments to Access Forensics without a valid written contract.

Recommendation: The ITSA adequately document the circumstances when there is a change in ownership of a service provider, or negotiate a new contract if necessary.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Should a service provider experience a change in ownership, we would consult with the City Counselor to determine if existing contracts can be honored/amended with the new company name, or if a new selection process needs to be initiated.

Contact Person: Cindy Riordan
Contact Phone Number: (314) 622-3653



City of St. Louis - Information Technology Services Agency
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Network Services Contract
Finding Number:	1.D.
Finding:	The ITSA approved payments to United Forensics for services that appeared unreasonable or were not specifically allowed by the contract.
Recommendation:	The ITSA ensure all contractual costs billed are reasonable and necessary and are specifically allowed under the contract and review billings received from and payments made to United Forensics and Access Forensics to determine any amounts owed and if the city should seek reimbursement for any improper payments. In addition, prior to entering into contracts for professional services, the ITSA should evaluate whether it would be more cost efficient to hire additional staff to provide the services.
Status of Finding:	Implemented
Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:	<p>An ITSA manager compares the invoice to both the contract pricing and to services rendered and only authorizes payments on invoices deemed correct and accurate.</p> <p>An ITSA manager assigns work to be done under a professional services contract and ensures the reasonableness and necessity of the services. In the particular case of United Forensics, the ITSA determined that network services could be performed by hiring city staff. Other contracts are reviewed on a case-by-case basis to determine the effectiveness of hiring staff versus continuing to contract services.</p> <p>Regarding reimbursement of possible improper payments identified in the prior audit, our City Counselor's office represented the city in a lawsuit regarding the United Forensics/Access Forensics contract. The case was settled to the satisfaction of the courts, though I do not have details regarding the settlement.</p>
Contact Person:	Cindy Riordan
Contact Phone Number:	(314) 622-3653



City of St. Louis - Information Technology Services Agency
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Other Contracts and Software Agreements

Finding Number: 2.A.

Finding: The ITSA renewed contracts for internet services and mainframe support services without considering proposals from other vendors. In addition, the mainframe support services contract was for a sole proprietor who spent significant time working for the city and was paid \$75 per hour. During the 2 years ended June 30, 2008, this person billed the city an average of 140 to 160 hours per month.

Recommendation: The ITSA periodically solicit proposals for all professional service contracts as required by city ordinance. In addition, the ITSA should evaluate the mainframe support services contract and determine if the contractor should be considered a city employee under Internal Revenue Service rules and whether these services could be provided by city employees.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The ITSA solicits proposals prior to the expiration of a contract and exhaustion of any renewal options approved in the contract, under guidance from the City Counselor. The most recent selection process for mainframe services is underway (as of April 2018).

The status of this finding is stated as Partially Implemented because I could not verify if proposals were solicited at each contract renewal period since 2009.

Contact Person: Cindy Riordan
Contact Phone Number: (314) 622-3653



City of St. Louis - Information Technology Services Agency
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Other Contracts and Software Agreements

Finding Number: 2.B.

Finding: Invoices submitted by the mainframe support services vendor did not contain sufficient detail. Invoices were submitted monthly and only included the total hours worked each month. Information regarding the specific days worked, hours worked each day, and specific tasks performed were not provided. Some invoices provided by the internet services vendor included charges for services that were not defined in the contract.

Recommendation: The ITSA require vendors provide detailed invoices of services provided that include dates of service and specific tasks performed. In addition, all billable services should be defined in the applicable contract.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The ITSA managers require contractors to provide detailed invoices so that amounts billed can be verified against contract pricing and services delivered.

Contact Person: Cindy Riordan
Contact Phone Number: (314) 622-3653



City of St. Louis - Information Technology Services Agency
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Other Contracts and Software Agreements

Finding Number: 2.C.

Finding: The ITSA routinely renewed software agreements without evaluating the benefits or effectiveness of the software.

Recommendation: The ITSA periodically re-evaluate all software agreements prior to their renewal.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The ITSA reviews software agreements, at the time of renewal, for continued applicability of the software in meeting our business needs, assessing the cost-benefit of the software for our customers, and ensuring the licensing level is accurate based on our usage level.

Contact Person: Cindy Riordan
Contact Phone Number: (314) 622-3653



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Adair County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Adair County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-076

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017 AND 2016

**THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Adair, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Adair ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2017, and 2016, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2017, and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2018, on our consideration of the County of Adair’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Adair’s internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 13, 2018

FINANCIAL STATEMENTS

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH BALANCES JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH BALANCES DECEMBER 31, 2017
General Revenue Fund	\$ 610,035.25	\$ 2,335,545.98	\$ 2,369,692.30	\$ 575,888.93
Special Road and Bridge Fund	1,685,005.89	1,952,545.93	1,981,085.87	1,656,465.95
Assessment Fund	192,340.97	237,153.87	346,659.55	82,835.29
Law Enforcement Restitution Fund	96,095.65	29,281.89	19,784.29	105,593.25
Financial Emergency Fund	333,758.35	2,068.33	-	335,826.68
Law Enforcement Services Fund	1,120,874.25	850,001.20	838,344.76	1,132,530.69
Countryside Fund	115,815.14	717.69	-	116,532.83
Domestic Violence Fund	42,378.73	3,813.09	-	46,191.82
Election Administration Fund	26,164.60	4,152.20	1,110.43	29,206.37
Prosecuting Attorney Admin. Fund	34,185.43	128,551.27	136,893.60	25,843.10
Inmate Detainee Security Fund	17,391.64	6,554.64	-	23,946.28
E-911 Emergency Fund	98,869.63	612.68	-	99,482.31
E-911 Reserve Fund	9,861.44	36,232.12	37,041.54	9,052.02
Recorder User Fund	30,290.51	6,479.24	6,990.00	29,779.75
Recorder Technical Fund	44,154.10	3,934.53	7,475.50	40,613.13
Collector Tax Fund	124,728.77	23,483.31	7,315.51	140,896.57
Law Enforcement General Fund	269,226.42	2,143,678.12	2,224,776.76	188,127.78
Law Enforcement Training Fund	7,926.20	3,667.37	4,855.32	6,738.25
Sheriff Civil Fund	38,391.40	16,941.65	16,672.00	38,661.05
Sheriff Revolving Fund	47,233.34	3,064.71	13,916.73	36,381.32
Prosecuting Attorney Training Fund	7,866.42	668.41	453.20	8,081.63
Prosecuting Attorney Delinquent Fund	10,297.77	61.69	453.20	9,906.26
Multi-Co. Child Support Enforcement Fund	11,038.69	118,859.98	107,233.47	22,665.20
Juvenile Justice Fund	500.00	59,487.92	59,487.92	500.00
Juvenile Grant Operations Fund	-	207,242.33	207,242.33	-
TOTAL	\$ 4,974,430.59	\$ 8,174,800.15	\$ 8,387,484.28	\$ 4,761,746.46

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

FUND	CASH BALANCES JANUARY 1, 2016	RECEIPTS 2016	DISBURSEMENTS 2016	CASH BALANCES DECEMBER 31, 2016
General Revenue Fund	\$ 764,725.10	\$ 2,233,183.72	\$ 2,387,873.57	\$ 610,035.25
Special Road and Bridge Fund	1,732,253.86	2,094,889.83	2,142,137.80	1,685,005.89
Assessment Fund	167,740.60	361,575.01	336,974.64	192,340.97
Law Enforcement Restitution Fund	60,823.09	38,552.56	3,280.00	96,095.65
Financial Emergency Fund	331,507.26	2,251.09	-	333,758.35
Law Enforcement Services Fund	852,350.63	807,372.35	538,848.73	1,120,874.25
Countryside Fund	115,034.00	781.14	-	115,815.14
Domestic Violence Fund	38,622.19	3,756.54	-	42,378.73
Election Administration Fund	22,301.91	4,529.74	667.05	26,164.60
Prosecuting Attorney Admin. Fund	32,346.92	182,761.10	180,922.59	34,185.43
Inmate Detainee Security Fund	11,311.87	6,079.77	-	17,391.64
E-911 Emergency Fund	98,202.80	666.83	-	98,869.63
E-911 Reserve Fund	10,276.95	44,459.66	44,875.17	9,861.44
Recorder User Fund	33,200.33	6,675.18	9,585.00	30,290.51
Recorder Technical Fund	43,095.73	3,937.37	2,879.00	44,154.10
Collector Tax Fund	107,246.71	22,628.15	5,146.09	124,728.77
Law Enforcement General Fund	439,287.92	1,767,622.64	1,937,684.14	269,226.42
Law Enforcement Training Fund	6,522.01	3,420.70	2,016.51	7,926.20
Sheriff Civil Fund	44,385.88	18,928.93	24,923.41	38,391.40
Sheriff Revolving Fund	30,833.41	39,284.68	22,884.75	47,233.34
Prosecuting Attorney Training Fund	7,215.38	651.04	-	7,866.42
Prosecuting Attorney Delinquent Fund	10,490.58	169.48	362.29	10,297.77
Multi-Co. Child Support Enforcement Fund	13,774.83	101,822.76	104,558.90	11,038.69
Juvenile Justice Fund	500.00	53,721.85	53,721.85	500.00
Juvenile Grant Operations Fund	-	188,242.61	188,242.61	-
TOTAL	\$ 4,974,049.96	\$ 7,987,964.73	\$ 7,987,584.10	\$ 4,974,430.59

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	GENERAL REVENUE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ 1,600,000.00	\$ 1,682,876.05	\$ 1,500,000.00	\$ 1,587,760.07
Intergovernmental	123,733.46	106,115.78	160,704.29	161,933.01
Charges for Services	378,320.00	432,007.28	375,520.00	394,577.08
Interest	6,000.00	4,089.11	11,000.00	5,494.65
Other	115,505.00	110,457.76	87,253.00	83,418.91
Transfers In	26,000.00	-	28,500.00	-
TOTAL RECEIPTS	2,249,558.46	2,335,545.98	2,162,977.29	2,233,183.72
DISBURSEMENTS				
County Commission	155,101.38	137,342.25	156,685.34	139,048.69
County Clerk	168,201.52	159,729.12	166,405.05	157,679.31
Elections	49,404.00	32,396.05	191,359.00	131,227.62
Buildings and Grounds	142,466.36	126,209.25	181,541.00	115,985.86
Employee Fringe Benefits	525,799.00	431,389.09	401,631.00	365,114.93
County Treasurer	96,360.63	91,877.45	92,917.05	88,090.86
Collector	149,647.63	143,928.25	142,360.05	127,117.06
Recorder of Deeds	144,924.52	129,549.20	134,976.05	124,918.31
Circuit Clerk	34,000.00	20,090.09	34,000.00	19,485.37
Court Administration	305,362.84	191,822.84	311,917.00	194,916.84
Public Administrator	151,505.52	146,080.81	176,490.05	158,054.82
Prosecuting Attorney	341,056.00	320,875.59	311,675.06	311,647.76
County Coroner	16,936.40	16,936.40	16,804.42	16,774.42
Local Agencies	86,073.10	84,135.02	85,050.00	81,117.10
Surveyor	-	-	1,500.00	-
Health and Welfare	125,189.00	128,000.00	120,489.00	119,639.00
Emergency Fund	67,000.00	-	64,889.32	-
Other	245,744.00	209,330.89	219,842.00	152,055.62
Transfers Out	-	-	95,000.00	85,000.00
TOTAL DISBURSEMENTS	2,804,771.90	2,369,692.30	2,905,531.39	2,387,873.57
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(555,213.44)	(34,146.32)	(742,554.10)	(154,689.85)
CASH BALANCES, JANUARY 1	610,035.25	610,035.25	764,725.10	764,725.10
CASH BALANCES, DECEMBER 31	\$ 54,821.81	\$ 575,888.93	\$ 22,171.00	\$ 610,035.25

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SPECIAL ROAD AND BRIDGE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 770,000.00	\$ 795,072.83	\$ 760,000.00	\$ 742,507.45
Sales Taxes	300,000.00	365,103.48	250,000.00	305,637.48
Intergovernmental	1,299,840.00	739,307.02	1,538,300.00	943,008.03
Charges for Services	71,900.00	26,067.18	122,700.00	62,791.09
Interest	13,000.00	12,033.86	13,000.00	13,147.99
Other	16,700.00	14,961.56	30,000.00	27,797.79
Transfers In	-	-	-	-
TOTAL RECEIPTS	2,471,440.00	1,952,545.93	2,714,000.00	2,094,889.83
DISBURSEMENTS				
Salaries	484,029.36	444,970.94	472,259.00	384,127.97
Employee Fringe Benefits	271,812.00	239,526.19	253,200.00	206,477.25
Supplies	191,500.00	214,011.98	241,500.00	181,327.50
Insurance	27,945.00	28,354.50	25,964.00	26,023.00
Road and Bridge Materials	768,000.00	524,313.58	810,500.00	470,914.81
Equipment Repairs	55,000.00	39,213.65	90,000.00	32,674.46
Equipment Purchases	592,891.05	398,659.76	252,000.00	543,036.01
Road and Bridge Construction	440,000.00	23,896.36	630,000.00	228,228.41
Other	86,000.00	68,138.91	77,950.00	69,328.39
TOTAL DISBURSEMENTS	2,917,177.41	1,981,085.87	2,853,373.00	2,142,137.80
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(445,737.41)	(28,539.94)	(139,373.00)	(47,247.97)
CASH BALANCES, JANUARY 1	1,685,005.89	1,685,005.89	1,732,253.86	1,732,253.86
CASH BALANCES, DECEMBER 31	\$ 1,239,268.48	\$ 1,656,465.95	\$ 1,592,880.86	\$ 1,685,005.89

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ASSESSMENT FUND				LAW ENFORCEMENT RESTITUTION FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 237,184.00	\$ 230,462.23	\$ 281,510.00	\$ 268,951.25	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	40,000.00	28,685.00	35,000.00	38,027.99
Interest	1,831.00	1,481.62	1,825.00	1,382.76	500.00	596.89	400.00	524.57
Other	9,435.00	5,210.02	8,945.00	6,241.00	-	-	-	-
Transfers In	-	-	85,000.00	85,000.00	-	-	-	-
TOTAL RECEIPTS	248,450.00	237,153.87	377,280.00	361,575.01	40,500.00	29,281.89	35,400.00	38,552.56
DISBURSEMENTS								
Salaries	206,803.00	195,340.54	196,700.05	184,872.99	-	-	-	-
Employee Fringe Benefits	83,392.00	82,429.96	77,993.00	71,732.46	-	-	-	-
Assessor's Office	94,493.00	68,846.15	104,169.00	79,419.36	-	-	-	-
Law Enforcement	-	-	-	-	10,000.00	9,768.00	7,000.00	3,280.00
Administrative	-	-	-	-	15,000.00	10,016.29	10,000.00	-
Other	1,000.00	42.90	1,000.00	949.83	-	-	-	-
TOTAL DISBURSEMENTS	385,688.00	346,659.55	379,862.05	336,974.64	25,000.00	19,784.29	17,000.00	3,280.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(137,238.00)	(109,505.68)	(2,582.05)	24,600.37	15,500.00	9,497.60	18,400.00	35,272.56
CASH BALANCES, JANUARY 1	192,340.97	192,340.97	167,740.60	167,740.60	96,095.65	96,095.65	60,823.09	60,823.09
CASH BALANCES, DECEMBER 31	\$ 55,102.97	\$ 82,835.29	\$ 165,158.55	\$ 192,340.97	\$ 111,595.65	\$ 105,593.25	\$ 79,223.09	\$ 96,095.65

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	FINANCIAL EMERGENCY FUND				LAW ENFORCEMENT SERVICES FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 800,000.00	\$ 840,806.15	\$ 775,000.00	\$ 792,095.72
Interest	2,200.00	2,068.33	3,300.00	2,251.09	7,000.00	7,436.30	9,000.00	6,640.67
Other	-	-	-	-	1,800.00	1,758.75	16,000.00	8,635.96
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,200.00	2,068.33	3,300.00	2,251.09	808,800.00	850,001.20	800,000.00	807,372.35
DISBURSEMENTS								
Autopsies	-	-	-	-	32,000.00	22,925.00	25,000.00	23,800.00
Supplement Grant	-	-	-	-	-	-	16,000.00	7,102.73
Prosecuting Attorney's Office	-	-	-	-	19,300.00	13,888.26	-	-
Services and Other	-	-	-	-	720.00	1,531.50	720.00	1,039.00
Transfers Out	-	-	-	-	800,000.00	800,000.00	506,907.32	506,907.00
TOTAL DISBURSEMENTS	-	-	-	-	852,020.00	838,344.76	548,627.32	538,848.73
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	2,200.00	2,068.33	3,300.00	2,251.09	(43,220.00)	11,656.44	251,372.68	268,523.62
CASH BALANCES, JANUARY 1	333,758.35	333,758.35	331,507.26	331,507.26	1,120,874.25	1,120,874.25	852,350.63	852,350.63
CASH BALANCES, DECEMBER 31	\$ 335,958.35	\$ 335,826.68	\$ 334,807.26	\$ 333,758.35	\$ 1,077,654.25	\$ 1,132,530.69	\$ 1,103,723.31	\$ 1,120,874.25

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	COUNTRYSIDE FUND				DOMESTIC VIOLENCE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ 800.00	\$ 717.69	\$ 1,300.00	\$ 781.14	\$ 300.00	\$ 271.09	\$ 380.00	\$ 273.04
Other	-	-	-	-	6,000.00	3,542.00	6,000.00	3,483.50
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	800.00	717.69	1,300.00	781.14	6,300.00	3,813.09	6,380.00	3,756.54
DISBURSEMENTS								
Law Enforcement General	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-	-	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	800.00	717.69	1,300.00	781.14	6,300.00	3,813.09	6,380.00	3,756.54
CASH BALANCES, JANUARY 1	115,815.14	115,815.14	115,034.00	115,034.00	42,378.73	42,378.73	38,622.19	38,622.19
CASH BALANCES, DECEMBER 31	<u>\$ 116,615.14</u>	<u>\$ 116,532.83</u>	<u>\$ 116,334.00</u>	<u>\$ 115,815.14</u>	<u>\$ 48,678.73</u>	<u>\$ 46,191.82</u>	<u>\$ 45,002.19</u>	<u>\$ 42,378.73</u>

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THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ELECTION ADMINISTRATION FUND				PROSECUTING ATTORNEY ADMIN. FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 3,000.00	\$ 3,986.51	\$ 6,000.00	\$ 4,365.80	\$ 201,500.00	\$ 128,322.27	\$ 202,500.00	\$ 182,105.06
Interest	200.00	165.69	250.00	163.94	250.00	229.00	200.00	244.73
Other	-	-	-	-	-	-	-	411.31
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,200.00	4,152.20	6,250.00	4,529.74	201,750.00	128,551.27	202,700.00	182,761.10
DISBURSEMENTS								
Dues	-	-	-	-	2,000.00	2,308.94	3,000.00	1,300.50
Mileage and Training	3,500.00	1,080.07	3,000.00	547.34	4,500.00	6,826.97	4,500.00	5,103.71
Equipment	5,000.00	30.36	5,000.00	119.71	3,000.00	1,418.99	5,000.00	185.93
Restitution to Victims	-	-	-	-	185,000.00	118,736.24	185,000.00	170,597.95
Trial Preparation	-	-	-	-	5,600.00	7,602.46	6,000.00	3,734.50
TOTAL DISBURSEMENTS	8,500.00	1,110.43	8,000.00	667.05	200,100.00	136,893.60	203,500.00	180,922.59
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(5,300.00)	3,041.77	(1,750.00)	3,862.69	1,650.00	(8,342.33)	(800.00)	1,838.51
CASH BALANCES, JANUARY 1	26,164.60	26,164.60	22,301.91	22,301.91	34,185.43	34,185.43	32,346.92	32,346.92
CASH BALANCES, DECEMBER 31	\$ 20,864.60	\$ 29,206.37	\$ 20,551.91	\$ 26,164.60	\$ 35,835.43	\$ 25,843.10	\$ 31,546.92	\$ 34,185.43

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	INMATE DETAINEE SECURITY FUND				E-911 EMERGENCY FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 5,500.00	\$ 6,430.00	\$ 6,500.00	\$ 5,982.50	\$ -	\$ -	\$ -	\$ -
Interest	100.00	124.64	40.00	97.27	700.00	612.68	1,000.00	666.83
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,600.00	6,554.64	6,540.00	6,079.77	700.00	612.68	1,000.00	666.83
DISBURSEMENTS								
Detainee Security	500.00	-	500.00	-	-	-	-	-
TOTAL DISBURSEMENTS	500.00	-	500.00	-	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,100.00	6,554.64	6,040.00	6,079.77	700.00	612.68	1,000.00	666.83
CASH BALANCES, JANUARY 1	17,391.64	17,391.64	11,311.87	11,311.87	98,869.63	98,869.63	98,202.80	98,202.80
CASH BALANCES, DECEMBER 31	\$ 22,491.64	\$ 23,946.28	\$ 17,351.87	\$ 17,391.64	\$ 99,569.63	\$ 99,482.31	\$ 99,202.80	\$ 98,869.63

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THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	E-911 RESERVE FUND				RECORDER USER FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 48,000.00	\$ 36,184.88	\$ 48,000.00	\$ 44,399.79	\$ 6,000.00	\$ 6,281.00	\$ 6,000.00	\$ 6,442.00
Interest	60.00	47.24	100.00	59.87	225.00	198.24	225.00	233.18
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	48,060.00	36,232.12	48,100.00	44,459.66	6,225.00	6,479.24	6,225.00	6,675.18
DISBURSEMENTS								
Office	-	-	-	-	2,000.00	990.00	2,000.00	1,210.00
Recording System	-	-	-	-	5,725.00	-	5,725.00	-
Binding	-	-	-	-	6,000.00	6,000.00	6,000.00	6,000.00
Archival System	-	-	-	-	4,500.00	-	4,500.00	2,375.00
Legal Fees and Dues	-	-	-	-	500.00	-	500.00	-
Services and Other	48,000.00	37,041.54	48,000.00	44,875.17	500.00	-	500.00	-
TOTAL DISBURSEMENTS	48,000.00	37,041.54	48,000.00	44,875.17	19,225.00	6,990.00	19,225.00	9,585.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	60.00	(809.42)	100.00	(415.51)	(13,000.00)	(510.76)	(13,000.00)	(2,909.82)
CASH BALANCES, JANUARY 1	9,861.44	9,861.44	10,276.95	10,276.95	30,290.51	30,290.51	33,200.33	33,200.33
CASH BALANCES, DECEMBER 31	\$ 9,921.44	\$ 9,052.02	\$ 10,376.95	\$ 9,861.44	\$ 17,290.51	\$ 29,779.75	\$ 20,200.33	\$ 30,290.51

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	RECORDER TECHNICAL FUND				COLLECTOR TAX FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 3,500.00	\$ 3,667.50	\$ 3,500.00	\$ 3,653.75	\$ 23,000.00	\$ 22,648.63	\$ 23,000.00	\$ 21,823.69
Interest	300.00	267.03	300.00	283.62	1,500.00	834.68	1,800.00	804.46
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,800.00	3,934.53	3,800.00	3,937.37	24,500.00	23,483.31	24,800.00	22,628.15
DISBURSEMENTS								
Recording System	12,500.00	5,475.50	9,225.00	879.00	-	-	-	-
Computer Maintenance	2,000.00	2,000.00	2,500.00	2,000.00	1,000.00	-	1,000.00	-
Equipment	-	-	-	-	10,000.00	-	8,000.00	-
Furniture	-	-	-	-	2,000.00	499.00	2,000.00	175.00
Dues	-	-	-	-	4,000.00	2,069.95	4,000.00	1,658.20
Computer Hardware and Software	2,500.00	-	-	-	3,000.00	-	2,500.00	-
Office	-	-	-	-	4,000.00	3,717.58	4,000.00	2,903.92
Mileage and Training	-	-	-	-	1,000.00	528.98	500.00	408.97
Professional Services	-	-	-	-	40,000.00	500.00	40,000.00	-
Capital Improvements	-	-	-	-	500.00	-	-	-
Other	500.00	-	500.00	-	1,000.00	-	1,000.00	-
Transfers Out	-	-	-	-	25,000.00	-	25,000.00	-
TOTAL DISBURSEMENTS	17,500.00	7,475.50	12,225.00	2,879.00	91,500.00	7,315.51	88,000.00	5,146.09
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(13,700.00)	(3,540.97)	(8,425.00)	1,058.37	(67,000.00)	16,167.80	(63,200.00)	17,482.06
CASH BALANCES, JANUARY 1	44,154.10	44,154.10	43,095.73	43,095.73	124,728.77	124,728.77	107,246.71	107,246.71
CASH BALANCES, DECEMBER 31	\$ 30,454.10	\$ 40,613.13	\$ 34,670.73	\$ 44,154.10	\$ 57,728.77	\$ 140,896.57	\$ 44,046.71	\$ 124,728.77

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	LAW ENFORCEMENT GENERAL FUND				LAW ENFORCEMENT TRAINING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 800,000.00	\$ 841,027.95	\$ 775,000.00	\$ 794,822.03	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	495,650.00	458,525.75	253,325.00	453,279.96	4,341.89	3,627.89	3,200.00	3,375.51
Interest	2,100.00	1,416.35	2,300.00	2,223.36	75.00	39.48	75.00	45.19
Other	36,012.85	42,708.07	11,155.00	10,390.29	-	-	-	-
Transfers In	810,000.00	800,000.00	516,907.32	506,907.00	-	-	-	-
TOTAL RECEIPTS	2,143,762.85	2,143,678.12	1,558,687.32	1,767,622.64	4,416.89	3,667.37	3,275.00	3,420.70
DISBURSEMENTS								
Salaries	1,006,864.19	994,415.35	971,974.24	902,887.09	-	-	-	-
Fringe Benefits	476,949.31	418,255.71	408,782.00	359,765.11	-	-	-	-
Law Enforcement	863,244.86	812,105.70	617,219.00	675,031.94	-	-	-	-
Training	-	-	-	-	5,500.00	4,855.32	4,300.00	2,016.51
TOTAL DISBURSEMENTS	2,347,058.36	2,224,776.76	1,997,975.24	1,937,684.14	5,500.00	4,855.32	4,300.00	2,016.51
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(203,295.51)	(81,098.64)	(439,287.92)	(170,061.50)	(1,083.11)	(1,187.95)	(1,025.00)	1,404.19
CASH BALANCES, JANUARY 1	269,226.42	269,226.42	439,287.92	439,287.92	7,926.20	7,926.20	6,522.01	6,522.01
CASH BALANCES, DECEMBER 31	\$ 65,930.91	\$ 188,127.78	\$ -	\$ 269,226.42	\$ 6,843.09	\$ 6,738.25	\$ 5,497.01	\$ 7,926.20

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THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SHERIFF CIVIL FUND				SHERIFF REVOLVING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 20,000.00	\$ 16,735.00	\$ 20,000.00	\$ 18,694.61	\$ 18,000.00	\$ 2,212.25	\$ 18,000.00	\$ 31,751.75
Interest	500.00	206.65	500.00	234.32	350.00	251.71	350.00	260.68
Other	-	-	-	-	4,000.00	600.75	3,500.00	7,272.25
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	20,500.00	16,941.65	20,500.00	18,928.93	22,350.00	3,064.71	21,850.00	39,284.68
DISBURSEMENTS								
Equipment	25,000.00	16,672.00	40,000.00	24,923.41	-	-	-	-
TIF Payment	6,000.00	-	12,500.00	-	-	-	-	-
Office	1,200.00	-	1,200.00	-	-	-	-	-
Training	-	-	-	-	2,636.00	-	2,636.00	-
Supplies	-	-	-	-	16,000.00	13,038.73	16,000.00	15,201.00
CCW Fingerprinting	-	-	-	-	8,000.00	878.00	7,500.00	7,683.75
TOTAL DISBURSEMENTS	32,200.00	16,672.00	53,700.00	24,923.41	26,636.00	13,916.73	26,136.00	22,884.75
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,700.00)	269.65	(33,200.00)	(5,994.48)	(4,286.00)	(10,852.02)	(4,286.00)	16,399.93
CASH BALANCES, JANUARY 1	38,391.40	38,391.40	44,385.88	44,385.88	47,233.34	47,233.34	30,833.41	30,833.41
CASH BALANCES, DECEMBER 31	\$ 26,691.40	\$ 38,661.05	\$ 11,185.88	\$ 38,391.40	\$ 42,947.34	\$ 36,381.32	\$ 26,547.41	\$ 47,233.34

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THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY DELINQUENT FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 500.00	\$ 622.43	\$ 500.00	\$ 604.43	\$ -	\$ -	\$ -	\$ -
Interest	60.00	45.98	60.00	46.61	75.00	61.69	100.00	71.48
Other	-	-	-	-	200.00	-	260.00	98.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	560.00	668.41	560.00	651.04	275.00	61.69	360.00	169.48
DISBURSEMENTS								
Office	500.00	453.20	500.00	-	500.00	453.20	-	-
Computer Software	-	-	-	-	-	-	500.00	362.29
TOTAL DISBURSEMENTS	500.00	453.20	500.00	-	500.00	453.20	500.00	362.29
RECEIPTS OVER (UNDER) DISBURSEMENTS	60.00	215.21	60.00	651.04	(225.00)	(391.51)	(140.00)	(192.81)
CASH BALANCES, JANUARY 1	7,866.42	7,866.42	7,215.38	7,215.38	10,297.77	10,297.77	10,490.58	10,490.58
CASH BALANCES, DECEMBER 31	<u>\$ 7,926.42</u>	<u>\$ 8,081.63</u>	<u>\$ 7,275.38</u>	<u>\$ 7,866.42</u>	<u>\$ 10,072.77</u>	<u>\$ 9,906.26</u>	<u>\$ 10,350.58</u>	<u>\$ 10,297.77</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	MULTI-CO. CHILD SUPPORT ENFORCEMENT FUND				JUVENILE JUSTICE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 115,902.00	\$ 118,748.12	\$ 124,752.00	\$ 101,741.97	\$ 66,300.00	\$ 59,487.92	\$ 62,928.00	\$ 53,721.85
Interest	90.00	111.86	90.00	80.79	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	115,992.00	118,859.98	124,842.00	101,822.76	66,300.00	59,487.92	62,928.00	53,721.85
DISBURSEMENTS								
Salaries	74,700.00	71,583.32	74,700.00	72,179.94	-	-	-	-
Fringe Benefits	31,096.00	29,662.76	28,702.00	24,475.66	-	-	-	-
Equipment	5,050.00	3,942.03	5,050.00	3,896.43	-	-	-	-
Mileage and Training	4,750.00	2,045.36	6,250.00	4,006.87	3,000.00	-	-	-
Operations	-	-	-	-	13,300.00	9,489.32	11,928.00	7,895.85
Permenancy Planning	-	-	-	-	50,000.00	49,998.60	50,000.00	45,826.00
Services and Other	10,000.00	-	-	-	-	-	1,000.00	-
Transfers Out	-	-	18,500.00	-	-	-	-	-
TOTAL DISBURSEMENTS	125,596.00	107,233.47	133,202.00	104,558.90	66,300.00	59,487.92	62,928.00	53,721.85
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(9,604.00)	11,626.51	(8,360.00)	(2,736.14)	-	-	-	-
CASH BALANCES, JANUARY 1	11,038.69	11,038.69	13,774.83	13,774.83	500.00	500.00	500.00	500.00
CASH BALANCES, DECEMBER 31	\$ 1,434.69	\$ 22,665.20	\$ 5,414.83	\$ 11,038.69	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	JUVENILE GRANT OPERATIONS FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 215,304.94	\$ 207,242.33	\$ 216,141.33	\$ 188,242.61
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	215,304.94	207,242.33	216,141.33	188,242.61
DISBURSEMENTS				
Salaries	165,444.28	158,096.38	168,102.23	147,171.76
Fringe Benefits	49,860.66	49,145.95	48,039.10	41,070.85
TOTAL DISBURSEMENTS	215,304.94	207,242.33	216,141.33	188,242.61
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-
CASH BALANCES, JANUARY 1	-	-	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	<u>Overplus Tax</u>	<u>Unclaimed Fees</u>	<u>CERF</u>	<u>Prosecuting Attorney</u>	<u>Unappropriated School</u>
ASSETS					
Cash and Cash Equivalents	\$ 257.13	\$ 15,733.41	\$ 1.23	\$ -	\$ 34,320.59
Total Assets	257.13	15,733.41	1.23	-	34,320.59
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	257.13	15,733.41	1.23	-	34,320.59
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 257.13</u>	<u>\$ 15,733.41</u>	<u>\$ 1.23</u>	<u>\$ -</u>	<u>\$ 34,320.59</u>
	<u>Milliken Cemetery</u>	<u>District Schools</u>	<u>NH District</u>	<u>Recorder</u>	<u>Collector</u>
ASSETS					
Cash and Cash Equivalents	\$ 25,573.62	\$ -	\$ -	\$ 9,430.65	\$ 2,125,705.45
Total Assets	25,573.62	-	-	9,430.65	2,125,705.45
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	25,573.62	-	-	9,430.65	2,125,705.45
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,573.62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,430.65</u>	<u>\$ 2,125,705.45</u>
	<u>Senate Bill 40</u>	<u>Sheriff Bonds</u>	<u>Sheriff Fees</u>	<u>Sheriff Inmate</u>	<u>Clerk Election</u>
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 11,500.60	\$ 24,067.42	\$ 235.01
Total Assets	-	-	11,500.60	24,067.42	235.01
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	11,500.60	24,067.42	235.01
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,500.60</u>	<u>\$ 24,067.42</u>	<u>\$ 235.01</u>
	<u>Deputy Sheriff Supplemental</u>	<u>Total Agency Funds</u>			
ASSETS					
Cash and Cash Equivalents	\$ -	\$ 2,246,825.11			
Total Assets	-	2,246,825.11			
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	2,246,825.11			
UNRESERVED FUND BALANCES	-	-			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 2,246,825.11</u>			

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2016

	Overplus Tax	Unclaimed Fees	CERF	Prosecuting Attorney	Unappropriated School
ASSETS					
Cash and Cash Equivalents	\$ 257.13	\$ 13,480.38	\$ 2.58	\$ -	\$ 32,568.24
Total Assets	257.13	13,480.38	2.58	-	32,568.24
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	257.13	13,480.38	2.58	-	32,568.24
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 257.13</u>	<u>\$ 13,480.38</u>	<u>\$ 2.58</u>	<u>\$ -</u>	<u>\$ 32,568.24</u>
	Milliken Cemetery	District Schools	NH District	Recorder	Collector
ASSETS					
Cash and Cash Equivalents	\$ 23,623.84	\$ -	\$ -	\$ 8,090.95	\$ 11,631,502.01
Total Assets	23,623.84	-	-	8,090.95	11,631,502.01
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	23,623.84	-	-	8,090.95	11,631,502.01
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,623.84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,090.95</u>	<u>\$ 11,631,502.01</u>
	Senate Bill 40	Sheriff Bonds	Sheriff Fees	Sheriff Inmate	Clerk Election
ASSETS					
Cash and Cash Equivalents	\$ 0.52	\$ -	\$ 25,764.77	\$ 40,246.72	\$ 455.05
Total Assets	0.52	-	25,764.77	40,246.72	455.05
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	0.52	-	25,764.77	40,246.72	455.05
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0.52</u>	<u>\$ -</u>	<u>\$ 25,764.77</u>	<u>\$ 40,246.72</u>	<u>\$ 455.05</u>
	Deputy Sheriff Supplemental	Total Agency Funds			
ASSETS					
Cash and Cash Equivalents	\$ 540.00	\$ 11,776,532.19			
Total Assets	540.00	11,776,532.19			
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	540.00	11,776,532.19			
UNRESERVED FUND BALANCES	-	-			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 540.00</u>	<u>\$ 11,776,532.19</u>			

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Adair, Missouri (“the County”), which is governed by a three-member board of commissioners, was established in 1841 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eleven elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator, Prosecuting Attorney and County Surveyor.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, and social and human services.

The financial statements referred to above include only the primary government of the County of Adair, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity. The Adair County Senate Bill 40 Board has issued separate reporting entity financial statements. For more information of this component unit, please contact them at 660-627-6291 (or write to 1107 County Club Drive, Kirksville, MO 63501).

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation, was:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 193,772,060	\$ 190,528,420
Personal Property	66,162,461	63,955,789
Railroad and Utilities	30,563,956	29,347,562
	<u>\$ 290,498,477</u>	<u>\$ 283,831,771</u>

During 2017 and 2016, the County Commission approved a \$0.2766 and \$0.2764, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2017</u>	<u>2016</u>
General Revenue Fund	\$ 0.0000	\$ 0.0000
Special Road and Bridge Fund	<u>0.2766</u>	<u>0.2764</u>
	<u>\$ 0.2766</u>	<u>\$ 0.2764</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017, and 2016, the carrying amount of the County's deposits was \$4,761,746.46 and \$4,974,430.59, the bank balance was \$13,621,847.51 and \$13,582,925.44, respectively. As of December 31, 2017, and 2016, 100% of the County's cash and cash equivalents were guaranteed by the U. S. Government and securities set aside in the name of the County by the financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances -

Deposits	\$ 4,761,746.46
Total Governmental Funds	<u>4,761,746.46</u>

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	<u>2,246,825.11</u>
Total Agency Funds	<u>2,246,825.11</u>

Total Deposits as of December 31, 2017	<u>\$ 7,008,571.57</u>
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THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits shown above are included in the financial statements at December 31, 2016, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances -

Deposits	\$ 4,974,430.59
Total Governmental Funds	4,974,430.59

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	11,776,532.19
Total Agency Funds	11,776,532.19

Total Deposits as of December 31, 2016	\$ <u>16,750,962.78</u>
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Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ending December 31, 2017, and 2016.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ending December 31, 2017, and 2016.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT

During June of 2000, the County entered into a lease purchase agreement in the amount of \$1,900,000 for a term of 20 years with an interest rate of 6.245%. This was for the purpose of constructing a juvenile justice center. The annual lease payment was \$168,960.46. In June of 2011, the County amended the lease purchase agreement to obtain a lower interest rate of 3.900%. This amended lease purchase is for a term of nine years with an annual lease payment of \$151,084.84.

As of December 31, 2017, the unpaid principal balance of the lease purchase was \$420,057.35. The future payments for the lease purchase agreement of the juvenile justice center are as follows:

<u>Balance</u> <u>12/31/2016</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Interest</u> <u>Paid</u>
<u>\$549,703.74</u>	<u>\$ -</u>	<u>\$129,646.39</u>	<u>\$420,057.35</u>	<u>\$21,438.45</u>

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 134,702.60	\$ 16,382.24	\$ 151,084.84
2019	139,956.00	11,128.84	151,084.84
2020	145,398.75	5,686.09	151,084.84
	<u>\$ 420,057.35</u>	<u>\$ 33,197.17</u>	<u>\$ 453,254.52</u>

As of December 31, 2016, the unpaid principal balance of the lease purchase was \$549,703.74. The future payments for the lease purchase agreement of the juvenile justice center are as follows.

<u>Balance</u> <u>12/31/2015</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/2016</u>	<u>Interest</u> <u>Paid</u>
<u>\$674,414.36</u>	<u>\$ -</u>	<u>\$124,710.62</u>	<u>\$549,703.74</u>	<u>\$26,374.22</u>

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 129,646.39	\$ 21,438.45	\$ 151,084.84
2018	134,702.60	16,382.24	151,084.84
2019	139,956.00	11,128.84	151,084.84
2020	145,398.75	5,686.09	151,084.84
	<u>\$ 549,703.74</u>	<u>\$ 54,635.62</u>	<u>\$ 604,339.36</u>

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IV. OPERATING LEASES

In June 2010, the County entered into an operating lease for the Public Defender's office. In August 2014, the County amended the lease agreement. This lease is effective from August 21, 2014, through May 31, 2020, with quarterly payments of \$2,920.07. During the 2017 and 2016 years, the County made payments totaling \$11,680.28 and \$11,680.28, respectively.

2017 Future Minimum Payments for Operating Leases:

Year Ending December 31	Amount
2018	\$ 11,680.28
2019	11,680.28
2020	5,840.14
	<u>\$ 29,200.70</u>

2016 Future Minimum Payments for Operating Leases:

Year Ending December 31	Amount
2017	\$ 11,680.28
2018	11,680.28
2019	11,680.28
2020	5,840.14
	<u>\$ 40,880.98</u>

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2017, and 2016 are as follows:

	2017		2016	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ -	\$ -	\$ 85,000.00
Assessment Fund	-	-	85,000.00	-
Law Enforcement Services Fund	-	800,000.00	-	506,907.00
Law Enforcement General Fund	<u>800,000.00</u>	<u>-</u>	<u>506,907.00</u>	<u>-</u>
TOTAL	<u>\$ 800,000.00</u>	<u>\$ 800,000.00</u>	<u>\$ 591,907.00</u>	<u>\$ 591,907.00</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2017, and 2016 were \$109,959.32 and \$94,269.17, respectively.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Adair County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Adair County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with Sections 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

	<u>2017 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 Years
Member Contributions:	4.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	53	11
Inactive employees entitled to but not yet receiving benefits	30	10
Active employees	56	11
	<u>139</u>	<u>32</u>

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4.0% of their gross pay to the pension plan. Employer contribution rates are 15.1% (General) and 18.4% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 28, 2017, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 206,759	\$ 49,022
2 Interest on Total Pension Liability	494,867	124,230
3 Changes of Benefit Terms	544,433	116,975
4 Difference between expected and actual experience of the Total Pension Liability	(109,278)	(79,683)
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(257,350)	(69,865)
7 Net change in total pension liability	879,431	140,679
8 Total pension liability - beginning	6,850,607	1,723,757
9 Total pension liability - ending	<u>\$ 7,730,038</u>	<u>\$ 1,864,436</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 238,585	\$ 61,502
2 Contributions - employee	-	-
3 Net investment income	817,936	204,517
4 Benefit payments, including refunds of employee contributions	(257,350)	(69,865)
5 Pension plan administrative expense	(11,462)	(2,107)
6 Other (net transfer)	32,586	(47,782)
7 Net change in plan fiduciary net position	820,295	146,265
8 Plan fiduciary net position - beginning	6,517,697	1,625,724
9 Plan fiduciary net position - ending	<u>\$ 7,337,992</u>	<u>\$ 1,771,989</u>
C. Net Pension Liability / (Asset)	<u>\$ 392,046</u>	<u>\$ 92,447</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.93%	95.04%
E. Covered-Employee Payroll	\$ 1,922,480	\$ 403,206
F. Net Pension Liability as a Percentage of Covered Employee Payroll	20.39%	22.93%

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 8,817,000	\$ 7,730,038	\$ 6,830,493
Plan Fiduciary Net Position	7,337,992	7,337,992	7,337,992
Net Pension Liability / (Asset) (NPL)	\$ 1,479,008	\$ 392,046	\$ (507,499)
Police Division:			
Total Pension Liability (TPL)	\$ 2,130,218	\$ 1,864,436	\$ 1,646,853
Plan Fiduciary Net Position	1,771,989	1,771,989	1,771,989
Net Pension Liability / (Asset) (NPL)	\$ 358,229	\$ 92,447	\$ (125,136)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the employer recognized pension expense of \$908,287 for general and \$239,608 for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 15,390	\$ (32,336)	\$ 9,870	\$ (28,371)
Changes in assumptions	76,965	-	9,221	-
Net difference between projected and actual earnings on pension plan investments	165,014	(69,064)	42,307	(17,745)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 257,369</u>	<u>\$ (101,400)</u>	<u>\$ 61,398</u>	<u>\$ (46,116)</u>

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2018	\$ 155,969	\$ 5,412
2019	157,159	349
2020	12,684	2,332
2021	(69,063)	(17,747)
2022	-	-
Thereafter	-	-
Total	<u>\$ 256,749</u>	<u>\$ (9,654)</u>

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$11,628.00 and \$9,044.00, respectively, for the years ended December 31, 2017, and 2016.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2017, and December 31, 2016.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable but not sick time. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2017 AND 2016

SCHEDULE OF STATE FINDINGS

There were no state findings for the years ended December 31, 2017, and 2016.

INTERNAL CONTRAL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Adair, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Adair ("County") Missouri which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 13, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 13, 2018

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the years ended December 31, 2017, and December 31, 2016.

THE COUNTY OF ADAIR
KIRKSVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the years ended December 31, 2015, and December 31, 2014.



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

DRAFT

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

July 13, 2018

To the County Commissioners
The County of Adair, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Adair (the "County") as of and for the years ended December 31, 2017, and 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our comments concerning internal control and other significant matters are presented as follows:

I. Information Required by Professional Standards

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 15, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2017 and 2016 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 13, 2018.

I. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Dent County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dent County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-075

**The County of Dent
Salem, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2017 & 2016**



**The County of Dent
Salem, Missouri
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INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Dent County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Dent County, Missouri, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Dent County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Dent County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Dent County, Missouri as of December 31, 2017 and 2016, or changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Dent County, Missouri as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2018 on our consideration of Dent County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dent County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dent County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
July 25, 2018

The County of Dent
Salem, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017

<u>Fund</u>	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	\$ 1,257,291	\$ 1,532,065	\$ 1,596,851	\$ 1,192,505
Special Road and Bridge	238,395	1,758,248	1,525,743	470,900
Assessment	88,758	187,626	178,745	97,639
911 Emergency Services	53,612	46,014	46,623	53,003
Law Enforcement Sales Tax	155,363	1,404,732	1,286,379	273,716
Children's Trust	4,088	4,118	3,742	4,464
Law Enforcement Restitution	70,343	48,492	71,164	47,671
Law Enforcement Training	9,690	4,372	3,919	10,143
Prosecuting Attorney Bad Check Fee	14,824	2,954	5,000	12,778
Prosecuting Attorney Training	6,309	785	-	7,094
Recorder User Fee	14,899	13,318	11,021	17,196
Collector's Tax Maintenance	65,406	19,504	12,852	72,058
Senate Bill 40 Board	681,757	644,267	599,968	726,056
Senior Citizens Services Board	16,348	82,378	79,710	19,016
Sheriff Revolving	19,875	3,550	14,708	8,717
Special Election Services	169	1	-	170
Title III National Forest	129,002	841	-	129,843
Tourism Tax	139,154	62,697	57,199	144,652
Inmate Security	15,079	24,800	25,000	14,879
Total	<u>\$ 2,980,362</u>	<u>\$ 5,840,762</u>	<u>\$ 5,518,624</u>	<u>\$ 3,302,500</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2016

<u>Fund</u>	Cash and Equivalents January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Equivalents December 31, 2016
General Revenue	\$ 1,249,077	\$ 1,454,589	\$ 1,446,375	\$ 1,257,291
Special Road and Bridge	120,708	1,626,913	1,509,226	238,395
Assessment	91,948	186,411	189,601	88,758
911 Emergency Services	87,051	40,583	74,022	53,612
Law Enforcement Sales Tax	252,727	1,137,573	1,234,937	155,363
Children's Trust	2,992	4,088	2,992	4,088
Law Enforcement Restitution	68,671	41,348	39,676	70,343
Law Enforcement Training	8,363	4,034	2,707	9,690
Prosecuting Attorney Bad Check Fee	17,560	3,614	6,350	14,824
Prosecuting Attorney Training	5,519	790	-	6,309
Recorder User Fee	12,191	11,029	8,321	14,899
Collector's Tax Maintenance	61,754	16,825	13,173	65,406
Senate Bill 40 Board	818,896	557,639	694,778	681,757
Senior Citizens Services Board	12,921	78,492	75,065	16,348
Sheriff Revolving	17,620	40,651	38,396	19,875
Special Election Services	2,636	2,937	5,404	169
Title III National Forest	128,228	774	-	129,002
Tourism Tax	150,046	64,035	74,927	139,154
Inmate Security	129	29,950	15,000	15,079
Total	<u>\$ 3,109,037</u>	<u>\$ 5,302,275</u>	<u>\$ 5,430,950</u>	<u>\$ 2,980,362</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	General Revenue Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 76,000	\$ 79,068	\$ 80,000	\$ 76,158
Sales Taxes	826,642	885,029	811,909	826,642
Intergovernmental	202,000	198,278	191,155	212,712
Charges for Services	261,710	272,102	270,597	262,392
Interest	8,400	9,528	8,000	8,397
Other Receipts	99,060	83,060	78,265	63,288
Transfers In	5,000	5,000	5,000	5,000
Total Receipts	<u>\$ 1,478,812</u>	<u>\$ 1,532,065</u>	<u>\$ 1,444,926</u>	<u>\$ 1,454,589</u>
<u>Disbursements</u>				
County Commission	\$ 96,100	\$ 93,502	\$ 94,850	\$ 95,388
County Clerk	114,467	113,859	113,445	110,305
Elections	31,900	32,414	82,200	80,723
Buildings and Grounds	136,522	131,205	126,686	114,476
Employee Fringe Benefits	182,700	162,740	150,700	149,074
County Treasurer	48,310	46,040	48,260	46,331
County Collector	102,954	91,687	101,884	91,535
Recorder of Deeds	59,850	59,102	59,500	59,971
Circuit Clerk	91,916	39,871	30,420	29,891
Court Administration	5,379	3,050	5,617	2,972
Public Administrator	60,640	56,468	60,356	58,585
Prosecuting Attorney	283,963	276,977	274,440	277,853
Juvenile Officer	57,695	57,695	57,695	57,695
County Coroner	33,175	30,355	33,525	29,969
Other General County Government	157,640	172,481	159,750	91,572
Capital Outlay	125,000	169,448	125,000	90,755
Debt Services	21,000	20,957	20,000	20,280
Transfers Out	39,000	39,000	39,000	39,000
Emergency Fund	44,400	-	43,500	-
Total Disbursements	<u>\$ 1,692,611</u>	<u>\$ 1,596,851</u>	<u>\$ 1,626,828</u>	<u>\$ 1,446,375</u>
Receipts Over (Under)				
Disbursements	\$ (213,799)	\$ (64,786)	\$ (181,902)	\$ 8,214
Cash and Equivalents, Jan 1	<u>1,257,291</u>	<u>1,257,291</u>	<u>1,249,077</u>	<u>1,249,077</u>
Cash and Equivalents, Dec 31	<u><u>\$ 1,043,492</u></u>	<u><u>\$ 1,192,505</u></u>	<u><u>\$ 1,067,175</u></u>	<u><u>\$ 1,257,291</u></u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Special Road and Bridge Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 410,000	\$ 426,292	\$ 420,000	\$ 409,943
Sales Taxes	390,000	412,526	405,000	381,431
Intergovernmental	755,450	751,097	755,020	763,178
Charges for Services	-	-	-	-
Interest	2,000	2,428	2,000	1,974
Other Receipts	12,000	165,905	12,000	70,387
Transfers In	-	-	-	-
Total Receipts	<u>\$ 1,569,450</u>	<u>\$ 1,758,248</u>	<u>\$ 1,594,020</u>	<u>\$ 1,626,913</u>
<u>Disbursements</u>				
Salaries	\$ 463,840	\$ 427,899	\$ 456,560	\$ 433,483
Employee Fringe Benefits	149,000	137,001	138,450	123,767
Supplies	191,750	116,393	186,600	126,656
Insurance	34,000	35,457	29,600	32,053
Road and Bridge Materials	494,250	495,292	470,450	448,226
Equipment Repairs	50,000	80,186	50,000	50,430
Equipment Purchases	225,000	224,239	225,000	284,854
Other Expenditures	10,800	9,276	10,800	9,757
Transfers Out	-	-	-	-
Total Disbursements	<u>\$ 1,618,640</u>	<u>\$ 1,525,743</u>	<u>\$ 1,567,460</u>	<u>\$ 1,509,226</u>
Receipts Over (Under)				
Disbursements	\$ (49,190)	\$ 232,505	\$ 26,560	\$ 117,687
Cash and Equivalents, Jan 1	<u>238,395</u>	<u>238,395</u>	<u>120,708</u>	<u>120,708</u>
Cash and Equivalents, Dec 31	<u><u>\$ 189,205</u></u>	<u><u>\$ 470,900</u></u>	<u><u>\$ 147,268</u></u>	<u><u>\$ 238,395</u></u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Assessment Fund				911 Emergency Services Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	140,750	139,977	140,290	138,172	-	-	-	-
Charges for Services	-	-	-	-	43,000	45,668	43,000	40,109
Interest	900	761	600	806	475	346	635	474
Other Receipts	9,000	7,888	9,000	8,433	-	-	-	-
Transfers In	39,000	39,000	39,000	39,000	-	-	-	-
Total Receipts	<u>\$ 189,650</u>	<u>\$ 187,626</u>	<u>\$ 188,890</u>	<u>\$ 186,411</u>	<u>\$ 43,475</u>	<u>\$ 46,014</u>	<u>\$ 43,635</u>	<u>\$ 40,583</u>
<u>Disbursements</u>								
Salaries	\$ 115,610	\$ 104,372	\$ 114,050	\$ 110,346	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	36,749	31,502	34,755	33,139	-	-	-	-
Materials and Supplies	24,500	14,643	23,000	10,767	10,000	2,173	2,500	3,475
Services	22,800	24,475	22,300	20,252	4,000	3,876	-	-
Other Expenditures	45,000	3,753	47,000	15,097	-	-	-	-
Capital Outlay	-	-	-	-	-	-	40,900	32,533
Transfers Out	-	-	-	-	40,574	40,574	38,014	38,014
Total Disbursements	<u>\$ 244,659</u>	<u>\$ 178,745</u>	<u>\$ 241,105</u>	<u>\$ 189,601</u>	<u>\$ 54,574</u>	<u>\$ 46,623</u>	<u>\$ 81,414</u>	<u>\$ 74,022</u>
Receipts Over (Under)								
Disbursements	\$ (55,009)	\$ 8,881	\$ (52,215)	\$ (3,190)	\$ (11,099)	\$ (609)	\$ (37,779)	\$ (33,439)
Cash and Equivalents, Jan 1	<u>88,758</u>	<u>88,758</u>	<u>91,948</u>	<u>91,948</u>	<u>53,612</u>	<u>53,612</u>	<u>87,051</u>	<u>87,051</u>
Cash and Equivalents, Dec 31	<u>\$ 33,749</u>	<u>\$ 97,639</u>	<u>\$ 39,733</u>	<u>\$ 88,758</u>	<u>\$ 42,513</u>	<u>\$ 53,003</u>	<u>\$ 49,272</u>	<u>\$ 53,612</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Law Enforcement Sales Tax Fund				Children's Trust Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	826,872	1,022,093	811,907	826,872	-	-	-	-
Intergovernmental	62,135	49,068	66,242	62,279	-	-	-	-
Charges for Services	209,827	251,348	252,352	169,826	4,000	4,118	3,200	4,088
Interest	1,707	1,179	1,585	1,708	-	-	-	-
Other Receipts	40,000	5,470	20,000	5,273	-	-	-	-
Transfers In	115,455	75,574	71,615	71,615	-	-	-	-
Total Receipts	<u>\$ 1,255,996</u>	<u>\$ 1,404,732</u>	<u>\$ 1,223,701</u>	<u>\$ 1,137,573</u>	<u>\$ 4,000</u>	<u>\$ 4,118</u>	<u>\$ 3,200</u>	<u>\$ 4,088</u>
Disbursements								
Salaries	\$ 694,522	\$ 731,030	\$ 668,079	\$ 644,882	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	195,217	189,695	175,129	159,552	-	-	-	-
Materials and Supplies	69,739	70,246	64,266	66,380	-	-	-	-
Services	195,574	219,683	229,768	258,264	3,742	3,742	2,992	2,992
Other Expenditures	62,185	5,066	59,461	23,876	-	-	-	-
Capital Outlay	72,424	70,659	62,351	81,983	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,289,661</u>	<u>\$ 1,286,379</u>	<u>\$ 1,259,054</u>	<u>\$ 1,234,937</u>	<u>\$ 3,742</u>	<u>\$ 3,742</u>	<u>\$ 2,992</u>	<u>\$ 2,992</u>
Receipts Over (Under)								
Disbursements	\$ (33,665)	\$ 118,353	\$ (35,353)	\$ (97,364)	\$ 258	\$ 376	\$ 208	\$ 1,096
Cash and Equivalents, Jan 1	<u>155,363</u>	<u>155,363</u>	<u>252,727</u>	<u>252,727</u>	<u>4,088</u>	<u>4,088</u>	<u>2,992</u>	<u>2,992</u>
Cash and Equivalents, Dec 31	<u>\$ 121,698</u>	<u>\$ 273,716</u>	<u>\$ 217,374</u>	<u>\$ 155,363</u>	<u>\$ 4,346</u>	<u>\$ 4,464</u>	<u>\$ 3,200</u>	<u>\$ 4,088</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Law Enforcement Restitution Fund				Law Enforcement Training Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	50,000	48,137	50,000	40,901	4,000	4,308	4,000	3,979
Interest	400	355	400	447	45	64	45	55
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 50,400</u>	<u>\$ 48,492</u>	<u>\$ 50,400</u>	<u>\$ 41,348</u>	<u>\$ 4,045</u>	<u>\$ 4,372</u>	<u>\$ 4,045</u>	<u>\$ 4,034</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	15,274	-	-	-	-	-	-
Services	61,500	55,890	53,000	39,676	4,000	3,919	4,000	2,707
Other Expenditures	59,243	-	66,071	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 120,743</u>	<u>\$ 71,164</u>	<u>\$ 119,071</u>	<u>\$ 39,676</u>	<u>\$ 4,000</u>	<u>\$ 3,919</u>	<u>\$ 4,000</u>	<u>\$ 2,707</u>
Receipts Over (Under)								
Disbursements	\$ (70,343)	\$ (22,672)	\$ (68,671)	\$ 1,672	\$ 45	\$ 453	\$ 45	\$ 1,327
Cash and Equivalents, Jan 1	<u>70,343</u>	<u>70,343</u>	<u>68,671</u>	<u>68,671</u>	<u>9,690</u>	<u>9,690</u>	<u>8,363</u>	<u>8,363</u>
Cash and Equivalents, Dec 31	<u>\$ -</u>	<u>\$ 47,671</u>	<u>\$ -</u>	<u>\$ 70,343</u>	<u>\$ 9,735</u>	<u>\$ 10,143</u>	<u>\$ 8,408</u>	<u>\$ 9,690</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Prosecuting Attorney Bad Check Fee Fund				Prosecuting Attorney Training Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	3,500	2,878	3,000	3,523	550	722	550	740
Interest	75	76	70	91	20	63	12	50
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 3,575	\$ 2,954	\$ 3,070	\$ 3,614	\$ 570	\$ 785	\$ 562	\$ 790
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000	-	2,000	1,350	-	-	-	-
Services	-	-	-	-	900	-	900	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	5,000	5,000	5,000	5,000	-	-	-	-
Total Disbursements	\$ 7,000	\$ 5,000	\$ 7,000	\$ 6,350	\$ 900	\$ -	\$ 900	\$ -
Receipts Over (Under)								
Disbursements	\$ (3,425)	\$ (2,046)	\$ (3,930)	\$ (2,736)	\$ (330)	\$ 785	\$ (338)	\$ 790
Cash and Equivalents, Jan 1	14,824	14,824	17,560	17,560	6,309	6,309	5,519	5,519
Cash and Equivalents, Dec 31	<u>\$ 11,399</u>	<u>\$ 12,778</u>	<u>\$ 13,630</u>	<u>\$ 14,824</u>	<u>\$ 5,979</u>	<u>\$ 7,094</u>	<u>\$ 5,181</u>	<u>\$ 6,309</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Recorder User Fee Fund				Collector's Tax Maintenance Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	10,000	13,218	9,900	10,943	16,500	19,030	18,000	16,588
Interest	65	100	65	86	240	474	117	237
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 10,065	\$ 13,318	\$ 9,965	\$ 11,029	\$ 16,740	\$ 19,504	\$ 18,117	\$ 16,825
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000	10,044	8,000	7,336	49,100	12,852	43,100	13,173
Services	1,000	977	1,000	985	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 11,000	\$ 11,021	\$ 9,000	\$ 8,321	\$ 49,100	\$ 12,852	\$ 43,100	\$ 13,173
Receipts Over (Under)								
Disbursements	\$ (935)	\$ 2,297	\$ 965	\$ 2,708	\$ (32,360)	\$ 6,652	\$ (24,983)	\$ 3,652
Cash and Equivalents, Jan 1	14,899	14,899	12,191	12,191	65,406	65,406	61,754	61,754
Cash and Equivalents, Dec 31	<u>\$ 13,964</u>	<u>\$ 17,196</u>	<u>\$ 13,156</u>	<u>\$ 14,899</u>	<u>\$ 33,046</u>	<u>\$ 72,058</u>	<u>\$ 36,771</u>	<u>\$ 65,406</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Senate Bill 40 Board Fund				Senior Citizens Services Board Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ 218,000	\$ 226,568	\$ 224,000	\$ 218,062	\$ 75,000	\$ 77,248	\$ 75,000	\$ 74,094
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	342,900	415,417	325,300	337,102	-	-	-	-
Interest	2,000	2,113	2,300	2,017	200	284	200	239
Other Receipts	168	169	600	458	3,866	4,846	5,004	4,159
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 563,068	\$ 644,267	\$ 552,200	\$ 557,639	\$ 79,066	\$ 82,378	\$ 80,204	\$ 78,492
Disbursements								
Salaries	\$ 204,486	\$ 208,712	\$ 177,560	\$ 182,670	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	78,660	74,724	58,020	60,533	-	-	-	-
Materials and Supplies	-	52,167	-	39,067	-	-	-	-
Services	271,788	261,977	248,371	404,920	78,862	79,710	75,065	75,065
Other Expenditures	5,000	-	5,000	-	-	-	-	-
Capital Outlay	30,000	2,388	30,000	7,588	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 589,934	\$ 599,968	\$ 518,951	\$ 694,778	\$ 78,862	\$ 79,710	\$ 75,065	\$ 75,065
Receipts Over (Under)								
Disbursements	\$ (26,866)	\$ 44,299	\$ 33,249	\$ (137,139)	\$ 204	\$ 2,668	\$ 5,139	\$ 3,427
Cash and Equivalents, Jan 1	681,757	681,757	818,896	818,896	16,348	16,348	12,921	12,921
Cash and Equivalents, Dec 31	\$ 654,891	\$ 726,056	\$ 852,145	\$ 681,757	\$ 16,552	\$ 19,016	\$ 18,060	\$ 16,348

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Sheriff Revolving Fund				Special Election Services Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,000	-	5,000	2,928
Charges for Services	30,000	3,490	30,000	40,552	-	-	-	-
Interest	115	60	115	99	10	1	10	9
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 30,115</u>	<u>\$ 3,550</u>	<u>\$ 30,115</u>	<u>\$ 40,651</u>	<u>\$ 3,010</u>	<u>\$ 1</u>	<u>\$ 5,010</u>	<u>\$ 2,937</u>
<u>Disbursements</u>								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,200	3,980	4,000	8,151	3,000	-	7,000	5,404
Services	19,881	728	18,601	11,644	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	20,000	10,000	25,000	18,601	-	-	-	-
Total Disbursements	<u>\$ 44,081</u>	<u>\$ 14,708</u>	<u>\$ 47,601</u>	<u>\$ 38,396</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 7,000</u>	<u>\$ 5,404</u>
Receipts Over (Under)								
Disbursements	\$ (13,966)	\$ (11,158)	\$ (17,486)	\$ 2,255	\$ 10	\$ 1	\$ (1,990)	\$ (2,467)
Cash and Equivalents, Jan 1	<u>19,875</u>	<u>19,875</u>	<u>17,620</u>	<u>17,620</u>	<u>169</u>	<u>169</u>	<u>2,636</u>	<u>2,636</u>
Cash and Equivalents, Dec 31	<u>\$ 5,909</u>	<u>\$ 8,717</u>	<u>\$ 134</u>	<u>\$ 19,875</u>	<u>\$ 179</u>	<u>\$ 170</u>	<u>\$ 646</u>	<u>\$ 169</u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Title III National Forest Fund				Tourism Tax Fund			
	2017		2016		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	60,000	61,710	61,000	63,062
Charges for Services	-	-	-	-	-	-	-	-
Interest	842	841	750	774	900	987	850	973
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	\$ 842	\$ 841	\$ 750	\$ 774	\$ 60,900	\$ 62,697	\$ 61,850	\$ 64,035
Disbursements								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	100,000	57,199	100,000	74,927
Other Expenditures	-	-	-	-	-	-	-	-
Capital Outlay	129,844	-	128,978	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 129,844	\$ -	\$ 128,978	\$ -	\$ 100,000	\$ 57,199	\$ 100,000	\$ 74,927
Receipts Over (Under)								
Disbursements	\$ (129,002)	\$ 841	\$ (128,228)	\$ 774	\$ (39,100)	\$ 5,498	\$ (38,150)	\$ (10,892)
Cash and Equivalents, Jan 1	129,002	129,002	128,228	128,228	139,154	139,154	150,046	150,046
Cash and Equivalents, Dec 31	\$ -	\$ 129,843	\$ -	\$ 129,002	\$ 100,054	\$ 144,652	\$ 111,896	\$ 139,154

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2017 & 2016

	Inmate Security Fund			
	2017		2016	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	45,000	24,740	15,000	29,907
Interest	40	60	30	43
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>\$ 45,040</u>	<u>\$ 24,800</u>	<u>\$ 15,030</u>	<u>\$ 29,950</u>
<u>Disbursements</u>				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Expenditures	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	55,000	25,000	15,000	15,000
Total Disbursements	<u>\$ 55,000</u>	<u>\$ 25,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Receipts Over (Under)				
Disbursements	\$ (9,960)	\$ (200)	\$ 30	\$ 14,950
Cash and Equivalents, Jan 1	<u>15,079</u>	<u>15,079</u>	<u>129</u>	<u>129</u>
Cash and Equivalents, Dec 31	<u><u>\$ 5,119</u></u>	<u><u>\$ 14,879</u></u>	<u><u>\$ 159</u></u>	<u><u>\$ 15,079</u></u>

See Notes to the Financial Statements

The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 1 - Summary of Significant Accounting Policies

Organized in 1851, the county of Dent was named after state representative and pioneer settler, Lewis Dent, and is home to a large area of the Mark Twain National Forest. Dent County is a county-organized, third-class county. The county seat is Salem. Dent County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Dent County, Missouri, the Dent County Senate Bill 40 Board, and the Dent County Senior Citizens Services Board.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Dent County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Dent County's legal entity. The Dent County Senate Bill 40 Board and Senior Citizens Services Board are controlled by separate boards and are also included under the control of the County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements and are unaudited.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Dent County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

Budgets are prepared and adopted on the cash basis of accounting.

During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Recorder User Fee Fund, Senate Bill 40 Board Fund, and Senior Citizens Services Board Fund. The following fund had actual expenditures that exceeded the budgeted expenditures in 2016: Senate Bill 40 Board Fund.

The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, respectively, for the purposes of County taxation was as follows:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 122,002,536	\$ 115,277,537
Personal Property	40,965,090	38,282,370
Railroad and Utilities	4,415,804	4,725,192
	<u>\$ 167,383,430</u>	<u>\$ 158,285,099</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2017 and 2016, respectively, for the purpose of County taxation, was as follows:

	<u>2017</u>	<u>2016</u>
General Revenue	\$ 0.0350	\$ 0.0350
Special Road and Bridge	0.2527	0.2550
Senate Bill 40 Board	0.1338	0.1350
Senior Citizens Services Board	0.0476	0.0480

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents".

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2017, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 2,689,142	\$ 2,973,681
Investments	<u>613,358</u>	<u>613,358</u>
Total Deposits and Investments as of December 31, 2017	<u>\$ 3,302,500</u>	<u>\$ 3,587,039</u>

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2016, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 2,368,994	\$ 2,634,049
Investments	<u>611,368</u>	<u>611,368</u>
Total Deposits and Investments as of December 31, 2016	<u>\$ 2,980,362</u>	<u>\$ 3,245,417</u>

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2017 and 2016, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2017 Balance	% of Portfolio	2016 Balance	% of Portfolio
The Bank of Salem	Cert. of Deposit	<u>\$ 613,358</u>	100%	<u>\$ 611,368</u>	100%

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2017 and 2016 are as follows:

Fund	2017		2016	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 5,000	\$ 39,000	\$ 5,000	\$ 39,000
Assessment	39,000	-	39,000	-
911 Emergency Services	-	40,574	-	38,014
Law Enforcement Sales Tax	75,574	-	71,615	-
Prosecuting Attorney Bad Check Fee	-	5,000	-	5,000
Sheriff Revolving	-	10,000	-	18,601
Inmate Security	-	25,000	-	15,000
Total	<u>\$ 119,574</u>	<u>\$ 119,574</u>	<u>\$ 115,615</u>	<u>\$ 115,615</u>

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 4 - Long-Term Debt

In 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of a Backhoe at a cost of \$87,668. The agreement requires annual payments of \$19,227 ending in 2016, which includes interest of 3.15%. This lease was paid off in 2016.

In 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of a Grader at a cost of \$120,187. The Agreement requires annual payments of \$26,359 ending in 2016, which includes interest of 3.15%. This lease was paid off in 2016.

In 2011, the County entered into a cancelable lease purchase agreement to finance the purchase of a Grader at a cost of \$120,187. The Agreement requires annual payments of \$26,359 ending in 2016, which includes interest of 3.15%. This lease was paid off in 2016.

In 2013, the County entered into a cancelable lease purchase agreement to finance the purchase of two Caterpillar Graders at a cost of \$190,156. The agreement requires annual payments of \$40,860 ending in 2018, which includes interest of 2.44%.

In 2014, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2014 Ford Explorer and 2014 Ford Taurus Police Interceptor at a total cost of \$55,947. The agreement requires annual payments of \$19,045 ending in 2016, which includes interest of 2.12%. This lease was paid off in 2016.

In 2014, the County entered into a cancelable lease purchase agreement to finance the purchase of a John Deere Cab Tractor and a Tiger Boom Mower at a total cost of \$90,398. The agreement requires annual payments of \$23,954, ending in 2018, which includes interest of 2.37%.

In 2015, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2015 Ford Explorer Interceptor at a cost of \$28,425. The agreement requires annual payments of \$9,616 ending in 2017, which includes interest of 1.49%. This lease was paid off in 2017.

In 2015, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2013 Ford Utility Police Vehicle at a cost of \$25,107. The agreement requires a one time payment of \$7,240 at signing and subsequent annual payments of \$9,133 ending in 2017, which includes interest of 1.48%. This lease was paid off in 2017.

In 2016, the County entered into a cancelable lease purchase agreement to finance the purchase of two 2016 Mack Dump Trucks at a total cost of \$327,661. The agreement requires a one time payment of \$65,532 at signing and subsequent annual payments of \$68,425 ending in 2020, which includes interest of 1.75%.

In 2017, the County entered into a cancelable lease purchase agreement to finance the purchase of two Dodge Charger Police Sedans at a total cost of \$58,705. The agreement requires annual payments of \$19,981 ending in 2019, which includes interest of 2.09%.

In 2017, the County entered into a cancelable lease purchase agreement to finance the purchase of two Fabick Cat Motor Graders at a total cost of \$263,980. The agreement requires annual payments of \$56,282 ending in 2022, which includes interest of 2.17%.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 4 - Long-Term Debt (continued)

Although the agreements provide cancellation of the leases if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its option to cancel.

The following is the changes in long-term debt for the year ended December 31, 2017:

Capital Lease Obligations	Balance January 1	Additions	Retirements	Balance December 31	Interest Paid
2013 120M2 AWD Graders	\$ 78,823	\$ -	\$ 38,937	\$ 39,886	\$ 1,923
610M Tractor & Boom Mower	46,257	-	22,858	23,399	1,096
2015 Explorer Interceptor	9,472	-	9,472	-	144
2013 Utility Police Vehicle	8,999	-	8,999	-	133
2016 Mack Dump Trucks	262,129	-	63,838	198,291	4,587
2017 4-Door Police Sedans	-	58,705	19,978	38,727	3
2017 120M2 AWD Graders	-	263,980	-	263,980	-
	<u>\$ 405,680</u>	<u>\$ 322,685</u>	<u>\$ 164,082</u>	<u>\$ 564,283</u>	<u>\$ 7,886</u>

The following is the changes in long-term debt for the year ended December 31, 2016:

Capital Lease Obligations	Balance January 1	Additions	Retirements	Balance December 31	Interest Paid
2011 Caterpillar Backhoe	\$ 18,640	\$ -	\$ 18,640	\$ -	\$ 587
2011 John Deere 672 Grader	25,554	-	25,554	-	805
2011 John Deere 672 Grader	25,554	-	25,554	-	805
2013 120M2 AWD Graders	116,832	-	38,009	78,823	2,851
2014 Police Explorer & Taurus	18,646	-	18,646	-	399
610M Tractor & Boom Mower	68,586	-	22,329	46,257	1,625
2015 Explorer Interceptor	18,806	-	9,334	9,472	282
2013 Utility Police Vehicle	17,867	-	8,868	8,999	264
2016 Mack Dump Trucks	-	327,661	65,532	262,129	-
	<u>\$ 310,485</u>	<u>\$ 327,661</u>	<u>\$ 232,466</u>	<u>\$ 405,680</u>	<u>\$ 7,618</u>

The following is the future minimum payments for all leases obligations:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 197,956	\$ 11,547	\$ 209,503
2019	137,309	7,379	144,688
2020	120,017	4,690	124,707
2021	53,917	2,365	56,282
2022	55,084	1,195	56,279
	<u>\$ 564,283</u>	<u>\$ 27,176</u>	<u>\$ 591,459</u>

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 5 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

In accordance with state statutes, the plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 are required to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in CERF. During 2017 and 2016, the County collected and remitted to CERF, employee contributions of \$76,616 and \$73,193, respectively, for the years then ended.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, Dent County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Dent County has contributed \$11,628 and \$10,336, respectively, for the years ended December 31, 2017 and 2016.

Note 7 - Other Retirement Plan

Dent County have voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 457 plan were \$46,176 and \$39,281, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 for the 401(a) plan were \$11,184 and \$10,937, respectively.

Note 8 - Post-Employment Benefits

Dent County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Dent County.

Note 9 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused compensatory time. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

**The County of Dent
Salem, Missouri
Notes to the Financial Statements
For the years ended December 31, 2017 & 2016**

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 25, 2018, the date the financial statements were available to be issued.

The County plans to issue up to \$12,000,000 in lease certificates of participation in 2018 and 2019 to fund a new jail with administrative space for the sheriff. The County has received approval from the voters for two separate ½ cent sales tax proposals at the April 4, 2017 election for the project.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

To the County Commission and
Officeholders of Dent County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Dent County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Dent County, Missouri's basic financial statements, and have issued our report thereon dated July 25, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dent County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dent County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Dent County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies as items 2017-002, 2017-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dent County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2017-001.

Dent County, Missouri's Responses to Findings

Dent County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Dent County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri
July 25, 2018

**The County of Dent
Salem, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2017 & 2016**

Financial Statement Findings

2017-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Actual expenditures are not to exceed the budget.

Condition: During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Recorder User Fee Fund, Senate Bill 40 Board Fund, and Senior Citizens Services Board Fund. The following fund had actual expenditures that exceeded the budgeted expenditures in 2016: Senate Bill 40 Board Fund.

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds.

Cause: Oversight

Recommendation: We recommend that the County adopt a budget for all funds and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Commission, County Treasurer and County Clerk will review all funds throughout the year and make all necessary budget amendments as necessary in accordance with the Mo Revised Statutes. The phone number for the County Commission is (573) 729-3044.

2017-002 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2018. The phone number for the County Commission is (573) 729-3044.

**The County of Dent
Salem, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2017 & 2016**

2017-003 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2018. The phone number for the County Commission is (573) 729-3044.

**The County of Dent
Salem, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Dent County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013 & 2012.

Prior Year Financial Statement Findings

13/12-001 **Condition:** During our audit, we noted one fund with actual expenditures that exceeded the budgeted expenditures.

Effect: Missouri statutes requires Counties to prepare an annual budget and expenditures are not to exceed the budget. Due to exceeding budget in certain funds the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Recommendation: We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Commission, County Treasurer and County Clerk will review all funds throughout the year and make all necessary budget amendments as necessary in accordance with the Mo Revised Statutes.

Status: This finding is repeated in the current year as finding 2017-001.

13/12-002 **Condition:** Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County Commission and County Clerk will attempt to document the County's internal controls as recommended.

Status: This finding is repeated in the current year as finding 2017-002.

**The County of Dent
Salem, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2017 & 2016**

Prior Year Financial Statement Findings (continued)

13/12-003 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County Commission and County Clerk will attempt to develop and implement formal fraud risk assessment procedures.

Status: This finding is repeated in the current year as finding 2017-003.

Prior Year Federal Award Findings

13/12-004 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Criteria: OMB Circular A-133 requires auditees to prepare an accurate SEFA containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of the pass-through entity.

Cause: Management was unaware of the reporting requirements related to the Schedule of Expenditures of Federal Awards.

Effect: Federal expenditures reported on the SEFA were incorrect.

Recommendation: We recommend that management develop internal controls over reporting and consult with outside accountants when needed to ensure an accurate SEFA is prepared.

Management's Response: The County Clerk prepares the SEFA and will prepare each year in compliance with *OMB Circular A-133*.

Status: This finding is no longer applicable.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Iron County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Iron County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-074

THE COUNTY OF IRON
IRONTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017 AND 2016

**THE COUNTY OF IRON
IRONTON, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Iron, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Iron ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles (concluded)

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2017, and 2016, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2017, and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2018, on our consideration of the County of Iron’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Iron’s internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 24, 2018

FINANCIAL STATEMENTS

THE COUNTY OF IRON
 IRONTON, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
 ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2017

FUND	CASH BALANCES	RECEIPTS	DISBURSEMENTS	CASH BALANCES
	JANUARY 1, 2017	2017	2017	DECEMBER 31, 2017
General Revenue Fund	\$ 6,378.31	\$ 1,777,704.34	\$ 1,780,182.82	\$ 3,899.83
Special Road and Bridge Fund	96,707.97	1,480,682.39	1,206,722.62	370,667.74
Assessment Fund	16,808.16	220,313.97	199,161.68	37,960.45
Law Library Fund	16,167.65	5,575.69	6,628.90	15,114.44
Law Enforcement Training Fund	2,259.36	1,376.99	1,275.00	2,361.35
Prosecuting Attorney Training Fund	402.97	238.65	-	641.62
Marriage Fund	10.66	255.96	250.00	16.62
Sheriff's Revolving Fund	18,021.02	2,162.24	17,215.00	2,968.26
Record Preservation Fund	5,764.56	3,152.31	2,143.40	6,773.47
Sheriff's Civil Fund	9,888.08	10,547.74	14,067.78	6,368.04
Tax Maintenance Fund	262.34	14,791.75	14,239.08	815.01
Law Enforcement Restitution Fund	25,951.02	24,463.20	34,415.87	15,998.35
Recorder's Technical Fund	11,311.27	1,988.96	1,756.16	11,544.07
Election Services Fund	8,325.30	5,506.18	5,013.97	8,817.51
Bad Check Fund	1,712.81	5,528.23	4,789.85	2,451.19
Sheriff's Special Fund	25.40	372.08	-	397.48
Deputy Sheriff Salary Fund	-	3,760.00	3,760.00	-
Prisoner Security Fund	2,949.42	10,517.14	11,246.99	2,219.57
Special Election Fund	6,497.77	17,609.98	19,103.35	5,004.40
Senate Bill 40 Fund	483,399.81	183,077.00	215,991.00	450,485.81
Total	<u>\$ 712,843.88</u>	<u>\$ 3,769,624.80</u>	<u>\$ 3,537,963.47</u>	<u>\$ 944,505.21</u>

THE COUNTY OF IRON
 IRONTON, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
 ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2016

FUND	CASH BALANCES	RECEIPTS	DISBURSEMENTS	CASH BALANCES
	JANUARY 1, 2016	2016	2016	DECEMBER 31, 2016
General Revenue Fund	\$ 11,922.73	\$ 1,763,531.36	\$ 1,769,075.78	\$ 6,378.31
Special Road and Bridge Fund	191,538.02	1,109,915.56	1,204,745.61	96,707.97
Assessment Fund	21,838.39	203,399.41	208,429.64	16,808.16
Law Library Fund	15,310.68	4,754.49	3,897.52	16,167.65
Law Enforcement Training Fund	1,860.81	1,448.55	1,050.00	2,259.36
Prosecuting Attorney Training Fund	1,788.48	329.42	1,714.93	402.97
Marriage Fund	29.17	381.49	400.00	10.66
Sheriff's Revolving Fund	26,639.54	18,635.67	27,254.19	18,021.02
Record Preservation Fund	4,758.93	2,989.42	1,983.79	5,764.56
Sheriff's Civil Fund	14,662.47	11,017.31	15,791.70	9,888.08
Tax Maintenance Fund	1,005.32	14,149.26	14,892.24	262.34
Law Enforcement Restitution Fund	44,037.83	21,725.31	39,812.12	25,951.02
Recorder's Technical Fund	10,521.70	1,827.51	1,037.94	11,311.27
Election Services Fund	10,897.19	16,670.26	19,242.15	8,325.30
Bad Check Fund	-	6,098.13	4,385.32	1,712.81
Sheriff's Special Fund	25.26	0.14	-	25.40
Deputy Sheriff Salary Fund	-	3,780.00	3,780.00	-
Prisoner Security Fund	9,683.59	12,974.74	19,708.91	2,949.42
Special Election Fund	4,001.91	34,724.64	32,228.78	6,497.77
Senate Bill 40 Fund	512,478.44	187,376.75	216,455.38	483,399.81
Total	<u>\$ 883,000.46</u>	<u>\$ 3,415,729.42</u>	<u>\$ 3,585,886.00</u>	<u>\$ 712,843.88</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	GENERAL REVENUE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 654,000.00	\$ 645,074.85	\$ 669,000.00	\$ 594,620.62
Sales Taxes	455,000.00	484,626.19	415,000.00	429,962.07
Intergovernmental	411,718.00	383,961.98	400,899.00	412,543.35
Charges for Services	265,000.00	250,605.01	259,500.00	271,966.81
Interest Income	1,000.00	1,648.90	500.00	1,038.51
Other	11,788.00	11,787.41	5,400.00	5,400.00
Transfers In	55,000.00	-	48,000.00	48,000.00
TOTAL RECEIPTS	1,853,506.00	1,777,704.34	1,798,299.00	1,763,531.36
DISBURSEMENTS				
County Commission	84,170.00	84,169.92	86,870.00	85,523.91
County Clerk	92,406.00	92,247.89	92,406.00	90,986.69
Elections	24,900.00	5,523.50	56,020.00	44,714.60
Buildings and Grounds	120,194.00	107,377.26	132,330.00	132,180.35
Employee Fringe Benefits	245,067.00	237,184.28	223,507.00	222,209.04
County Treasurer	44,400.00	42,755.97	44,400.00	43,553.44
Collector	68,889.00	67,963.33	69,889.00	67,846.14
Recorder of Deeds	51,800.00	51,560.31	51,692.00	51,269.04
Circuit Clerk	7,110.00	4,835.60	6,850.00	4,986.13
Court Administration	14,758.00	11,012.30	14,918.00	12,887.81
Public Administrator	47,100.00	44,082.86	45,700.00	44,046.63
Sheriff	463,285.00	460,220.88	467,082.00	466,432.71
Jail	244,970.00	244,535.03	209,748.00	208,428.18
Prosecuting Attorney	143,560.00	140,241.91	117,858.00	116,530.79
Juvenile Officer	39,337.00	39,337.00	39,157.00	39,157.04
Coroner	15,689.00	15,247.08	15,022.00	14,814.70
Other	126,148.00	123,887.70	111,700.00	111,096.58
Transfers Out	12,415.00	8,000.00	12,412.00	12,412.00
TOTAL DISBURSEMENTS	1,846,198.00	1,780,182.82	1,797,561.00	1,769,075.78
RECEIPTS OVER (UNDER) DISBURSEMENTS	7,308.00	(2,478.48)	738.00	(5,544.42)
CASH BALANCES, JANUARY 1	6,378.31	6,378.31	11,922.73	11,922.73
CASH BALANCES, DECEMBER 31	\$ 13,686.31	\$ 3,899.83	\$ 12,660.73	\$ 6,378.31

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	SPECIAL ROAD AND BRIDGE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 605,000.00	\$ 572,083.45	\$ 610,000.00	\$ 536,344.64
Intergovernmental	558,700.00	480,837.24	558,700.00	537,029.06
Charges for Services	-	-	-	-
Interest Income	2,000.00	3,629.33	2,000.00	2,159.23
Other	268,000.00	424,132.37	165,000.00	34,382.63
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,433,700.00	1,480,682.39	1,335,700.00	1,109,915.56
DISBURSEMENTS				
Salaries	392,000.00	379,734.09	397,800.00	388,612.67
Employee Fringe Benefits	176,000.00	168,216.39	166,000.00	164,453.07
Materials and Supplies	114,000.00	107,191.59	159,000.00	103,693.67
Insurance	23,000.00	22,203.00	25,000.00	21,528.00
Road and Bridge Materials	200,000.00	159,658.39	225,000.00	201,621.47
Equipment Repairs	93,000.00	84,674.55	86,000.00	107,032.61
Equipment Rental	500.00	-	500.00	-
Equipment Purchases	101,000.00	94,449.92	135,000.00	99,640.92
Debt Service	-	-	-	-
Construction	241,000.00	139,395.15	143,000.00	21,581.68
Other	62,000.00	51,199.54	67,200.00	48,581.52
Transfers Out	55,000.00	-	48,000.00	48,000.00
TOTAL DISBURSEMENTS	1,457,500.00	1,206,722.62	1,452,500.00	1,204,745.61
RECEIPTS OVER (UNDER) DISBURSEMENTS	(23,800.00)	273,959.77	(116,800.00)	(94,830.05)
CASH BALANCES, JANUARY 1	96,707.97	96,707.97	191,538.02	191,538.02
CASH BALANCES, DECEMBER 31	\$ 72,907.97	\$ 370,667.74	\$ 74,738.02	\$ 96,707.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	ASSESSMENT FUND				LAW LIBRARY FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	53,790.00	52,201.47	37,460.00	23,205.75	-	5,468.82	-	4,694.00
Charges for Services	150,000.00	156,780.20	150,000.00	163,326.08	-	-	-	-
Interest Income	300.00	581.30	300.00	268.50	-	106.87	-	60.49
Other	8,000.00	2,751.00	3,000.00	4,187.08	-	-	-	-
Transfers In	12,415.00	8,000.00	12,412.00	12,412.00	-	-	-	-
TOTAL RECEIPTS	224,505.00	220,313.97	203,172.00	203,399.41	-	5,575.69	-	4,754.49
DISBURSEMENTS								
Salaries	110,648.00	110,879.27	110,648.00	110,931.27	-	-	-	-
Employee Fringe Benefits	41,800.00	35,767.49	32,670.00	34,744.10	-	-	-	-
Office	13,700.00	14,354.52	13,300.00	14,943.62	-	-	-	-
Equipment	5,660.00	4,322.63	5,460.00	5,642.07	-	-	-	-
Training	3,500.00	2,050.60	3,000.00	2,186.37	-	-	-	-
Computer	17,000.00	2,778.00	15,300.00	1,574.00	-	-	-	-
Mileage	3,200.00	943.14	3,200.00	752.85	-	-	-	-
Consultant	17,500.00	14,766.47	12,500.00	5,015.60	-	-	-	-
GIS System	2,000.00	13,175.00	21,000.00	32,506.50	-	-	-	-
Library	-	-	-	-	-	6,628.90	-	3,897.52
Other	-	124.56	-	133.26	-	-	-	-
TOTAL DISBURSEMENTS	215,008.00	199,161.68	217,078.00	208,429.64	-	6,628.90	-	3,897.52
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	9,497.00	21,152.29	(13,906.00)	(5,030.23)	-	(1,053.21)	-	856.97
CASH BALANCES, JANUARY 1	16,808.16	16,808.16	21,838.39	21,838.39	16,167.65	16,167.65	15,310.68	15,310.68
CASH BALANCES, DECEMBER 31	\$ 26,305.16	\$ 37,960.45	\$ 7,932.39	\$ 16,808.16	\$ 16,167.65	\$ 15,114.44	\$ 15,310.68	\$ 16,167.65

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,500.00	1,361.51	2,000.00	1,431.00	400.00	233.99	420.00	323.33
Interest Income	10.00	15.48	-	17.55	20.00	4.66	-	6.09
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,510.00	1,376.99	2,000.00	1,448.55	420.00	238.65	420.00	329.42
DISBURSEMENTS								
Tuition	1,500.00	1,275.00	2,500.00	1,050.00	-	-	-	-
Mileage	-	-	500.00	-	-	-	-	-
Training	-	-	-	-	800.00	-	2,100.00	1,714.93
Other	-	-	500.00	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,500.00	1,275.00	3,500.00	1,050.00	800.00	-	2,100.00	1,714.93
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	10.00	101.99	(1,500.00)	398.55	(380.00)	238.65	(1,680.00)	(1,385.51)
CASH BALANCES, JANUARY 1	2,259.36	2,259.36	1,860.81	1,860.81	402.97	402.97	1,788.48	1,788.48
CASH BALANCES, DECEMBER 31	\$ 2,269.36	\$ 2,361.35	\$ 360.81	\$ 2,259.36	\$ 22.97	\$ 641.62	\$ 108.48	\$ 402.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	MARRIAGE FUND				SHERIFF'S REVOLVING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	15,000.00	2,120.00	18,300.00	18,441.92
Interest Income	-	0.96	-	1.49	200.00	42.24	100.00	193.75
Other	600.00	255.00	600.00	380.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	600.00	255.96	600.00	381.49	15,200.00	2,162.24	18,400.00	18,635.67
DISBURSEMENTS								
Marriage Licenses	600.00	250.00	600.00	400.00	-	-	-	-
Equipment	-	-	-	-	17,500.00	17,215.00	42,000.00	26,904.19
Training	-	-	-	-	2,500.00	-	2,500.00	350.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	600.00	250.00	600.00	400.00	20,000.00	17,215.00	44,500.00	27,254.19
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	5.96	-	(18.51)	(4,800.00)	(15,052.76)	(26,100.00)	(8,618.52)
CASH BALANCES, JANUARY 1	10.66	10.66	29.17	29.17	18,021.02	18,021.02	26,639.54	26,639.54
CASH BALANCES, DECEMBER 31	\$ 10.66	\$ 16.62	\$ 29.17	\$ 10.66	\$ 13,221.02	\$ 2,968.26	\$ 539.54	\$ 18,021.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	RECORD PRESERVATION FUND				SHERIFF'S CIVIL FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,000.00	3,098.00	2,500.00	2,952.00	10,000.00	10,464.74	12,000.00	10,935.47
Interest Income	-	54.31	-	37.42	100.00	83.00	100.00	81.84
Other	-	-	-	-	-	-	50.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,000.00	3,152.31	2,500.00	2,989.42	10,100.00	10,547.74	12,150.00	11,017.31
DISBURSEMENTS								
Microfilm & Storage	6,000.00	-	1,000.00	-	-	-	-	-
Equipment	2,600.00	2,143.40	2,500.00	1,983.79	-	-	-	-
Sheriff Expenses	-	-	-	-	14,100.00	14,067.78	16,400.00	8,291.70
Vehicle Purchase	-	-	-	-	-	-	7,500.00	7,500.00
Other Expenses	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,600.00	2,143.40	3,500.00	1,983.79	14,100.00	14,067.78	23,900.00	15,791.70
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(5,600.00)	1,008.91	(1,000.00)	1,005.63	(4,000.00)	(3,520.04)	(11,750.00)	(4,774.39)
CASH BALANCES, JANUARY 1	5,764.56	5,764.56	4,758.93	4,758.93	9,888.08	9,888.08	14,662.47	14,662.47
CASH BALANCES, DECEMBER 31	\$ 164.56	\$ 6,773.47	\$ 3,758.93	\$ 5,764.56	\$ 5,888.08	\$ 6,368.04	\$ 2,912.47	\$ 9,888.08

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	TAX MAINTENANCE FUND				LAW ENFORCEMENT RESTITUTION FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	14,500.00	14,791.75	14,000.00	14,149.26	24,250.00	24,270.09	34,000.00	21,567.50
Interest Income	-	-	-	-	200.00	193.11	-	157.81
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	14,500.00	14,791.75	14,000.00	14,149.26	24,450.00	24,463.20	34,000.00	21,725.31
DISBURSEMENTS								
Office Expenses	14,500.00	14,239.08	14,000.00	14,892.24	-	-	-	-
Law Enforcement Equipment	-	-	-	-	34,500.00	34,415.87	60,000.00	39,812.12
TOTAL DISBURSEMENTS	14,500.00	14,239.08	14,000.00	14,892.24	34,500.00	34,415.87	60,000.00	39,812.12
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	552.67	-	(742.98)	(10,050.00)	(9,952.67)	(26,000.00)	(18,086.81)
CASH BALANCES, JANUARY 1	262.34	262.34	1,005.32	1,005.32	25,951.02	25,951.02	44,037.83	44,037.83
CASH BALANCES, DECEMBER 31	\$ 262.34	\$ 815.01	\$ 1,005.32	\$ 262.34	\$ 15,901.02	\$ 15,998.35	\$ 18,037.83	\$ 25,951.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	RECORDER'S TECHNICAL FUND				ELECTION SERVICES FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	6,400.00	5,434.55	15,666.00	16,587.06
Charges for Services	1,500.00	1,871.25	1,500.00	1,750.76	-	-	-	-
Interest Income	-	117.71	-	76.75	-	71.63	-	83.20
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>1,500.00</u>	<u>1,988.96</u>	<u>1,500.00</u>	<u>1,827.51</u>	<u>6,400.00</u>	<u>5,506.18</u>	<u>15,666.00</u>	<u>16,670.26</u>
DISBURSEMENTS								
HAVA	-	-	-	-	-	-	4,666.00	3,397.00
Office	1,900.00	1,756.16	-	1,037.94	2,000.00	339.97	2,000.00	843.83
Equipment	-	-	8,900.00	-	8,000.00	4,674.00	15,000.00	14,962.51
Election Supplies	-	-	-	-	1,000.00	-	3,000.00	38.81
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>1,900.00</u>	<u>1,756.16</u>	<u>8,900.00</u>	<u>1,037.94</u>	<u>11,000.00</u>	<u>5,013.97</u>	<u>24,666.00</u>	<u>19,242.15</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(400.00)	232.80	(7,400.00)	789.57	(4,600.00)	492.21	(9,000.00)	(2,571.89)
CASH BALANCES, JANUARY 1	<u>11,311.27</u>	<u>11,311.27</u>	<u>10,521.70</u>	<u>10,521.70</u>	<u>8,325.30</u>	<u>8,325.30</u>	<u>10,897.19</u>	<u>10,897.19</u>
CASH BALANCES, DECEMBER 31	<u>\$ 10,911.27</u>	<u>\$ 11,544.07</u>	<u>\$ 3,121.70</u>	<u>\$ 11,311.27</u>	<u>\$ 3,725.30</u>	<u>\$ 8,817.51</u>	<u>\$ 1,897.19</u>	<u>\$ 8,325.30</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	BAD CHECK FUND				SHERIFF'S SPECIAL FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	8,500.00	5,516.41	7,500.00	6,087.32	-	370.00	-	-
Other	-	-	-	-	1,500.00	-	500.00	-
Interest Income	-	11.82	-	10.81	-	2.08	-	0.14
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,500.00	5,528.23	7,500.00	6,098.13	1,500.00	372.08	500.00	0.14
DISBURSEMENTS								
Sheriff Expenses	-	-	-	-	1,000.00	-	500.00	-
Bad Check Expenses	8,500.00	4,789.85	7,500.00	4,385.32	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,500.00	4,789.85	7,500.00	4,385.32	1,000.00	-	500.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	738.38	-	1,712.81	500.00	372.08	-	0.14
CASH BALANCES, JANUARY 1	1,712.81	1,712.81	-	-	25.40	25.40	25.26	25.26
CASH BALANCES, DECEMBER 31	\$ 1,712.81	\$ 2,451.19	\$ -	\$ 1,712.81	\$ 525.40	\$ 397.48	\$ 25.26	\$ 25.40

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	DEPUTY SHERIFF SALARY FUND				PRISONER SECURITY FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 5,000.00	\$ 3,760.00	\$ 7,000.00	\$ 3,780.00	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	16,000.00	10,458.79	11,500.00	12,905.19
Interest Income	-	-	-	-	70.00	58.35	10.00	69.55
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,000.00	3,760.00	7,000.00	3,780.00	16,070.00	10,517.14	11,510.00	12,974.74
DISBURSEMENTS								
Prisoner Security	-	-	-	-	15,000.00	11,246.99	21,150.00	19,708.91
Salaries	5,000.00	3,760.00	7,000.00	3,780.00	-	-	-	-
TOTAL DISBURSEMENTS	5,000.00	3,760.00	7,000.00	3,780.00	15,000.00	11,246.99	21,150.00	19,708.91
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	-	1,070.00	(729.85)	(9,640.00)	(6,734.17)
CASH BALANCES, JANUARY 1	-	-	-	-	2,949.42	2,949.42	9,683.59	9,683.59
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 4,019.42	\$ 2,219.57	\$ 43.59	\$ 2,949.42

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2017 AND 2016

	SPECIAL ELECTION FUND				SENATE BILL 40 FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 176,700.00	\$ 182,418.00	\$ 176,700.00	\$ 184,976.06
Intergovernmental	19,840.00	17,541.29	34,000.00	34,673.04	100.00	175.00	100.00	1,839.26
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	68.69	-	51.60	500.00	446.00	500.00	485.35
Other	-	-	-	-	-	38.00	100.00	76.08
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	19,840.00	17,609.98	34,000.00	34,724.64	177,300.00	183,077.00	177,400.00	187,376.75
DISBURSEMENTS								
Special Elections	24,240.00	19,103.35	34,000.00	32,228.78	-	-	-	-
Office	-	-	-	-	9,300.00	20,977.00	9,300.00	3,297.38
Madison County Sheltered Workshop	-	-	-	-	64,000.00	69,270.00	64,000.00	88,480.00
Ozark Valley Community Services	-	-	-	-	130,000.00	107,565.00	130,000.00	103,484.00
Other Workshops	-	-	-	-	38,000.00	18,179.00	38,000.00	21,194.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	24,240.00	19,103.35	34,000.00	32,228.78	241,300.00	215,991.00	241,300.00	216,455.38
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(4,400.00)	(1,493.37)	-	2,495.86	(64,000.00)	(32,914.00)	(63,900.00)	(29,078.63)
CASH BALANCES, JANUARY 1	6,497.77	6,497.77	4,001.91	4,001.91	483,399.81	483,399.81	512,478.44	512,478.44
CASH BALANCES, DECEMBER 31	<u>\$ 2,097.77</u>	<u>\$ 5,004.40</u>	<u>\$ 4,001.91</u>	<u>\$ 6,497.77</u>	<u>\$ 419,399.81</u>	<u>\$ 450,485.81</u>	<u>\$ 448,578.44</u>	<u>\$ 483,399.81</u>

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THE COUNTY OF IRON
 IRONTON, MISSOURI
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
 AGENCY FUNDS - REGULATORY BASIS
 AS OF DECEMBER 31, 2017

	COLLECTOR ACCOUNTS	RECORDER OF DEEDS	SHERIFF ACCOUNTS	CALEDONIA FIRE DISTRICT	PROSECUTING ATTORNEY DELINQUENT	SCHOOLS FUND
ASSETS						
Cash and Cash Equivalents	\$ 259,703.51	\$ 4,289.31	\$ 14,868.98	\$ -	\$ 703.84	\$ 42,056.22
TOTAL ASSETS	<u>259,703.51</u>	<u>4,289.31</u>	<u>14,868.98</u>	<u>-</u>	<u>703.84</u>	<u>42,056.22</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>259,703.51</u>	<u>4,289.31</u>	<u>14,868.98</u>	<u>-</u>	<u>703.84</u>	<u>42,056.22</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 259,703.51</u>	<u>\$ 4,289.31</u>	<u>\$ 14,868.98</u>	<u>\$ -</u>	<u>\$ 703.84</u>	<u>\$ 42,056.22</u>
					R2 ARCADIA VALLEY	IRONTON CITY
ASSETS	SHELTERED WORKSHOP	AMBULANCE	LIBRARY	HEALTH		
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	CEMETERY FUND	UNCLAIMED FEES FUND	SURPLUS TAX FUND	TOTAL AGENCY FUNDS		
ASSETS						
Cash and Cash Equivalents	\$ 1,767.26	\$ 40.76	\$ 52,102.86	\$ 375,532.74		
TOTAL ASSETS	<u>1,767.26</u>	<u>40.76</u>	<u>52,102.86</u>	<u>375,532.74</u>		
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>1,767.26</u>	<u>40.76</u>	<u>52,102.86</u>	<u>375,532.74</u>		
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,767.26</u>	<u>\$ 40.76</u>	<u>\$ 52,102.86</u>	<u>\$ 375,532.74</u>		

The accompanying notes to the financial statements are an integral part of this financial statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
 AGENCY FUNDS - REGULATORY BASIS
 AS OF DECEMBER 31, 2016

	COLLECTOR ACCOUNTS	RECORDER OF DEEDS	SHERIFF ACCOUNTS	CALEDONIA FIRE DISTRICT	PROSECUTING ATTORNEY DELINQUENT	SCHOOLS FUND
ASSETS						
Cash and Cash Equivalents	\$ 351,802.86	\$ 5,103.45	\$ 10,468.53	\$ 48.75	\$ 697.90	\$ 39.20
TOTAL ASSETS	<u>351,802.86</u>	<u>5,103.45</u>	<u>10,468.53</u>	<u>48.75</u>	<u>697.90</u>	<u>39.20</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>351,802.86</u>	<u>5,103.45</u>	<u>10,468.53</u>	<u>48.75</u>	<u>697.90</u>	<u>39.20</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 351,802.86</u>	<u>\$ 5,103.45</u>	<u>\$ 10,468.53</u>	<u>\$ 48.75</u>	<u>\$ 697.90</u>	<u>\$ 39.20</u>
					R2 ARCADIA VALLEY	IRONTON CITY
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ASSETS						
Cash and Cash Equivalents	\$ 1,732.38	\$ 263.03	\$ 55,790.12	\$ 425,946.22		
TOTAL ASSETS	<u>1,732.38</u>	<u>263.03</u>	<u>55,790.12</u>	<u>425,946.22</u>		
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>1,732.38</u>	<u>263.03</u>	<u>55,790.12</u>	<u>425,946.22</u>		
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,732.38</u>	<u>\$ 263.03</u>	<u>\$ 55,790.12</u>	<u>\$ 425,946.22</u>		

The accompanying notes to the financial statements are an integral part of this financial statement.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Iron, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1857 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk, Recorder of Deeds, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of the County of Iron, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements, and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation, was:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 122,149,670	\$ 126,328,650
Personal Property	44,395,650	42,762,060
Railroad and Utilities	<u>41,805,042</u>	<u>40,921,981</u>
	<u>\$ 208,350,362</u>	<u>\$ 210,012,691</u>

During 2017 and 2016, the County Commission approved a \$0.6503 and \$0.6485, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2017</u>	<u>2016</u>
General Revenue Fund	\$.2813	\$.2813
Special Road and Bridge Fund	.2771	.2771
Senate Bill 40 Fund	<u>.0919</u>	<u>.0901</u>
	<u>\$.6503</u>	<u>\$.6485</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash is separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017, and 2016, the carrying amounts of the County's deposits was \$944,505.21 and \$712,843.88, and the bank balances were \$4,782,501.09 and \$5,783,240.58, respectively. The total bank balances as of December 31, 2017, and December 31, 2016, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

Carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash –
Governmental Funds:

Deposits and cash equivalents	\$ 944,505.21
Total Governmental Funds	<u>944,505.21</u>

Statement of Assets and Liabilities Arising From Cash

Transactions – Agency Funds:

Deposits	<u>375,532.74</u>
Total Agency Funds	<u>375,532.74</u>

Total Deposits as of December 31, 2017	\$ <u><u>1,320,037.95</u></u>
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Carrying values of deposits shown above are included in the financial statements at December 31, 2016, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes in Cash –
Governmental Funds:

Deposits and cash equivalents	\$ 712,843.88
Total Governmental Funds	<u>712,843.88</u>

Statement of Assets and Liabilities Arising From Cash

Transactions – Agency Funds:

Deposits	<u>425,946.22</u>
Total Agency Funds	<u>425,946.22</u>

Total Deposits as of December 31, 2016	\$ <u><u>1,138,790.10</u></u>
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THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. CASH (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2017, and 2016.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2017, and 2016.

III. LONG-TERM DEBT

Capital Leases

In 2013, the County entered into a capital lease agreement with John Deere for two Motor Graders for \$250,168. The lease expires January 2019 with a nominal annual rate of 1.884%. Combined interest and principal payments are paid annually in the amount of \$52,949.92.

In 2013, the County entered into a capital lease agreement with Diversified Lending Inc. for accounting software for \$39,738. The lease expires February 2016 with an interest rate of 6.316%. Combined interest and principal payments are paid annually in the amount of \$10,704.79.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT (continued)

Capital Leases (continued)

In 2015, the County entered into a capital lease agreement with FS Leasing for 3 Ford Explorers for \$64,378. The lease expires on October 2018 with an interest rate of 2.95%. Combined interest and principal payments are paid annually in the amount of \$22,757.44.

In 2016, the County entered into a capital lease agreement with FS Leasing for 1 Ford Explorer for \$22,790. The lease expires on April 2019 with an interest rate of 2.95%. Combined interest and principal payments are paid annually in the amount of \$7,938.13.

The change in capital leases for the year ended December 31, 2017, is as follows:

	Balance at December 31, 2016	Amount Borrowed	Amount Repaid	Balance at December 31, 2017	Interest Paid During Year
2 Motor Graders	\$ 102,955.09	\$ -	\$ 50,992.90	\$ 51,962.19	\$ 1,957.02
3 Ford Explorers	43,551.36	-	21,454.83	22,096.53	1,302.61
1 Ford Explorer	22,490.00	-	7,298.64	15,191.36	639.50
Totals	<u>\$ 168,996.45</u>	<u>\$ -</u>	<u>\$ 79,746.37</u>	<u>\$ 89,250.08</u>	<u>\$ 3,899.13</u>

The schedule of future payments of capital leases of the County as of December 31, 2017, is as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ 81,542.48	\$ 2,103.01	\$ 83,645.49
2019	7,707.60	230.53	7,938.13
TOTALS	<u>\$ 89,250.08</u>	<u>\$ 2,333.54</u>	<u>\$ 91,583.62</u>

The change in capital leases for the year ended December 31, 2016, is as follows:

	Balance at December 31, 2015	Amount Borrowed	Amount Repaid	Balance at December 31, 2016	Interest Paid During Year
2 Motor Graders	\$ 152,996.78	\$ -	\$ 50,041.69	\$ 102,955.09	\$ 2,908.23
Accounting Software	10,051.22	-	10,051.22	-	653.57
3 Ford Explorers	64,378.00	-	20,826.64	43,551.36	1,930.80
1 Ford Explorer	-	22,490.00	-	22,490.00	-
Totals	<u>\$ 227,426.00</u>	<u>\$ 22,490.00</u>	<u>\$ 80,919.55</u>	<u>\$ 168,996.45</u>	<u>\$ 5,492.60</u>

THE COUNTY OF IRON
 IRONTON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT (continued)

Capital Leases (concluded)

The schedule of future payments of capital leases of the County as of December 31, 2016, is as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2017	\$ 79,746.37	\$ 3,899.13	\$ 83,645.50
2018	81,542.48	2,103.01	83,645.49
2019	7,707.60	230.53	7,938.13
TOTALS	\$ 168,996.45	\$ 6,232.67	\$ 175,229.12

Loans

Line of Credit – This line of credit can be used for whatever purpose the County sees fit. Currently, the line of credit is used to fund a portion of the General Revenue Fund expenditures until the tax revenue is received in the following January. The Line of Credit matures annually, but the line is renewed each year. The interest rate is variable according to the prime rate published in the Wall Street Journal. There is no future payment schedule required for this debt.

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2017, and 2016 are as follows:

	2017		2016	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ 8,000.00	\$ 48,000.00	\$ 12,412.00
Special Road and Bridge Fund	-	-	-	48,000.00
Assessment Fund	8,000.00	-	12,412.00	-
TOTAL	\$ 8,000.00	\$ 8,000.00	\$ 60,412.00	\$ 60,412.00

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of 11 members, 9 of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the State of Missouri, except any City not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member receives upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2017, and 2016, were \$57,237.47 and \$55,334.90.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366 and \$2,618, respectively, for the years ended December 31, 2017, and 2016.

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Iron County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Iron County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

2017 Valuation

Benefit Multiplier:	1.50%
Final Average Salary:	5 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Employees Covered By Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	23	7
Inactive employees entitled to but not yet receiving benefits	4	5
Active employees	<u>38</u>	<u>12</u>
	<u>65</u>	<u>24</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 0.3% (General) and 2.1% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 28, 2017, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 96,266	\$ 33,870
2 Interest on Total Pension Liability	261,190	45,711
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(110,885)	310
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(155,703)	(30,155)
7 Net change in total pension liability	90,868	49,736
8 Total pension liability - beginning	3,631,821	628,671
9 Total pension liability - ending	<u>\$ 3,722,689</u>	<u>\$ 678,407</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 2,645	\$ 2,312
2 Contributions - employee	42,494	14,221
3 Net investment income	578,787	93,955
4 Benefit payments, including refunds of employee contributions	(155,703)	(30,155)
5 Pension plan administrative expense	(5,479)	(1,686)
6 Other (net transfer)	(55,642)	2,121
7 Net change in plan fiduciary net position	407,102	80,768
8 Plan fiduciary net position - beginning	4,746,930	807,362
9 Plan fiduciary net position - ending	<u>\$ 5,154,032</u>	<u>\$ 888,130</u>
C. Net Pension Liability / (Asset)	<u>\$ (1,431,343)</u>	<u>\$ (209,723)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	138.45%	130.91%
E. Covered-Employee Payroll	\$ 1,051,678	\$ 384,512
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-136.10%	-54.54%

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 4,196,358	\$ 3,722,689	\$ 3,325,779
Plan Fiduciary Net Position	5,154,032	5,154,032	5,154,032
Net Pension Liability / (Asset) (NPL)	\$ (957,674)	\$ (1,431,343)	\$ (1,828,253)
Police Division:			
Total Pension Liability (TPL)	\$ 780,536	\$ 678,407	\$ 596,621
Plan Fiduciary Net Position	888,130	888,130	888,130
Net Pension Liability / (Asset) (NPL)	\$ (107,594)	\$ (209,723)	\$ (291,509)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the employer recognized pension expense of \$80,590 for the general and \$23,217 for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (69,650)	\$ 79	\$ (2,296)
Changes in assumptions	34,545	-	4,942	-
Net difference between projected and actual earnings on pension plan investments	125,800	(48,150)	20,809	(7,178)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	\$ 160,345	\$ (117,800)	\$ 25,830	\$ (9,474)

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2018	\$ 42,545	\$ 16,913
2019	43,890	16,531
2020	(700)	4,923
2021	(67,753)	(7,179)
2022	-	-
Thereafter	-	-
Total	<u>\$ 17,982</u>	<u>\$ 31,188</u>

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were four participants for COBRA at December 31, 2017, paying premiums of \$14,313.36, and one participant paying premiums of \$7,087.28 during December 31, 2016.

IX. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not currently involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with annual leave. Each employee is entitled to five days annual leave after one year of employment, is entitled to ten days annual leave after two years of employment and fifteen days after six years of employment. Annual leave may not be accumulated in excess of 30 days. Sick time is accrued at 1¼ day for each full month employed, which may accumulate up to 60 days. An employee is not reimbursed for unused sick time upon termination of employment. Employees are entitled up to three days leave for a death in the immediate family. These have not been subjected to auditing procedures.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IX. CLAIMS, COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. SUBSEQUENT EVENTS

There are no subsequent events to report as of the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF IRON
IRONTON, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2017 AND 2016

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2016, actual expenditures exceeded those budgeted in the Tax Maintenance Fund.
- II. For the year ended December 31, 2017, the County did not prepare a budget for the Law Library Fund.
- III. For the year ended December 31, 2016, the County did not prepare a budget for the Law Library Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Iron, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Iron ("County"), Missouri which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 24, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 24, 2018

THE COUNTY OF IRON
IRONTON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the years ended December 31, 2017, and 2016.

THE COUNTY OF IRON
IRONTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

The County did not have an audit for the year ended December 31, 2015, therefore we have no prior year audit findings to report.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

July 24, 2018

To the County Commissioners
The County of Iron, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Iron (the "County") as of and for the years ended December 31, 2017, and 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Information Required by Professional Standards
- II. Management Comments

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 21, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2017 and 2016 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 24, 2018.

I. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

II. MANAGEMENT COMMENTS

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Perry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Perry County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name. The signature is fluid and cursive, with a large loop at the end.

Nicole R. Galloway, CPA
State Auditor

September 2018
Report No. 2018-073

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017 AND 2016

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Perry, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Perry ("County), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash and investment balances-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2017, and 2016, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2017, and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2018, on our consideration of the County of Perry’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Perry’s internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 10, 2018

FINANCIAL STATEMENTS

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH AND INVESTMENT BALANCES	RECEIPTS	DISBURSEMENTS	CASH AND INVESTMENT BALANCES
	JANUARY 1, 2017	2017	2017	DECEMBER 31, 2017
General Revenue Fund	\$ 884,706.31	\$ 3,752,566.17	\$ 3,594,080.43	\$ 1,043,192.05
Special Road and Bridge Fund	732,799.96	1,804,608.90	1,694,231.20	843,177.66
Assessment Fund	399,015.52	340,525.67	400,211.34	339,329.85
Transfer Station Fund	123,184.56	682,946.31	599,182.38	206,948.49
911 Telephone Tax Fund	100,164.02	180,461.35	244,825.37	35,800.00
Road and Bridge Sales Tax Fund	676,256.66	1,204,828.50	940,944.92	940,140.24
Mental Health Fund	266,144.38	341,098.59	344,145.17	263,097.80
Recycling Center Fund	23,926.76	167,923.34	146,972.95	44,877.15
Law Enforcement Training Fund	2,918.60	3,329.55	4,096.31	2,151.84
Prosecuting Attorney Training Fund	21.94	1,573.52	1,513.82	81.64
Sheriff's Revolving Fund	76,131.12	5,682.12	3,479.55	78,333.69
Recorder's User Fee Fund	32,384.03	12,749.69	13,893.05	31,240.67
Election Services Fund	8,685.21	2,056.30	5,462.11	5,279.40
Sheriff's Civil Fee Fund	39,229.91	68,617.51	75,819.71	32,027.71
Senate Bill 40 Fund	173,679.10	340,806.16	384,396.67	130,088.59
Sheriff's Reserve Fund	7,624.83	2,428.39	4,380.83	5,672.39
Collector's Tax Maintenance Fund	23,654.97	18,053.12	13,794.01	27,914.08
Senior Citizens Sales Tax Fund	162,924.86	366,674.43	380,614.70	148,984.59
Youth Sales Tax Fund	372,160.49	368,114.96	326,919.46	413,355.99
Local Park Sales Tax Fund	981,729.78	1,387,848.90	1,833,741.37	535,837.31
Inmate Security Fund	16,299.79	5,598.54	-	21,898.33
Administrative Handling Fund	168.46	13,221.32	13,210.28	179.50
Law Enforcement Sales Tax Fund	143,224.70	740,215.73	740,734.69	142,705.74
Law Enforcement Restitution Fund	9,963.28	4,094.89	5,000.00	9,058.17
TOTAL	<u>\$ 5,256,999.24</u>	<u>\$ 11,816,023.96</u>	<u>\$ 11,771,650.32</u>	<u>\$ 5,301,372.88</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2016	RECEIPTS 2016	DISBURSEMENTS 2016	CASH AND INVESTMENT BALANCES DECEMBER 31, 2016
General Revenue Fund	\$ 637,830.81	\$ 3,678,376.35	\$ 3,431,500.85	\$ 884,706.31
Special Road and Bridge Fund	339,831.60	1,864,126.44	1,471,158.08	732,799.96
Assessment Fund	379,086.09	368,368.93	348,439.50	399,015.52
Transfer Station Fund	150,635.17	645,751.01	673,201.62	123,184.56
911 Telephone Tax Fund	159,780.29	194,254.12	253,870.39	100,164.02
Road and Bridge Sales Tax Fund	1,216,233.95	1,088,299.88	1,628,277.17	676,256.66
Mental Health Fund	195,077.20	339,910.89	268,843.71	266,144.38
Recycling Center Fund	19,728.36	147,232.01	143,033.61	23,926.76
Law Enforcement Training Fund	1,813.60	7,728.41	6,623.41	2,918.60
Prosecuting Attorney Training Fund	102.80	695.26	776.12	21.94
Sheriff's Revolving Fund	50,493.46	32,625.41	6,987.75	76,131.12
Recorder's User Fee Fund	23,940.35	12,012.88	3,569.20	32,384.03
Election Services Fund	(2,814.65)	14,261.58	2,761.72	8,685.21
Sheriff's Civil Fee Fund	26,763.12	69,607.52	57,140.73	39,229.91
Senate Bill 40 Fund	146,749.73	345,978.65	319,049.28	173,679.10
Sheriff's Reserve Fund	5,265.44	3,409.39	1,050.00	7,624.83
Collector's Tax Maintenance Fund	19,891.35	17,060.57	13,296.95	23,654.97
Senior Citizens Sales Tax Fund	137,282.37	362,027.39	336,384.90	162,924.86
Youth Sales Tax Fund	360,185.28	362,558.96	350,583.75	372,160.49
Local Park Sales Tax Fund	820,250.00	1,361,816.98	1,200,337.20	981,729.78
Inmate Security Fund	12,950.52	7,228.27	3,879.00	16,299.79
Administrative Handling Fund	1,065.69	12,881.99	13,779.22	168.46
Law Enforcement Sales Tax Fund	206,036.70	761,198.33	824,010.33	143,224.70
Law Enforcement Restitution Fund	12,764.63	4,698.65	7,500.00	9,963.28
TOTAL	<u>\$ 4,920,943.86</u>	<u>\$ 11,702,109.87</u>	<u>\$ 11,366,054.49</u>	<u>\$ 5,256,999.24</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	GENERAL REVENUE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 636,000.00	\$ 807,574.90	\$ 636,000.00	\$ 829,208.06
Sales Taxes	1,300,000.00	1,464,275.94	1,300,000.00	1,447,068.90
Intergovernmental	606,500.00	407,682.09	626,200.00	550,722.73
Charges for Services	387,500.00	443,919.25	383,500.00	199,540.07
Interest Income	1,500.00	4,819.81	1,500.00	2,053.98
Other	207,506.56	189,294.18	214,550.00	214,782.61
Transfers In	185,000.00	435,000.00	180,000.00	435,000.00
TOTAL RECEIPTS	3,324,006.56	3,752,566.17	3,341,750.00	3,678,376.35
DISBURSEMENTS				
County Commission	110,000.00	107,225.18	111,500.00	105,673.15
County Clerk	171,000.00	129,576.75	160,750.00	121,260.23
Elections	61,050.00	25,898.35	112,000.00	132,875.38
Buildings and Grounds	320,800.00	136,059.26	314,800.00	120,779.69
Employee Fringe Benefits	867,500.00	727,577.04	723,500.00	686,025.76
County Treasurer	59,050.00	52,456.78	59,800.00	52,331.19
Collector	119,900.00	130,668.29	102,750.00	119,048.08
Recorder of Deeds	89,600.00	77,542.93	82,850.00	80,006.46
Circuit Clerk	15,550.00	13,488.67	15,100.00	16,018.99
Court Administration	48,500.00	45,464.66	48,700.00	45,617.93
Public Administrator	89,250.00	95,286.17	89,850.00	89,065.09
Sheriff	641,700.00	632,630.89	658,900.00	627,711.68
Jail	255,000.00	297,318.92	255,000.00	271,497.44
Prosecuting Attorney	154,466.00	154,086.12	155,750.00	150,519.64
Juvenile Officer	100,000.00	76,557.80	89,500.00	99,248.35
County Coroner	27,700.00	25,130.46	26,500.00	22,113.61
Dispatch Operations	185,000.00	156,972.93	185,000.00	154,474.43
General County Government	358,780.00	473,130.03	295,185.00	284,271.62
Health and Welfare	201,500.00	216,606.54	179,000.00	196,794.69
Transfers Out	-	-	-	-
Emergency Fund	100,000.00	-	100,000.00	-
Other	73,700.00	20,402.66	60,930.00	56,167.44
TOTAL DISBURSEMENTS	4,050,046.00	3,594,080.43	3,827,365.00	3,431,500.85
RECEIPTS OVER (UNDER) DISBURSEMENTS	(726,039.44)	158,485.74	(485,615.00)	246,875.50
CASH AND INVESTMENT BALANCES, JANUARY 1	884,706.31	884,706.31	637,830.81	637,830.81
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 158,666.87	\$ 1,043,192.05	\$ 152,215.81	\$ 884,706.31

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SPECIAL ROAD AND BRIDGE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 986,000.00	\$ 1,062,565.10	\$ 936,000.00	\$ 1,114,306.51
Sales Taxes	-	-	-	-
Intergovernmental	552,750.00	661,328.62	577,750.00	700,601.28
Charges for Services	10,000.00	17,182.50	20,000.00	15,278.90
Interest Income	1,250.00	5,910.54	1,250.00	1,756.94
Other	7,825.00	57,622.14	8,075.00	32,182.81
Transfers In	100,000.00	-	150,000.00	-
TOTAL RECEIPTS	1,657,825.00	1,804,608.90	1,693,075.00	1,864,126.44
DISBURSEMENTS				
Salaries	525,000.00	444,847.03	500,000.00	465,843.89
Employee Fringe Benefits	286,500.00	224,404.74	244,000.00	213,601.46
Supplies	265,500.00	153,259.73	261,000.00	142,873.54
Insurance	43,500.00	29,450.58	40,500.00	31,918.96
Materials	31,000.00	-	31,000.00	-
Equipment Repairs	126,000.00	103,747.25	126,000.00	119,904.93
Equipment Purchases	240,500.00	85,171.86	150,500.00	65,308.23
Construction	175,500.00	89,210.62	130,000.00	54,189.79
Rentals	7,600.00	7,475.00	7,600.00	7,600.00
Debt Service	110,000.00	292,681.64	55,000.00	104,276.75
Other	248,500.00	128,982.75	143,500.00	130,640.53
Transfers Out	150,000.00	135,000.00	150,000.00	135,000.00
TOTAL DISBURSEMENTS	2,209,600.00	1,694,231.20	1,839,100.00	1,471,158.08
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(551,775.00)	110,377.70	(146,025.00)	392,968.36
CASH AND INVESTMENT				
BALANCES, JANUARY 1	732,799.96	732,799.96	339,831.60	339,831.60
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 181,024.96	\$ 843,177.66	\$ 193,806.60	\$ 732,799.96

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ASSESSMENT FUND				TRANSFER STATION FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 315,000.00	\$ 335,415.23	\$ 315,000.00	\$ 353,766.60	\$ -	\$ -	\$ -	\$ 8,684.99
Charges for Services	-	3,977.89	-	-	575,000.00	681,649.82	575,000.00	636,811.01
Interest Income	700.00	1,132.55	750.00	720.93	200.00	1,006.49	200.00	255.01
Other	-	-	-	13,881.40	500.00	290.00	500.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	315,700.00	340,525.67	315,750.00	368,368.93	575,700.00	682,946.31	575,700.00	645,751.01
DISBURSEMENTS								
Salaries	168,900.00	165,312.08	168,650.00	160,430.45	76,500.00	74,556.50	74,000.00	73,056.81
Fringe Benefits	78,150.00	80,077.80	77,650.00	73,811.01	40,800.00	29,932.67	34,400.00	32,111.19
Office	17,000.00	19,647.62	13,600.00	18,877.24	18,500.00	6,274.01	18,400.00	18,324.93
Equipment	4,000.00	1,820.04	5,000.00	2,375.23	30,030.00	22,216.09	70,025.00	84,097.07
Mileage and Training	8,000.00	7,731.92	8,500.00	9,472.68	-	-	-	-
Service and Other	80,950.00	125,621.88	81,200.00	83,472.89	-	-	-	-
Waste Disposal Services	-	-	-	-	496,210.00	466,203.11	482,460.00	465,611.62
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	357,000.00	400,211.34	354,600.00	348,439.50	662,040.00	599,182.38	679,285.00	673,201.62
RECEIPTS OVER (UNDER) DISBURSEMENTS	(41,300.00)	(59,685.67)	(38,850.00)	19,929.43	(86,340.00)	83,763.93	(103,585.00)	(27,450.61)
CASH AND INVESTMENT BALANCES, JANUARY 1	399,015.52	399,015.52	379,086.09	379,086.09	123,184.56	123,184.56	150,635.17	150,635.17
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 357,715.52</u>	<u>\$ 339,329.85</u>	<u>\$ 340,236.09</u>	<u>\$ 399,015.52</u>	<u>\$ 36,844.56</u>	<u>\$ 206,948.49</u>	<u>\$ 47,050.17</u>	<u>\$ 123,184.56</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	911 TELEPHONE TAX FUND				ROAD AND BRIDGE SALES TAX FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 950,000.00	\$ 1,098,188.78	\$ 950,000.00	\$ 1,085,247.92
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	158,000.00	157,051.24	163,000.00	170,657.97	-	-	-	-
Interest Income	300.00	441.83	300.00	333.56	1,500.00	4,689.72	1,500.00	3,051.96
Other	21,000.00	22,968.28	21,000.00	23,262.59	-	101,950.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	179,300.00	180,461.35	184,300.00	194,254.12	951,500.00	1,204,828.50	951,500.00	1,088,299.88
DISBURSEMENTS								
Salaries	82,000.00	81,944.04	82,500.00	78,125.72	-	-	-	-
Fringe Benefits	33,500.00	32,751.51	33,800.00	30,697.69	-	-	-	-
Office	22,000.00	24,725.12	21,050.00	21,975.61	-	-	-	-
Equipment	62,000.00	83,007.24	100,000.00	99,801.74	-	-	-	-
Mileage and Training	9,500.00	11,486.37	7,000.00	8,206.86	-	-	-	-
Services and Other	47,000.00	10,911.09	6,500.00	15,062.77	15,000.00	5,688.87	15,000.00	10,717.48
Road and Bridge Construction	-	-	-	-	1,115,000.00	569,573.81	1,430,000.00	1,447,414.70
Engineering Costs	-	-	-	-	30,000.00	-	20,000.00	26,640.26
Purchase of Rock Materials	-	-	-	-	250,000.00	365,682.24	200,000.00	143,504.73
Transfers Out	-	-	50,000.00	-	-	-	-	-
TOTAL DISBURSEMENTS	256,000.00	244,825.37	300,850.00	253,870.39	1,410,000.00	940,944.92	1,665,000.00	1,628,277.17
RECEIPTS OVER (UNDER) DISBURSEMENTS	(76,700.00)	(64,364.02)	(116,550.00)	(59,616.27)	(458,500.00)	263,883.58	(713,500.00)	(539,977.29)
CASH AND INVESTMENT BALANCES, JANUARY 1	100,164.02	100,164.02	159,780.29	159,780.29	676,256.66	676,256.66	1,216,233.95	1,216,233.95
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 23,464.02</u>	<u>\$ 35,800.00</u>	<u>\$ 43,230.29</u>	<u>\$ 100,164.02</u>	<u>\$ 217,756.66</u>	<u>\$ 940,140.24</u>	<u>\$ 502,733.95</u>	<u>\$ 676,256.66</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	MENTAL HEALTH FUND				RECYCLING CENTER FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 300,000.00	\$ 322,992.30	\$ 300,000.00	\$ 338,509.51	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	400.00	1.01	400.00	519.52	15,000.00	-	-	-
Charges for Services	-	-	-	-	113,000.00	161,842.45	114,000.00	142,329.25
Interest Income	500.00	1,826.28	500.00	856.18	50.00	115.89	50.00	52.76
Other	-	16,279.00	-	25.68	4,000.00	5,965.00	8,000.00	4,850.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	300,900.00	341,098.59	300,900.00	339,910.89	132,050.00	167,923.34	122,050.00	147,232.01
DISBURSEMENTS								
Mental Health Expenditures	338,298.00	344,145.17	281,250.00	268,843.71	-	-	-	-
Salaries	-	-	-	-	76,000.00	81,065.55	72,600.00	73,348.74
Fringe Benefits	-	-	-	-	27,000.00	26,426.64	22,370.00	19,829.79
Office	-	-	-	-	12,600.00	14,982.86	11,600.00	13,227.65
Equipment	-	-	-	-	10,000.00	4,116.03	9,000.00	18,957.46
Supplies	-	-	-	-	20,500.00	20,381.87	23,000.00	17,669.97
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	338,298.00	344,145.17	281,250.00	268,843.71	146,100.00	146,972.95	138,570.00	143,033.61
RECEIPTS OVER (UNDER) DISBURSEMENTS	(37,398.00)	(3,046.58)	19,650.00	71,067.18	(14,050.00)	20,950.39	(16,520.00)	4,198.40
CASH AND INVESTMENT BALANCES, JANUARY 1	266,144.38	266,144.38	195,077.20	195,077.20	23,926.76	23,926.76	19,728.36	19,728.36
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 228,746.38</u>	<u>\$ 263,097.80</u>	<u>\$ 214,727.20</u>	<u>\$ 266,144.38</u>	<u>\$ 9,876.76</u>	<u>\$ 44,877.15</u>	<u>\$ 3,208.36</u>	<u>\$ 23,926.76</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1,250.00	\$ 1,096.71	\$ 1,250.00	\$ 1,360.37	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,500.00	2,228.00	3,000.00	2,760.50	650.00	572.97	750.00	694.97
Interest Income	1.00	4.84	1.00	2.29	0.25	0.55	0.25	0.29
Other	-	-	-	3,605.25	-	1,000.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,751.00	3,329.55	4,251.00	7,728.41	650.25	1,573.52	750.25	695.26
DISBURSEMENTS								
Mileage and Training	4,000.00	4,096.31	3,100.00	2,674.39	600.00	1,513.82	800.00	776.12
Prosecuting Attorney Expenses	-	-	-	-	-	-	-	-
Supplies	-	-	1,000.00	3,949.02	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,000.00	4,096.31	4,100.00	6,623.41	600.00	1,513.82	800.00	776.12
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(249.00)	(766.76)	151.00	1,105.00	50.25	59.70	(49.75)	(80.86)
CASH AND INVESTMENT								
BALANCES, JANUARY 1	2,918.60	2,918.60	1,813.60	1,813.60	21.94	21.94	102.80	102.80
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	\$ 2,669.60	\$ 2,151.84	\$ 1,964.60	\$ 2,918.60	\$ 72.19	\$ 81.64	\$ 53.05	\$ 21.94

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SHERIFF'S REVOLVING FUND				RECORDER'S USER FEE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges For Services	10,000.00	5,250.00	13,000.00	32,464.00	10,500.00	12,549.50	10,500.00	11,947.00
Interest Income	100.00	432.12	50.00	161.41	-	-	-	-
Other	-	-	-	-	60.00	200.19	90.00	65.88
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,100.00	5,682.12	13,050.00	32,625.41	10,560.00	12,749.69	10,590.00	12,012.88
DISBURSEMENTS								
Equipment	2,000.00	-	10,500.00	-	5,000.00	10,244.97	5,000.00	-
Criminal Records Search	10,000.00	3,479.55	3,500.00	6,987.75	-	-	-	-
Training and Mileage	-	-	-	-	1,000.00	897.71	1,000.00	859.52
Office	-	-	-	-	8,395.00	2,750.37	10,895.00	2,709.68
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	12,000.00	3,479.55	14,000.00	6,987.75	14,395.00	13,893.05	16,895.00	3,569.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,900.00)	2,202.57	(950.00)	25,637.66	(3,835.00)	(1,143.36)	(6,305.00)	8,443.68
CASH AND INVESTMENT BALANCES, JANUARY 1	76,131.12	76,131.12	50,493.46	50,493.46	32,384.03	32,384.03	23,940.35	23,940.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 74,231.12</u>	<u>\$ 78,333.69</u>	<u>\$ 49,543.46</u>	<u>\$ 76,131.12</u>	<u>\$ 28,549.03</u>	<u>\$ 31,240.67</u>	<u>\$ 17,635.35</u>	<u>\$ 32,384.03</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ELECTION SERVICES FUND				SHERIFF'S CIVIL FEE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 4,750.00	\$ 2,010.50	\$ 8,750.00	\$ 14,250.02	\$ 9,000.00	\$ 9,985.76	\$ -	\$ 17,177.12
Charges for Services	-	-	-	-	20,000.00	22,578.01	25,000.00	26,205.00
Interest Income	10.00	45.80	20.00	11.56	75.00	209.48	100.00	85.49
Other	-	-	-	-	19,500.00	35,844.26	17,500.00	26,139.91
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,760.00	2,056.30	8,770.00	14,261.58	48,575.00	68,617.51	42,600.00	69,607.52
DISBURSEMENTS								
Office	2,450.00	2,664.88	1,250.00	1,224.88	17,000.00	16,179.29	23,000.00	14,291.37
Training	2,500.00	2,766.63	2,500.00	1,484.06	4,000.00	7,981.24	7,000.00	3,367.68
Supplies	-	-	-	-	11,000.00	21,495.99	5,000.00	8,570.17
Public Safety	-	-	-	-	18,000.00	9,985.76	9,000.00	10,570.96
Fundraising	-	-	-	-	9,000.00	20,057.43	8,500.00	19,415.91
Other	400.00	30.60	400.00	52.78	2,000.00	120.00	4,000.00	924.64
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,350.00	5,462.11	4,150.00	2,761.72	61,000.00	75,819.71	56,500.00	57,140.73
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(590.00)	(3,405.81)	4,620.00	11,499.86	(12,425.00)	(7,202.20)	(13,900.00)	12,466.79
CASH AND INVESTMENT								
BALANCES, JANUARY 1	8,685.21	8,685.21	(2,814.65)	(2,814.65)	39,229.91	39,229.91	26,763.12	26,763.12
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	\$ 8,095.21	\$ 5,279.40	\$ 1,805.35	\$ 8,685.21	\$ 26,804.91	\$ 32,027.71	\$ 12,863.12	\$ 39,229.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SENATE BILL 40 FUND				SHERIFF'S RESERVE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 300,000.00	\$ 323,020.30	\$ 290,000.00	\$ 341,302.58	\$ -	\$ -	\$ -	\$ -
Intergovernmental	320.00	16,913.46	270.00	880.00	-	-	-	-
Charges For Services	-	-	-	-	-	-	-	-
Interest Income	500.00	781.38	500.00	542.07	2.00	28.39	5.00	9.39
Other	-	91.02	-	3,254.00	2,000.00	2,400.00	2,000.00	3,400.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	300,820.00	340,806.16	290,770.00	345,978.65	2,002.00	2,428.39	2,005.00	3,409.39
DISBURSEMENTS								
Sheltered Workshops	223,000.00	212,021.97	231,495.00	186,097.34	-	-	-	-
Rent Expense	100,000.00	100,000.00	100,000.00	100,000.00	-	-	-	-
Building Maintenance	15,000.00	-	32,950.00	-	-	-	-	-
Accounting Audit	5,000.00	-	5,000.00	-	-	-	-	-
Salaries	3,000.00	13,750.00	3,100.00	1,500.00	-	-	-	-
Executive Services	21,000.00	19,200.00	10,400.00	9,600.00	-	-	-	-
Insurance	23,000.00	28,689.25	23,000.00	19,013.49	-	-	-	-
Office	13,000.00	10,735.45	13,100.00	2,838.45	2,500.00	4,380.83	3,500.00	-
Training	-	-	-	-	-	-	750.00	1,050.00
Other	-	-	-	-	-	-	100.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	403,000.00	384,396.67	419,045.00	319,049.28	2,500.00	4,380.83	4,350.00	1,050.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(102,180.00)	(43,590.51)	(128,275.00)	26,929.37	(498.00)	(1,952.44)	(2,345.00)	2,359.39
CASH AND INVESTMENT BALANCES, JANUARY 1	173,679.10	173,679.10	146,749.73	146,749.73	7,624.83	7,624.83	5,265.44	5,265.44
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 71,499.10</u>	<u>\$ 130,088.59</u>	<u>\$ 18,474.73</u>	<u>\$ 173,679.10</u>	<u>\$ 7,126.83</u>	<u>\$ 5,672.39</u>	<u>\$ 2,920.44</u>	<u>\$ 7,624.83</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	COLLECTOR'S TAX MAINTENANCE FUND				SENIOR CITIZENS SALES TAX FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 360,000.00	\$ 366,056.16	\$ 360,000.00	\$ 361,744.81
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	17,360.00	17,805.90	16,550.00	17,011.46	-	-	-	-
Interest Income	35.00	146.41	35.00	37.16	275.00	618.27	275.00	282.58
Other	35.00	100.81	36.00	11.95	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	17,430.00	18,053.12	16,621.00	17,060.57	360,275.00	366,674.43	360,275.00	362,027.39
DISBURSEMENTS								
Training	10,000.00	10,268.90	10,000.00	8,428.98	-	-	-	-
Office	4,500.00	391.60	2,000.00	2,800.36	-	-	-	-
Equipment	1,000.00	1,202.80	1,000.00	350.65	-	-	-	-
Professional Services	3,000.00	280.00	3,000.00	287.97	-	-	-	-
Senior Citizens Health and Welfare	-	-	-	-	445,136.91	380,614.70	422,515.00	336,384.90
Other	1,500.00	1,650.71	4,000.00	1,428.99	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	13,794.01	20,000.00	13,296.95	445,136.91	380,614.70	422,515.00	336,384.90
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,570.00)	4,259.11	(3,379.00)	3,763.62	(84,861.91)	(13,940.27)	(62,240.00)	25,642.49
CASH AND INVESTMENT BALANCES, JANUARY 1	23,654.97	23,654.97	19,891.35	19,891.35	162,924.86	162,924.86	137,282.37	137,282.37
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 21,084.97	\$ 27,914.08	\$ 16,512.35	\$ 23,654.97	\$ 78,062.95	\$ 148,984.59	\$ 75,042.37	\$ 162,924.86

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	YOUTH SALES TAX FUND				LOCAL PARK SALES TAX FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 370,000.00	\$ 365,933.76	\$ 371,000.00	\$ 361,744.81	\$ 1,200,000.00	\$ 1,383,177.21	\$ 1,200,000.00	\$ 1,357,366.37
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	900.00	2,181.20	800.00	814.15	1,000.00	3,308.69	1,000.00	1,747.61
Other	-	-	-	-	-	1,363.00	-	2,703.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	370,900.00	368,114.96	371,800.00	362,558.96	1,201,000.00	1,387,848.90	1,201,000.00	1,361,816.98
DISBURSEMENTS								
Youth Grant Programs	394,215.00	325,234.76	401,687.00	349,129.85	-	-	-	-
Office	1,690.00	1,684.70	820.00	1,453.90	-	-	-	-
TIF Payment	-	-	-	-	880,000.00	872,128.75	880,000.00	871,672.70
City of Perryville	-	-	-	-	700,000.00	658,404.63	315,000.00	314,287.83
Local Park and Lake	-	-	-	-	320,000.00	220,000.00	-	-
Renovation and Maintenance	-	-	-	-	125,000.00	58,466.04	-	-
Other	-	-	-	-	68,500.00	24,741.95	3,500.00	14,376.67
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	395,905.00	326,919.46	402,507.00	350,583.75	2,093,500.00	1,833,741.37	1,198,500.00	1,200,337.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,005.00)	41,195.50	(30,707.00)	11,975.21	(892,500.00)	(445,892.47)	2,500.00	161,479.78
CASH AND INVESTMENT BALANCES, JANUARY 1	372,160.49	372,160.49	360,185.28	360,185.28	981,729.78	981,729.78	820,250.00	820,250.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 347,155.49</u>	<u>\$ 413,355.99</u>	<u>\$ 329,478.28</u>	<u>\$ 372,160.49</u>	<u>\$ 89,229.78</u>	<u>\$ 535,837.31</u>	<u>\$ 822,750.00</u>	<u>\$ 981,729.78</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	INMATE SECURITY FUND				ADMINISTRATIVE HANDLING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 6,000.00	\$ 5,489.50	\$ 5,500.00	\$ 7,191.50	\$ 4,000.00	\$ 5,374.53	\$ 6,500.00	\$ 4,632.47
Intergovernmental	-	-	-	-	-	-	-	-
Interest Income	25.00	109.04	25.00	36.77	40.00	4.79	4.00	4.52
Other	-	-	-	-	745.00	2,842.00	-	745.00
Transfers In	-	-	-	-	7,500.00	5,000.00	7,500.00	7,500.00
TOTAL RECEIPTS	6,025.00	5,598.54	5,525.00	7,228.27	12,285.00	13,221.32	14,004.00	12,881.99
DISBURSEMENTS								
Sheriff Expenses	5,000.00	-	5,000.00	3,879.00	-	-	-	-
Equipment	-	-	-	-	2,500.00	3,724.76	2,500.00	3,510.07
Office	-	-	-	-	3,800.00	3,448.17	4,550.00	3,486.65
Rent	-	-	-	-	2,600.00	1,800.00	2,400.00	2,200.00
Mileage and Training	-	-	-	-	700.00	532.35	1,000.00	682.50
Legal	-	-	-	-	4,200.00	3,705.00	4,500.00	3,900.00
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,000.00	-	5,000.00	3,879.00	13,800.00	13,210.28	14,950.00	13,779.22
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,025.00	5,598.54	525.00	3,349.27	(1,515.00)	11.04	(946.00)	(897.23)
CASH AND INVESTMENT BALANCES, JANUARY 1	16,299.79	16,299.79	12,950.52	12,950.52	168.46	168.46	1,065.69	1,065.69
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 17,324.79	\$ 21,898.33	\$ 13,475.52	\$ 16,299.79	\$ (1,346.54)	\$ 179.50	\$ 119.69	\$ 168.46

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES -BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	LAW ENFORCEMENT SALES TAX FUND				LAW ENFORCEMENT RESTITUTION FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 675,000.00	\$ 732,112.68	\$ 650,000.00	\$ 723,470.96	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	4,000.00	4,050.00	3,500.00	4,673.33
Interest Income	500.00	1,781.54	500.00	783.12	10.00	44.89	30.00	25.32
Other	7,500.00	6,321.51	-	36,944.25	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	683,000.00	740,215.73	650,500.00	761,198.33	4,010.00	4,094.89	3,530.00	4,698.65
DISBURSEMENTS								
Equipment	262,500.00	259,985.09	246,080.00	316,341.80	-	-	7,500.00	-
Jail	193,050.00	180,749.60	174,050.00	207,668.53	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	350,000.00	300,000.00	425,000.00	300,000.00	7,500.00	5,000.00	7,500.00	7,500.00
TOTAL DISBURSEMENTS	805,550.00	740,734.69	845,130.00	824,010.33	7,500.00	5,000.00	15,000.00	7,500.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(122,550.00)	(518.96)	(194,630.00)	(62,812.00)	(3,490.00)	(905.11)	(11,470.00)	(2,801.35)
CASH AND INVESTMENT BALANCES, JANUARY 1	143,224.70	143,224.70	206,036.70	206,036.70	9,963.28	9,963.28	12,764.63	12,764.63
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 20,674.70</u>	<u>\$ 142,705.74</u>	<u>\$ 11,406.70</u>	<u>\$ 143,224.70</u>	<u>\$ 6,473.28</u>	<u>\$ 9,058.17</u>	<u>\$ 1,294.63</u>	<u>\$ 9,963.28</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	Collector	Sheriff	Prosecuting Attorney Restitution	TIF - 1	Recorder	P/S or S/D Election
Cash and Cash Equivalents	\$ 11,837,831.29	\$ 81,606.79	\$ 12,735.83	\$ 70.00	\$ -	\$ 8,575.01
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	11,837,831.29	81,606.79	12,735.83	70.00	-	8,575.01
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	11,837,831.29	81,606.79	12,735.83	70.00	-	8,575.01
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,837,831.29</u>	<u>\$ 81,606.79</u>	<u>\$ 12,735.83</u>	<u>\$ 70.00</u>	<u>\$ -</u>	<u>\$ 8,575.01</u>
	Federal Revenue Sharing	Court Juvenile Fees	CERF Funds	Dist and City School Funds	Loanable School Fines and Interest	Criminal Cost & Inquest
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 3,352.94	\$ -	\$ -	\$ 81,261.93	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	3,352.94	-	-	81,261.93	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	3,352.94	-	-	81,261.93	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 3,352.94</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,261.93</u>	<u>\$ -</u>
	Fees Due Others	Library	Financial Institution Tax	Surplus Tax Sales Fund	Shop with a Cop	Domestic Violence Shelter Fees
ASSETS						
Cash and Cash Equivalents	\$ 671.91	\$ -	\$ 29,726.25	\$ 4,986.37	\$ 7,947.06	\$ 5,105.00
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	671.91	-	29,726.25	4,986.37	7,947.06	5,105.00
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	671.91	-	29,726.25	4,986.37	7,947.06	5,105.00
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 671.91</u>	<u>\$ -</u>	<u>\$ 29,726.25</u>	<u>\$ 4,986.37</u>	<u>\$ 7,947.06</u>	<u>\$ 5,105.00</u>
	Total Agency Funds					
ASSETS						
Cash and Cash Equivalents	\$ 12,073,870.38					
Investments						
Other Investments	-					
Total Investments	-					
Total Assets	12,073,870.38					
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	12,073,870.38					
UNRESERVED FUND BALANCES	-					
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,073,870.38</u>					

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2016

	<u>Collector</u>	<u>Sheriff</u>	<u>Prosecuting Attorney Restitution</u>	<u>TIF - 1</u>	<u>Recorder</u>	<u>P/S or S/D Election</u>
Cash and Cash Equivalents	\$ 12,760,934.93	\$ 62,661.20	\$ 19,277.18	\$ -	\$ -	\$ 6,869.39
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	12,760,934.93	62,661.20	19,277.18	-	-	6,869.39
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	12,760,934.93	62,661.20	19,277.18	-	-	6,869.39
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,760,934.93</u>	<u>\$ 62,661.20</u>	<u>\$ 19,277.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,869.39</u>
	<u>Federal Revenue Sharing</u>	<u>Court Juvenile Fees</u>	<u>CERF Funds</u>	<u>Dist and City School Funds</u>	<u>Loanable School Fines and Interest</u>	<u>Criminal Cost & Inquest</u>
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 4,764.57	\$ -	\$ -	\$ 86,087.12	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	4,764.57	-	-	86,087.12	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	4,764.57	-	-	86,087.12	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 4,764.57</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,087.12</u>	<u>\$ -</u>
	<u>Fees Due Others</u>	<u>Library</u>	<u>Financial Institution Tax</u>	<u>Surplus Tax Sales Fund</u>	<u>Shop with a Cop</u>	<u>Domestic Violence Shelter Fees</u>
ASSETS						
Cash and Cash Equivalents	\$ 220.62	\$ -	\$ -	\$ 5,302.04	\$ 14,478.59	\$ 5,347.50
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	220.62	-	-	5,302.04	14,478.59	5,347.50
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	220.62	-	-	5,302.04	14,478.59	5,347.50
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 220.62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,302.04</u>	<u>\$ 14,478.59</u>	<u>\$ 5,347.50</u>
	<u>Total Agency Funds</u>					
ASSETS						
Cash and Cash Equivalents	\$ 12,965,943.14					
Investments						
Other Investments	-					
Total Investments	-					
Total Assets	12,965,943.14					
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	12,965,943.14					
UNRESERVED FUND BALANCES	-					
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,965,943.14</u>					

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Perry, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1820 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eleven elected Constitutional Officers: County Clerk, Collector, Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk, Recorder, Public Administrator, County Surveyor, and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Perry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar years 2017 and 2016, for purposes of taxation, was:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 238,153,314	\$ 227,690,411
Personal Property	90,399,481	90,324,277
Railroad and Utilities	<u>17,135,125</u>	<u>17,060,265</u>
	<u>\$ 345,687,920</u>	<u>\$ 335,074,953</u>

During 2017 and 2016, the County Commission approved a \$0.7160 and \$0.7040, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for purposes of County taxation, as follows:

	<u>2017</u>	<u>2016</u>
General Revenue Fund	\$ 0.2257	\$ 0.2179
Special Road and Bridge Fund	0.3063	0.3037
Mental Health Fund	0.0920	0.0912
Senate Bill 40 Fund	<u>0.0920</u>	<u>0.0912</u>
	<u>\$ 0.7160</u>	<u>\$ 0.7040</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017, and 2016, the carrying amount of the County's deposits and investments was \$5,301,372.88 and \$5,256,999.24, and the bank balance was \$17,486,772.72 and \$15,504,560.70, respectively. The total bank balance as of December 31, 2016, was insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions. The total bank balance as of December 31, 2017, was not fully insured through the Federal Deposit Insurance Corporation and securities by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 5,097,977.19
Investments	203,395.69
Total Governmental Funds	<u>5,301,372.88</u>
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits	<u>12,073,870.38</u>
Total Agency Funds	<u>12,073,870.38</u>
Total Deposits and Investments as of December 31, 2017	<u>\$ 17,375,243.26</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits shown above are included in the financial statements at December 31, 2016, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 5,106,172.84
Investments	<u>150,826.40</u>
Total Governmental Funds	5,256,999.24
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits	<u>12,965,943.14</u>
Total Agency Funds	<u>12,965,943.14</u>
Total Deposits and Investments as of December 31, 2016	\$ <u>18,222,942.38</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2016. The County's deposits were exposed to custodial credit risk for the year ended December 31, 2017.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the years ended December 31, 2017, and 2016.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2017, and 2016.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT

On May 1, 2014, the County entered into \$2,565,000 Lease Refunding Certificates of Participation, Series 2014, which refunded Series 2005 Leasehold Refunding Revenue Bonds, due in 3 annual varying principal installments ranging from \$845,000 to \$865,000, maturing on May 1, 2017. Interest rate is variable from 0.750% to 1.250%.

On March 15, 2017, the County entered into a Series 2017 Lease Certificates of Participation in the amount of \$3,345,000, which matures on October 15, 2034, due in varying annual principal installments ranging from \$175,000 to \$260,000. Interest rate is variable from 2.500% to 3.500%.

	<u>2017</u>				
	Balance at	Amount	Amount	Balance at	Interest Paid
	<u>December 31, 2016</u>	<u>Borrowed</u>	<u>Repaid</u>	<u>December 31, 2017</u>	<u>During Year</u>
Series 2017	\$ -	\$ 3,345,000.00	\$ -	\$ 3,345,000.00	\$ 58,466.04
Series 2014	865,000.00	-	865,000.00	-	5,406.25
Totals	<u>\$ 865,000.00</u>	<u>\$ 3,345,000.00</u>	<u>\$ 865,000.00</u>	<u>\$ 3,345,000.00</u>	<u>\$ 63,872.29</u>

The future payments as of December 31, 2017, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ -	\$ 100,227.50	\$ 100,227.50
2019	175,000.00	98,040.00	273,040.00
2020	175,000.00	93,665.00	268,665.00
2021	180,000.00	89,227.50	269,227.50
2022	180,000.00	84,727.50	264,727.50
2023-2027	990,000.00	343,702.50	1,333,702.50
2028-2032	1,135,000.00	185,406.25	1,320,406.25
2033-2034	510,000.00	18,025.00	528,025.00
TOTALS	<u>\$ 3,345,000.00</u>	<u>\$ 1,013,021.25</u>	<u>\$ 4,358,021.25</u>

	<u>2016</u>				
	Balance at	Amount	Amount	Balance at	Interest Paid
	<u>December 31, 2015</u>	<u>Borrowed</u>	<u>Repaid</u>	<u>December 31, 2016</u>	<u>During Year</u>
Series 2014	\$ 1,720,000.00	\$ -	\$ 855,000.00	\$ 865,000.00	\$ 15,082.50
Totals	<u>\$ 1,720,000.00</u>	<u>\$ -</u>	<u>\$ 855,000.00</u>	<u>\$ 865,000.00</u>	<u>\$ 15,082.50</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT (concluded)

The future payments as of December 31, 2016, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2017	\$ 865,000.00	\$ 5,406.25	\$ 870,406.25
TOTALS	<u>\$ 865,000.00</u>	<u>\$ 5,406.25</u>	<u>\$ 870,406.25</u>

On April 1, 2014, the County entered into a \$350,184.15 Loan Refunding, Series 2014, which refunded the 2006 loan, due in varying annual principal installments ranging from \$32,124.69 to \$50,953.61 through April 1, 2022. The interest rate is 4.00% and the loan was paid off in 2017.

2017

	Balance at December 31, 2016	Amount Borrowed	Amount Repaid	Balance at December 31, 2017	Interest Paid During Year
Series 2014	\$ 218,218.60	\$ -	\$ 218,218.60	\$ -	\$ 13,505.54
Totals	<u>\$ 218,218.60</u>	<u>\$ -</u>	<u>\$ 218,218.60</u>	<u>\$ -</u>	<u>\$ 13,505.54</u>

2016

	Balance at December 31, 2015	Amount Borrowed	Amount Repaid	Balance at December 31, 2016	Interest Paid During Year
Series 2014	\$ 260,084.16	\$ -	\$ 41,865.56	\$ 218,218.60	\$ 12,411.19
Totals	<u>\$ 260,084.16</u>	<u>\$ -</u>	<u>\$ 41,865.56</u>	<u>\$ 218,218.60</u>	<u>\$ 12,411.19</u>

The future payments as of December 31, 2016, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2017	\$ 218,218.60	\$ 13,505.54	\$ 231,724.14
TOTALS	<u>\$ 218,218.60</u>	<u>\$ 13,505.54</u>	<u>\$ 231,724.14</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IV. OPERATING LEASES

On July 2, 2015, the County entered into an operating lease with Deere Credit, Inc. to lease a motor grader. The lease requires 60 monthly payments of \$1,922.22 starting on July 2, 2015 and maturing on June 2, 2020.

On August 1, 2015, the County entered into an operating lease with Deere Credit, Inc. to lease a utility tractor. The lease requires 2 equal payments of \$3,800 to be paid on September 1, 2015 and March 1, 2016. The lease matures on July 31, 2016. This lease was paid off in 2016.

On August 1, 2016, the County entered into an operating lease with Deere Credit, Inc. to lease a utility tractor. The lease requires 2 equal payments of \$3,800 to be paid on September 1, 2016 and March 1, 2017. The lease matures on August 1, 2017. The lease was paid off in 2017.

On August 1, 2017, the County entered into an operating lease with Deere Credit, Inc. to lease a utility tractor. The lease requires 2 equal payments of \$3,675 to be paid on September 1, 2017 and March 1, 2018. The lease matures on July 31, 2018.

On August 15, 2017, the County entered into an operating lease with Deere Credit, Inc. to lease an excavator. The lease requires 36 monthly payments of \$1,948.70 starting on August 15, 2017 and maturing on July 15, 2020.

	Balance at December 31, 2016	Amount Borrowed	Amount Repaid	Balance at December 31, 2017	Interest Paid During Year
JD Grader	\$ 78,811.02	\$ -	\$ 21,117.94	\$ 57,693.08	\$ -
6130ML Utility Tractor	3,800.00	-	3,800.00	-	-
6130ML Utility Tractor	-	7,350.00	3,675.00	3,675.00	-
JD Excavator	-	70,153.20	11,692.20	58,461.00	-
Totals	<u>\$ 82,611.02</u>	<u>\$ 77,503.20</u>	<u>\$40,285.14</u>	<u>\$ 119,829.08</u>	<u>\$ -</u>

The future payments as of December 31, 2017, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2018	\$ 50,126.04	\$ -	\$ 50,126.04
2019	46,451.04	-	46,451.04
2020	23,252.00	-	23,252.00
TOTALS	<u>\$ 119,829.08</u>	<u>\$ -</u>	<u>\$ 119,829.08</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IV. OPERATING LEASES (concluded)

	Balance at December 31, 2015	Amount Borrowed	Amount Repaid	Balance at December 31, 2016	Interest Paid During Year
JD Grader	\$ 101,877.66	\$ -	\$ 23,066.64	\$ 78,811.02	\$ -
6125R Utility Tractor	3,800.00	-	3,800.00	-	-
6130ML Utility Tractor	-	7,600.00	3,800.16	3,800.00	-
Totals	<u>\$ 105,677.66</u>	<u>\$ 7,600.00</u>	<u>\$30,666.64</u>	<u>\$ 82,611.02</u>	<u>\$ -</u>

The future payments as of December 31, 2016, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2017	\$ 24,917.94	\$ -	\$ 24,917.94
2018	23,066.64	-	23,066.64
2019	23,066.64	-	23,066.64
2020	11,559.80	-	11,559.80
TOTALS	<u>\$ 82,611.02</u>	<u>\$ -</u>	<u>\$ 82,611.02</u>

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2017, and 2016 are as follows:

	2017		2016	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	\$ 435,000	\$ -	\$ 435,000	\$ -
Special Road and Bridge Fund	-	135,000	-	135,000
Administrative Handling Fund	5,000	-	7,500	-
Law Enforcement Sales Tax Fund	-	300,000	-	300,000
Law Enforcement Restitution Fund	-	5,000	-	7,500
TOTAL	<u>\$ 440,000</u>	<u>\$ 440,000</u>	<u>\$ 442,500</u>	<u>\$ 442,500</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2017, and 2016 were \$47,399.94 and \$40,642.85, respectively.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Perry County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Perry County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

2017 Valuation

Benefit Multiplier:	1.75%
Final Average Salary:	3 Years
Member Contributions:	0.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	40	10
Inactive employees entitled to but not yet receiving benefits	17	19
Active employees	66	22
	<u>123</u>	<u>51</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of Perry County do not contribute to the pension plan. Employer contribution rates are 10.2% (General) and 11.4% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 29, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

Mortality rates were based on the RP-2014 Healthy Annuitant mortality tables, for males and females.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 216,106	\$ 86,346
2 Interest on Total Pension Liability	699,532	209,449
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(105,702)	(102,190)
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(402,991)	(36,984)
7 Net change in total pension liability	406,945	156,621
8 Total pension liability - beginning	9,740,523	2,864,697
9 Total pension liability - ending	<u>\$ 10,147,468</u>	<u>\$ 3,021,318</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 281,766	\$ 82,464
2 Contributions - employee	-	-
3 Net investment income	1,048,485	340,223
4 Benefit payments, including refunds of employee contributions	(402,991)	(36,984)
5 Pension plan administrative expense	(9,777)	(3,540)
6 Other (net transfer)	(19,584)	6,676
7 Net change in plan fiduciary net position	897,899	388,839
8 Plan fiduciary net position - beginning	8,801,402	2,837,779
9 Plan fiduciary net position - ending	<u>\$ 9,699,301</u>	<u>\$ 3,226,618</u>
C. Net Pension Liability / (Asset)	<u>\$ 448,167</u>	<u>\$ (205,300)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.58%	106.80%
E. Covered-Employee Payroll	\$ 2,252,264	\$ 791,874
F. Net Pension Liability as a Percentage of Covered Employee	19.90%	-25.93%

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 11,570,882	\$ 10,147,468	\$ 8,966,970
Plan Fiduciary Net Position	9,699,301	9,699,301	9,699,301
Net Pension Liability / (Asset) (NPL)	\$ 1,871,581	\$ 448,167	\$ (732,331)
Police Division:			
Total Pension Liability (TPL)	\$ 3,509,800	\$ 3,021,318	\$ 2,622,400
Plan Fiduciary Net Position	3,226,618	3,226,618	3,226,618
Net Pension Liability / (Asset) (NPL)	\$ 283,182	\$ (205,300)	\$ (604,218)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the employer would have recognized pension expense of \$500,477 for general and \$101,947 for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 21,949	\$ (40,785)	\$ -
Changes in assumptions	65,267	-	19,741
Net difference between projected and actual earnings on pension plan investments	224,934	(83,149)	71,680
Employer contributions subsequent to the measurement date	-	-	-
Total	<u>\$ 312,150</u>	<u>\$ (123,934)</u>	<u>\$ 91,421</u>

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2018	\$ 188,216	\$ 16,758
2019	188,214	20,100
2020	107,254	(4,937)
2021	(68,305)	(28,239)
2022	(1,072)	-
Thereafter	-	-
Total	<u>\$ 414,307</u>	<u>\$ 3,682</u>

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$2,805, respectively, for the years ended December 31, 2017, and 2016.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were three participants in COBRA at December 31, 2017, and one at December 31, 2016, paying respective premiums of \$11,637.12 and \$2,978.88.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences (Vacation and Sick Time)

The County provides employees with up to 25 days of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation leave. Vacation days not used by the end of the year are forfeited. Employees in the County earn 8 hours of sick pay for each month worked. Upon termination from county employment, the employee is not compensated for unused sick time.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2017 AND 2016

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2017, actual expenditures exceeded those budgeted in the Assessment Fund, Mental Health Fund, Recycling Center Fund, Law Enforcement Training Fund, Prosecuting Attorney Training Fund, Election Services Fund, Sheriff's Civil Fee Fund and Sheriff's Reserve Fund.
- II. For the year ended December 31, 2016, actual expenditures exceeded those budgeted in the Recycling Center Fund, Law Enforcement Training Fund, Sheriff's Civil Fee Fund and Local Park Sales Tax Fund.
- III. For the year ended December 31, 2017, the Administrative Handling Fund was deficit budgeted.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Perry, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Perry ("County"), Missouri which comprise cash and unencumbered cash for each fund as of and for the years ended December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash and investment balances-budget and actual for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 10, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (2017-001, 2017-002 and 2017-003)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 10, 2018

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. FINANCIAL STATEMENT FINDINGS

2017-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's (Jared Kutz) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The phone number for the Clerk's office is 573-547-4242.

2017-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. FINANCIAL STATEMENT FINDINGS (concluded)

2017-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's (Jared Kutz) office is in the process of preparing the required risk assessment documentation. The expected completion date is the next audit period. The phone number for the Clerk's office is 573-547-7367.

2017-003 Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Condition: During our testing of cash and pledged securities, it was noted that the County's accounts were under-pledged for the year ended December 31, 2017.

Context: The County's bank accounts with a financial institution were under collateralized by \$631,942.54 at December 31, 2017.

Effect: There is a risk that the County's under collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.

Views of responsible officials and planned corrective actions: The County will review account balances with the financial institution to ensure that they are collateralized on a regular basis. The Treasurer is Kathy Schumer (573-547-4502) and the Collector of Revenue Rodney Richardet (573-547-4422).

THE COUNTY OF PERRY
PERRYVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There was no audit performed for the fiscal year ending December 31, 2015, therefore we have no prior year audit findings to report.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

August 10, 2018

To the County Commissioners
The County of Perry, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Perry (the "County") as of and for the years ended December 31, 2017, and 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided a written response to the findings in this report that were identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2017-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's (Jared Kutz) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The phone number for the Clerk's office is 573-547-4242.

2017-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

- 2017-002 Views of responsible officials and planned corrective actions: The County Clerk's (Jared Kutz) office is in the process of preparing the required risk assessment documentation. The expected completion date is the next audit period. The phone number for the Clerk's office is 573-547-7367.
- 2017-003 Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.
- Condition: During our testing of cash and pledged securities, it was noted that the County's accounts were under-pledged for the year ended December 31, 2017.
- Context: The County's bank accounts with a financial institution were under collateralized by \$631,942.54 at December 31, 2017.
- Effect: There is a risk that the County's under collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.
- Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.
- Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.
- Views of responsible officials and planned corrective actions: The County will review account balances with the financial institution to ensure that they are collateralized on a regular basis. The Treasurer is Kathy Schumer (573-547-4502) and the Collector of Revenue Rodney Richardet (573-547-4422).

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 14, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2017 and 2016 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 10, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Office of the Comptroller

Report No. 2018-072
September 2018

auditor.mo.gov

City of St. Louis - Office of the Comptroller

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Comptroller
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2008-95, *City of St. Louis, Office of the Comptroller*, issued in December 2008, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Office of the Comptroller. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Office of the Comptroller that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Office of the Comptroller

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Accounting Controls and Procedures

Finding Number: 1.A.

Finding: The financial computer system utilized by the Comptroller's office did not provide the information necessary to efficiently operate the city. Several city offices maintained additional separate financial records and the system did not always provide information needed by city offices.

Recommendation: The Comptroller evaluate the need for a new financial computer system that will provide the necessary information for all city offices.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city attempted to purchase and implement a new accounting system. After a three year implementation process, the vendor providing the system was bought out by another company, and the system ultimately did not meet the city's needs. Currently a new effort is underway and a committee has begun meeting regarding how to proceed in the future to implement a new system. The system is contingent on funding.

Contact Person: Beverly Fitzsimmons

Contact Phone Number: (314) 589-6035



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Accounting Controls and Procedures

Finding Number: 1.B.

Finding: The city's financial computer system did not have controls in place to prevent splitting purchases to avoid the city's bidding requirements. Although the Comptroller's office personnel attempted to ensure purchases were not included on multiple invoices that were processed on the same day, there were no built in controls in the financial computer system to detect such payments.

Recommendation: The Comptroller modify the city's financial computer system to monitor purchases to ensure the established purchasing limits are not circumvented.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The current system does not have the capability to monitor this. As we begin a search for a new system and its capabilities, this control will be implemented.

Contact Person: Beverly Fitzsimmons

Contact Phone Number: (314) 589-6035



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Accounting Controls and Procedures

Finding Number: 1.C.1.

Finding: There was no documented review and approval of transfer and journal entries by an independent person.

Recommendation: The Comptroller establish procedures to ensure transfers and journal entry transactions are adequately reviewed and approved.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Most transfers are driven by either budget ordinance or by Board of Estimate and Apportionment approval. The transfer is done by journal entry. A proposed journal entry is reviewed either by a member of the same section or by the General Ledger Section before it is keyed into the system.

Contact Person: Beverly Fitzsimmons

Contact Phone Number: (314) 589-6035



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Accounting Controls and Procedures

Finding Number: 1.C.2.

Finding: Transfers and journal entry requests received from city offices were not recorded on a log immediately upon receipt. In addition, some entries were not recorded in the general ledger in a timely manner.

Recommendation: The Comptroller ensure all transfers and journal entry requests received are immediately recorded in a log and recorded in the general ledger on a timely basis. In addition, the log and general ledger should be reconciled.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Most transfers authorized by the budget ordinance are initiated by the Financial Reporting Section and completed by year end when the funds are available. Transfers of appropriations are handled by the General Ledger Section after the Board of Estimate and Apportionment approves the transfer list. If board approval is not needed (as in the case when a transfer of accounts is within the same family of accounts) then the Budget Division sends the request to the General Ledger Section for processing. No formal log is kept and the Comptroller's office depends on the department to ensure the transaction it requested is completed. The log is being considered for receipt of journal entries from other sections. However, journal entries are entered timely upon receipt.

Contact Person: Beverly Fitzsimmons

Contact Phone Number: (314) 589-6035



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Payroll Controls and Procedures

Finding Number: 2.A.

Finding: The payroll computer system utilized by the Comptroller's office did not provide the information necessary to efficiently operate the city and is heavily reliant on manual processes. The payroll computer system was a separate system from the city's financial computer system. As a result, the Comptroller's office had to manually enter summarized payroll transactions into the city's financial computer system. Payroll transaction data was not readily available. The payroll computer system did not track payroll costs by project or grant. The payroll computer system did not include adequate information about payroll adjustments which included incentive pay, sick or vacation leave paid upon termination, and back pay.

Recommendation: The Comptroller evaluate the need for a new payroll computer system that will provide the necessary controls and information for all city offices.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city attempted to purchase and implement a new payroll system along with the accounting system. After a three year implementation process, the vendor providing the system was bought out by another company, and the system ultimately did not meet the city's needs. Currently a new effort is underway and a committee has begun meeting regarding how to proceed in the future to implement a new system. The system is contingent on funding.

Contact Person: Beverly Fitzsimmons
Contact Phone Number: (314) 589-6035



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Payroll Controls and Procedures

Finding Number: 2.B.

Finding: The Comptroller's office did not have adequate procedures to verify payroll data and, as a result, did not have assurance transactions were processed accurately. For city offices that submitted payroll data electronically, the payroll data was printed and certified by an official in the respective city office. However, the Comptroller's office did not ensure the electronic payroll data agreed with the certified payroll data. The Comptroller's office did not require city offices to certify the accuracy of the processed payroll data.

Recommendation: The Comptroller ensure the electronic payroll data agrees with the certified payroll data. The Comptroller's office should also ensure the city offices certify the accuracy of the final processed payroll data.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Once the information is entered into the system, payroll is officially certified by the individual payroll clerks. The payroll clerks complete an error confirmation form stating that they either had no errors to be corrected or that all corrections were made. The Comptroller's office retains the forms.

Contact Person: Amy Williams

Contact Phone Number: (314) 589-6166



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Payroll Controls and Procedures

Finding Number: 2.C.

Finding: Time sheets were not prepared for some non-civil service employees.

Recommendation: The Comptroller require all employees that are not exempt from Fair Labor Standards Act requirements to prepare time sheets of actual hours worked and leave taken.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Time is approved and kept for non-civil service employees by the appropriate elected or appointed county offices.

Contact Person: Amy Williams

Contact Phone Number: (314) 589-6166



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Contracts

Finding Number: 3.

Finding: The Comptroller's office sometimes did not enter into contracts when appropriate.

Recommendation: The Comptroller enter into contracts when appropriate and ensure contracts contain adequate details and protections for the city.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

It is the Comptroller office's belief that contracts are entered into when appropriate.

Contact Person: Beverly Fitzsimmons

Contact Phone Number: (314) 589-6035



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Controls and Procedures

Finding Number: 4.A.

Finding: Numerous employees in the Comptroller's office collected or received checks and money orders. These non-federal monies were transmitted to other employees for additional processing prior to being recorded and transmitted to the Treasurer.

Recommendation: The Comptroller limit the number of employees who can receive or process monies prior to recording and transmitting monies.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

A procedure has been enacted to ensure separation of duties are in place for proper internal controls for receipt of checks, cash, or money orders. Any checks received by the office through the mail or interoffice mail are immediately given to the clerk to be restrictively endorsed and logged in. The checks for the day are given to the Account Clerk in the Financial Reporting Section to prepare and submit the deposit to the Treasurer. Once a month, at a minimum, the log is checked against the receipt coding forms to ensure all checks have been deposited.

Contact Person: Beverly Fitzsimmons

Contact Phone Number: (314) 589-6035



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Controls and Procedures

Finding Number: 4.B.

Finding: Checks and money orders were not always recorded on either official prenumbered receipt slips or a log immediately upon receipt. These non-federal monies were also not transmitted in a timely manner. In addition, checks and money orders were not restrictively endorsed immediately upon receipt.

Recommendation: The Comptroller ensure all checks and money orders received are immediately recorded on an official prenumbered receipt slip or collections log which is reconciled to the transmittal to the Treasurer by someone independent of the receipting and collection functions. The Comptroller should also transmit all monies on a timely basis and restrictively endorse checks and money orders immediately upon receipt.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The first step of the receipting process is for one person to receive the checks, restrictively endorse the checks, and log them on an Excel spreadsheet. This includes cash and money orders. Receiving cash or money orders directly in the Comptroller's office is rare and no prenumbered receipt slips are used. If a receipt slip is required, a copy of the check or backup is made and signed. Once a day, at a minimum, a transmittal is made to the Treasurer's office. It may be more often depending on checks received and their amounts.

Contact Person: Beverly Fitzsimmons

Contact Phone Number: (314) 589-6035



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Revenue Maximization

Finding Number: 5.

Finding: The Comptroller had not established city-wide procedures to ensure reimbursement requests for federal grants were submitted timely.

Recommendation: The Comptroller should develop procedures to ensure grant reimbursement requests are submitted in a timely manner.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The City of St. Louis receives and expends millions of dollars in grant funds annually. Many of the grant funds are received on a reimbursement basis, where the city must incur the program allowable expenditures first and then request a drawdown of the awarded funds. Generally, grant awards and revenues are processed and managed by the Federal Grants Section (FGS) of the Comptroller's office. However, there are departments that manage their own expenditures and/or drawdown activity, such as the Community Development Administration, Board of Public Service, Police Department, Airport, St. Louis Agency on Training and Employment, and the Courts.

Steps implemented:

1. Drawdown Frequency: Drawdowns are done on a weekly, bi-weekly, monthly, and/or quarterly basis. For grants that funds are not readily available for drawdown purposes at the start of the grant year (Community Development Block Grant, Housing Opportunities for Persons With AIDS, Emergency Solutions Grants, etc.), the initial drawdown must be done as soon as funding becomes available and must follow the recommended frequency after.
2. Reconciliations: The FGS recently implemented a process to make sure all new grants are current when it comes to revenue collections. The FGS accountants prepare a monthly account monitoring report based on what is posted in the general ledger. These reports are reviewed and analyzed. Notifications and/or reminders are sent to responsible individuals and/or departments for grants not current in their drawdowns and/or deposits.

Contact Person: Nancy Fesarillo-Wiegand

Contact Phone Number: (314) 622-4912



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Capital Asset Controls and Procedures

Finding Number: 6.A.

Finding: Some city offices did not perform annual physical inventories. In addition, the Comptroller's office did not require city offices to submit annual physical inventory reports.

Recommendation: The Comptroller require annual inventories be submitted by each city office to the Comptroller's office.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Fixed Asset manual reads: "the City will conduct an annual physical inventory . . ." The Comptroller's office believes the method in which it conducts the inventory is more efficient than simply having the department submit the inventory; therefore, we do not require such documentation. The current procedure works better because it holds the department more accountable. When a physical inventory audit of the department's assets is performed, the departments are required to provide proof that the asset is physically available and present. Simply requiring the department to submit an annual inventory report without physically overseeing that the asset is actually in their possession does not validate the existence of the asset. As a result, this procedure could cause inaccuracies in the actual assets carried in the city's financial records.

Contact Person: Lillie Green

Contact Phone Number: (314) 613-7361



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Capital Asset Controls and Procedures

Finding Number: 6.B.

Finding: Property purchases were not reconciled to additions recorded in the property records.

Recommendation: The Comptroller ensure capital asset purchases are periodically reconciled to additions.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

When property purchases are added to the property records, reports are sent to the city offices for verification to ensure the asset is correctly added. Upon receipt of the report, the city office should reconcile property purchases to its property records.

Contact Person: Lillie Green

Contact Phone Number: (314) 613-7361



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 7.A.

Finding: The Comptroller used a city-owned vehicle for commuting purposes and did not report commuting mileage to the Internal Revenue Service (IRS) as compensation.

Recommendation: The Comptroller ensure commuting mileage is reported in compliance with IRS requirements.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Comptroller no longer has a city-owned vehicle.

Contact Person: Beverly Fitzsimmons

Contact Phone Number: (314) 589-6035



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 7.B.

Finding: Records and monitoring procedures for the Comptroller's office pool vehicles and assigned vehicles were not sufficient. The Comptroller's office did not require vehicle usage logs to be maintained for the vehicles. Although a check out log was maintained for each of the pool vehicles, the beginning and ending odometer readings, destination, and purpose were not documented on the log.

Recommendation: The Comptroller require the preparation of usage logs for all vehicles and ensure these logs are properly reviewed.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All municipal garage staff ensure all logs are filled out completely. The Clerk Typist checks logs on a daily basis to ensure they are complete. As a double check, the Account Clerk verifies all log sheets are complete when processing the mileage report at the beginning of each month for the previous month.

Contact Person: Judy Armstrong
Contact Phone Number: (314) 657-3409



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicles

Finding Number: 7.C.

Finding: Vehicles may not have been used efficiently and effectively. One of the pool vehicles was driven only 2,283 miles during calendar year 2007. The vehicles assigned to the municipal garage manager and lead parking garage attendant were driven 5,143 and 3,734 miles, respectively, during calendar year 2007.

Recommendation: The Comptroller review pool vehicle usage and permanent assignment of vehicles to ensure vehicles are justified and necessary.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Currently no garage staff take vehicles home on a regular basis. The Clerk Typist II will verify that all vehicles are rotated on usage, to evenly distribute the miles. The Account Clerk will verify the mileage used on a monthly basis to determine that all vehicles are being used evenly. There are eight vehicles used for out of town travel, so they may not have as much usage, but they can have more/less mileage. These vehicles are also rotated to distribute the usage.

Contact Person: Judy Armstrong
Contact Phone Number: (314) 657-3409



City of St. Louis - Office of the Comptroller
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Travel Advances

Finding Number: 8.

Finding: The Comptroller's office did not have adequate procedures to ensure reimbursement forms for federal travel advances were submitted on a timely basis.

Recommendation: The Comptroller develop procedures to ensure reimbursement reports for federal travel advances are submitted to the Comptroller's office on a timely basis.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Travel policies and procedures have been established and approved by the Board of Estimate and Apportionment.

Contact Person: Bev Fitzsimmons

Contact Phone Number: (314) 589-6035



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Office of Public Administrator

Report No. 2018-071
September 2018

auditor.mo.gov

City of St. Louis - Office of Public Administrator

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Jill Hanley, Public Administrator
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2010-14, *City of St. Louis, Office of Public Administrator*, issued in January 2010, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Office of Public Administrator. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
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 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Office of Public Administrator that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Office of Public Administrator

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Public Administrator's Salary and Employee Benefits

Finding Number: 1.A. and 1.B.

Finding: It appeared the Public Administrator's salary and employees' benefits had not been established in accordance with state law. Although the Public Administrator had requested to be paid on a salary basis as allowed by law, the city had not complied with his request. Employees of the Public Administrator's office were not considered city employees and did not receive city benefits (retirement, health insurance, life insurance, employee accidental death and dismemberment insurance, dental, vision, and a 457 plan) as required by state law.

Recommendation: The Public Administrator continue to work with the city to ensure his salary and employee benefits are handled in accordance with state law.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Public Administrator and staff are now being paid salary and wages by the city and receiving city benefits.

Contact Person: Jill M. Hanley
Contact Phone Number: (314) 622-4989



City of St. Louis - Office of Public Administrator
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Bond Coverage

Finding Number: 2.

Finding: The Public Administrator did not file a statement of assets annually, resulting in inadequate bond coverage. The Probate Court reviewed bond coverage for individual cases and the Public Administrator's blanket bond coverage when a statement of assets was filed. The Public Administrator indicated a statement of assets had not been filed since September 2006, when it was requested by the Probate Judge.

Recommendation: The Public Administrator work with the Probate Court to ensure a statement of assets is filed annually as required by state law. The Public Administrator should also obtain adequate bond coverage for all wards and estates.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The current Public Administrator was appointed on April 3, 2017. She is preparing an asset report and obtaining all of the new bonds and additional bonds necessary to cover all ward assets. She will work with the Probate Court to make sure this report is filed annually.

Contact Person: Jill M. Hanley
Contact Phone Number: (314) 622-4989



City of St. Louis - Office of Public Administrator
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Collateral Securities

Finding Number: 3.

Finding: The Public Administrator did not ensure adequate collateral securities were pledged by depositary banks for two cases.

Recommendation: The Public Administrator ensure adequate collateral securities are pledged for all funds on deposit in excess of Federal Deposit Insurance Corporation (FDIC) coverage.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The two cases that were found that did not ensure adequate collateral securities were pledged by depositary banks have been closed and monies were distributed.

The current Public Administrator has reviewed all cash assets held and has confirmed that all cash assets held in accounts are within the insured limits of the FDIC, National Credit Union Administration, or Securities Investor Protection Corporation.

Contact Person: Jill M. Hanley
Contact Phone Number: (314) 622-4989



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Department of Human Services

Report No. 2018-070
September 2018

auditor.mo.gov

City of St. Louis - Department of Human Services

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Director of the Department of Human Services
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2009-61, *City of St. Louis, Department of Human Services*, issued in June 2009, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Department of Human Services. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
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 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Department of Human Services that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Department of Human Services

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Grant Administration

Finding Number: 1.A.

Finding: The Department of Human Services (DHS) did not routinely advertise for proposals for subgrantees of the Homeless Veterans Reintegration Project (HVRP), Utility Assistance Program, Federal and Missouri Emergency Shelter grants or Homeless Challenge Program. While the DHS had policies and procedures to advertise for proposals, only one subgrantee had been consistently used for each of the HVRP and Utility Assistance Program and sole source justification was not documented for these subgrantees.

Recommendation: The DHS periodically solicit proposals for all subgrantee awards and document reasons for sole source procurement situations.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

- Utility Assistance Program: The DHS no longer receives allocations for, nor administers the Equitable Relief from Utility Tax Funds program, effective 2013.
- HVRP: The DHS no longer receives HVRP dollars and does not have a contract with the United States Department of Labor (DOL) for this or any other programs.

When the DHS did apply in the past, in response to the Notice of Fund Availability (NOFA) for the DOL funded HVRP, the NOFA indicated that it was a competitive grant application, favoring collaborations. The DHS does not provide direct services; therefore, the DHS submitted a collaborative application, indicating we would be partnering with a local employment and housing placement provider who had proven experience working with homeless veterans and other hard to serve populations. It was based on this pre-identified provider's expertise and the added value of their partnership with the city, that the DOL funded the applications.

- Missouri Emergency Shelter grants/Homeless Challenge Program: The DHS no longer receives funding from either of these grants.

Contact Person: Valerie Russell

Contact Phone Number: (314) 657-1651



City of St. Louis - Department of Human Services
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Grant Administration

Finding Number: 1.B.

Finding: The DHS did not sufficiently document reasons for the amount of funding awarded to some subgrantees for the St. Louis Area Agency on Aging (SLAAA).

Recommendation: The DHS maintain written documentation of decisions made for the amount of funding awarded to SLAAA subgrantees.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable.

The decisions regarding the level of funding to be awarded are maintained on file in the SLAAA office. The decisions are dependent upon the responses received to the request for proposals (bids received), a provider's previous performance, and the levels of services needed in the geographic areas that a potential provider wants to service. Any subsequent reductions in funding to SLAAA subgrantees are usually the result of underutilization of services to be rendered or cuts in federal or state funding. Discussions are held with all subgrantees prior to any reductions or additions to contract funding.

All documents regarding the above are maintained in the DHS SLAAA office.

Contact Person: David Sykora

Contact Phone Number: (314) 657-1681



City of St. Louis - Department of Human Services
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Grant Administration

Finding Number: 1.C.

Finding: The DHS did not conduct annual fiscal monitoring reviews required by DHS policy for some subgrantees, and as a result, it appeared the DHS did not detect some misspent grant funds on a timely basis. Additionally, required program monitoring was not completed for one SLAAA subgrantee.

Recommendation: The DHS ensure all subgrantees are subject to annual fiscal and program monitoring as required by department policy.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable.

The DHS has added auditors to our organization. The auditors were previously employed in the Comptroller's Internal Audit division. They are responsible for completing fiscal monitoring for subgrantees of SLAAA, Homeless Services, and some special grants administered by the DHS. Contract Compliance Officers and relevant program staff within the various divisions handle programmatic monitoring. The DHS initially employed three auditors; however, two have resigned. One auditor remains on staff. It is anticipated that funding will be allocated allowing the DHS to hire one additional auditor during the 2018-2019 program year.

Based upon the audit finding, changes to the SLAAA monitoring procedures were implemented to ensure that programmatic monitoring is conducted on all subgrantees. Records of programmatic monitoring and follow up for each subgrantee are kept at the SLAAA office.

Contact Person: David Sykora and Valerie Russell

Contact Phone Number: (314) 657-1681 / (314) 657-1651



City of St. Louis - Department of Human Services
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Grant Administration

Finding Number: 1.D.

Finding: The DHS did not perform adequate follow up or take disciplinary action for serious deficiencies noted with two SLAAA subgrantees.

Recommendation: The DHS promptly follow up on all monitoring findings and consider taking disciplinary action when serious deficiencies are not corrected in a timely manner.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable.

Based upon the audit finding, changes to the SLAAA monitoring procedures were immediately implemented to ensure that follow up on all monitoring deficiencies was performed.

Contact Person: David Sykora

Contact Phone Number: (314) 657-1681



City of St. Louis - Department of Human Services
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 2.A.

Finding: Our review of reimbursement payments to subgrantees noted some unallowable costs paid from the HVRP and Supportive Housing Program (SHP) grants.

Recommendation: The DHS implement procedures to ensure only allowable costs are paid with grant funds.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The DHS no longer administers HVRP or SHP grant funds. To ensure that the DHS complies with the regulations and to ensure only allowable costs are paid with grant funds, the Homeless Services Division developed and implemented a Grant Administration and Internal Control Manual for the Emergency Solutions Grant and Continuum of Care funds. Homeless Services staff are trained in the procedures outlined in the manual and they provide a first round review and approval of expenses eligible for reimbursement. DHS fiscal staff provide the secondary review of reimbursement requests to ensure that only allowable costs are reimbursed. The manual undergoes annual review to ensure it is updated with appropriate federal regulations.

Contact Person: Edwin Muhammad

Contact Phone Number: (314) 657-1718



City of St. Louis - Department of Human Services
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Expenditures

Finding Number: 2.B.

Finding: Our review noted proper approval of expenditures was not always documented in accordance with city and DHS purchasing procedures. DHS personnel indicated their department purchasing manual and forms included out-of-date information, and as a result, the required forms were not always used. This may have contributed to the lack of proper approval on some expenditures.

Recommendation: Ensure expenditures are approved in accordance with city and department policy and retain documentation of the approval. In addition, the department should update its purchasing manuals and forms to reflect current policies and procedures.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The DHS follows the City of St. Louis, Supply Division Procedures Manual, which specifies the procedures to be followed when making purchases of supplies, materials, equipment, etc. In addition, the DHS Fiscal Division has designed for internal use, an Internal Purchase Requisition form that is completed by the DHS division wishing to initiate a purchase. This form must be signed by the relevant DHS Division Manager and then signed by the DHS Director or Deputy Director for proper approval of purchases.

Contact Person: Parimal Mehta

Contact Phone Number: (314) 657-1664



City of St. Louis - Department of Human Services
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: St. Louis Area Agency on Aging (SLAAA) Compliance Issues

Finding Number: 3.A.

Finding: The SLAAA did not retain some records in accordance with its program services contract with the Missouri Department of Health and Senior Services (MDHSS).

Recommendation: The DHS and the SLAAA retain records in accordance with the grant agreement with the MDHSS.

Status of Finding: Implemented

Description of Steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Based upon the audit finding, changes to the document retention procedures at the SLAAA were immediately implemented. All documents related to MDHSS contracts are kept per contract guidelines or as the applicable federal or state regulations require.

Contact Person: David Sykora
Contact Phone Number: (314) 657-1681



City of St. Louis - Department of Human Services
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: St. Louis Area Agency on Aging (SLAAA) Compliance Issues

Finding Number: 3.B.

Finding: The SLAAA did not have an advisory council as required by the Older Americans Act and the Missouri Code of State Regulations 15-4.110.

Recommendation: The DHS and the SLAAA re-establish an advisory council to comply with applicable federal and state regulations.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Based on the audit finding, changes to the city charter regarding the advisory council were made in 2011. The reconstituted advisory council was convened on January 12, 2012. The advisory council has met on a quarterly basis since that time. Meeting agendas and minutes are maintained on file in the SLAAA office.

Contact Person: David Sykora
Contact Phone Number: (314) 657-1681



Office of Missouri State Auditor
Nicole Galloway, CPA

City of Winona



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the review of the City of Winona

Missing Monies	The audit identified at least \$42,546 recorded utility and miscellaneous receipts that were not deposited between January 1, 2015, and March 29, 2017. Recorded cash receipts totaling at least \$34,689 and recorded check payments totaling at least \$7,245 were not deposited between January 1, 2015, and March 21, 2017, and our March 28, 2017, cash count and review of the subsequent deposits identified additional cash shortages of \$612. A review of April 2017 deposits identified questionable cash deposits and utility account postings occurring 10 days after the cash count.
Oversight, Segregation of Duties, and Annual Audits	The Board of Aldermen have not provided adequate oversight of the City Clerk and the Utility Clerk positions or obtained required annual audits.
Cash Handling Procedures and Bank Accounts	Significant weaknesses exist with the city's cash handling procedures and bank accounts. The city's procedures for receipting, recording, and depositing monies are poor. The City Clerk and Utility Clerk improperly recorded vendor payments and third party checks to customer utility accounts, and the Utility Clerk does not deposit receipts intact or timely or reconcile the composition of receipts to the composition of deposits. Checks for utility payments were held at the request of customers; the clerks cashed checks totaling over \$168,000 for city employees, family members, and utility customers; unrecorded checks were substituted into deposits for missing recorded cash receipts; and utility payments for the Mayor and Board of Aldermen were improperly recorded in the utility system. The city maintains an excessive number of bank accounts, and it is unclear whether the city had the legal authority to maintain an annuity. Non-sufficient fund checks are improperly handled and recorded, the city change fund is not maintained at a constant amount, and procedures regarding the city's Shop With a Cop program need improvement.
Restricted Funds, Allocations, and Excess Sales Tax	The city has not established adequate procedures to ensure restricted revenues are credited to the appropriate fund or to ensure restricted monies are used only for intended purposes. The city has imposed 2 general sales taxes, totaling 1.5 percent, which exceeds the statutory maximum allowed for general sales taxes by 1/2 percent.
Utility System Controls and Procedures	Utility system controls and procedures need improvement. Current water, sewer, electric, and trash rates are not supported by a cost study or other documentation showing how the rates were determined. City personnel do not prepare proper reconciliations related to utility services. The Utility Clerk posted adjustments to customer accounts without obtaining independent approvals or maintaining adequate documentation to support the reason for many adjustments. The City Clerk did not reconcile the list of refundable utility deposits to the balance of the utility deposit bank account. Some customers were allowed to pay a monthly flat fee for utility services without the Board's approval. City procedures do not comply with city ordinances when assessing penalties, discontinuing services, and calculating usage. City personnel were not proactive in following up on inactive utility account balances.
Payroll and Related Matters	Significant improvement is needed with timesheets and leave records, and

some employees may have been overpaid. The city's personnel policy does not adequately address compensatory time, holidays, overtime, or the employment and supervision of related employees, and city employees have not always followed established policies. The city inappropriately claims an overtime exemption for police department employees, and as a result, did not pay police officers for overtime. Improvement is needed in the city's handling of employee benefits, additional compensation, and the withholding and reporting of compensation.

Disbursements	The city's disbursement review and documentation procedures need improvement. The city made several unreasonable and/or unnecessary purchases. The city does not have a formal bidding policy and has not established policies for the selection of vendors providing professional services. The city does not reconcile fuel usage to fuel purchases.
Budgets and Financial Reporting	The city does not prepare complete and accurate annual budgets, publish accurate semiannual financial statements, and file annual financial reports timely.
Park Board	We noted significant weaknesses in the Park Board's controls, policies, and procedures. Park Board members indicated board meetings have not been held for a considerable period of time. The Park Board does not have current bylaws and does not operate in accordance with bylaws, city ordinance, or the operating agreement between the Park Board and the city. Various Park Board members collect park monies and do not always issue receipt slips or maintain records of monies received. Adequate supporting documentation was not retained for approximately \$3,300 of the \$9,400 spent by the Park Board during 2016.
Sunshine Law and Ordinances	City officials did not always ensure compliance with the Sunshine Law regarding closed sessions and city ordinances need improvement.
Electronic Data Security	Controls over some city computers are not sufficient to prevent unauthorized access, and sufficient plans and processes are not in place for recovering systems and data.
Capital Assets	The city does not maintain records of its capital assets including buildings, utility system infrastructure, vehicles, equipment, and other property. City personnel do not tag, number, or otherwise identify assets or perform annual physical inventories.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Winona

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Winona, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Winona. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2016. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the amount of missing monies to the extent possible.

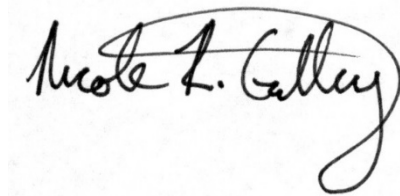
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) missing monies totaling at least \$42,546. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Winona.

An additional report, No. 2018-28, *Thirty-Seventh Judicial Circuit, City of Winona Municipal Division*, was issued in May 2018.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison, CPA
In-Charge Auditor:	Katelyn Crosson, CFE
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	Joy Stevens, CFE
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City of Winona

Management Advisory Report

State Auditor's Findings

1. Missing Monies

The audit identified at least \$42,546¹ recorded utility and miscellaneous receipts that were not deposited between January 1, 2015, and March 29, 2017. Based on the timing and amounts of monies missing during 2015, it is likely additional monies are missing in periods prior to January 2015.

The State Auditor's Office (SAO) conducted a cash count on March 28, 2017, that identified discrepancies between monies on hand and recorded receipts, and we determined monies were missing. A comparison of recorded receipts and amounts deposited from October 2016 through March 2017, identified additional discrepancies and monies missing. The SAO notified the Missouri State Highway Patrol (MSHP) of possible missing monies on August 24, 2017.² MSHP investigators questioned the City Clerk and Utility Clerk on September 1, 2017. On September 5, 2017, the Board of Aldermen terminated the City Clerk's employment. The city had employed the City Clerk since July 1994. A new City Clerk was hired part-time in September 2017 and that person became the full-time City Clerk in October 2017. The former City Clerk is referred to as City Clerk throughout this report. The Utility Clerk is still employed by the city and has served in that position since April 2013.

As stated in the State Auditor's Report, the scope of our audit included, but was not necessarily limited to the year ended December 31, 2016. After identification of missing monies and the method used to perpetrate and conceal the theft, we applied limited procedures to receipts for the period January 2015 through December 2015 and the period January 2017 through March 2017 for the purpose of identifying and quantifying additional missing monies.

The City Clerk and Utility Clerk recorded payments to multiple different records (computerized utility system, manual receipt slips, and payment stubs) and did not ensure payments were consistently and properly recorded to all appropriate records. A comparison of payments recorded to deposits identified the undeposited receipts.

The City Clerk and Utility Clerk changed procedures for recording and depositing receipts shortly after the discrepancies were identified in the March 2017 cash count, and those discrepancies along with various record-keeping and depositing problems were discussed with the clerks by the SAO. We reviewed receipt and deposit records for July 2017 and confirmed the

¹ Amounts presented in the report findings are rounded to the nearest dollar, whereas amounts presented in the report appendixes B and C are exact. Also, \$41,934 of this total pertains to deposits made between January 1, 2015, and March 21, 2017; and \$612 pertains to a cash shortage identified during a March 28, 2017, cash count.

² City officials had previously contacted the MSHP regarding concerns unrelated to these missing monies.



City of Winona
Management Advisory Report - State Auditor's Findings

clerks had changed procedures and were properly accounting for and depositing monies collected.

Undeposited cash receipts

Recorded cash receipts totaling at least \$34,689 were not deposited between January 1, 2015, and March 21, 2017. Some of these cash receipts were included on deposit reports, which always agreed in total to the amounts deposited by the Utility Clerk. However, in some instances the total cash deposited was less than the cash recorded in the receipt records while the total amount of checks and money orders deposited was more than the checks and money orders recorded in the receipt records. Unrecorded checks totaling \$31,601 not associated with the recorded receipts were substituted into these deposits for the recorded cash receipts not deposited. Most of the unrecorded checks were city checks issued by the City Clerk for the transfer of monies from one bank account to another. In addition, manual receipt slips were issued for some monies received that were not included in the deposit reports and were not deposited totaling \$3,088. (See Appendix B).

Large differences between recorded cash receipts and cash deposited on Appendix B were caused by undeposited cash receipts, the clerks cashing checks as identified on Appendix C, timing differences, and small over/(under) payments and adjustments.

Undeposited check payments

Utility receipts totaling at least \$7,245 were recorded as check payments from January 1, 2015, through March 21, 2017, but these checks could not be traced to a deposit. We contacted some of these utility account holders and they could not provide canceled checks or other documentation as proof the checks were issued or negotiated. The City Clerk and Utility Clerk may have recorded these payments in the computerized utility system and on manual receipt slips for their friends and family members while not requiring payments from those persons. (See Appendix B).

All deposits (excluding direct deposits, non-utility related transfers, and deposits into the municipal court and police department bank accounts) are presented in Appendix B. Those with missing monies are identified with amounts in the total undeposited column.

Cash count and subsequent deposit

Our March 28, 2017, cash count and review of the subsequent deposits identified cash shortages of \$612.

The cash count identified \$2,478 of cash and \$3,962 of checks (\$6,440 in total) was on hand, while receipt records showed \$2,871 of cash and \$2,459 of checks (\$5,330 in total) had been collected since the last deposit made on March 21, 2017. In following up on these discrepancies, we determined there were unrecorded checks included in the cash count, a portion of the change fund had been used to reimburse the bank for a non-sufficient funds check, and some of the counted monies were not properly deposited in subsequent deposits; and ultimately determined there was a cash shortage.



City of Winona
Management Advisory Report - State Auditor's Findings

Questionable utility
transactions

A review of April 2017 deposits identified questionable cash deposits and utility account postings occurring 10 days after the cash count. Two separate cash deposits totaling \$7,703 (one containing cash totaling \$4,726 and another containing cash totaling \$2,977) were made on April 7, 2017. The cash payments were recorded on April 5 and 6, 2017, to 17 old inactive utility accounts with balances due. This cash was not on hand at the time of our cash count on March 28, 2017, and it is unlikely these customers all paid on the same days. Also, many of these accounts showed no previous payment activity for many months/years, and it is questionable the account holders actually made payments on these accounts. No past due billings or collection letters were sent or issued to support the unusual nature and timing of these payments. The Utility Clerk subsequently prepared a list of the individual amounts and the utility accounts to which these payments were recorded, which totaled \$7,650, with the remaining \$53 being collected for recycle bags and copies. According to city officials, some of these accounts may be friends and family of the City Clerk.

Overall conclusion

The lack of segregation of duties, inadequate controls, and the absence of oversight by the Board of Aldermen, as discussed in the remainder of the report, resulted in the missing receipts going undetected, poor handling of city monies, and noncompliance with various city ordinances.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding prosecution of the missing monies and take the necessary actions to seek restitution for amounts missing.

Auditee's Response

We will continue to work with law enforcement officials regarding prosecution of missing monies and take the necessary actions to seek restitution for amounts missing.

2. Oversight, Segregation of Duties, and Annual Audits

The Board of Aldermen have not provided adequate oversight of the City Clerk and the Utility Clerk positions or obtained annual audits as required by state law.

2.1 Oversight and segregation of duties

The Board has not established adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the City Clerk and the Utility Clerk. Weaknesses identified throughout this report are significant and demonstrate a lack of segregation of duties and proper oversight by the Board. There is little assurance city monies have been handled and accounted for properly.

With the exception of some utility functions, the City Clerk position is responsible for most record-keeping duties of the city including posting



City of Winona Management Advisory Report - State Auditor's Findings

transactions into the accounting system, preparing invoices for payment, maintaining payroll records, preparing and distributing payroll and accounts payable checks, preparing monthly bank reconciliations, transferring monies between bank accounts, preparing financial reports for board meetings, and preparing budgets and financial statements.

The Utility Clerk position is primarily responsible for utility functions including, receiving, recording, and depositing receipts; preparing and distributing monthly billings; and preparing and generating monthly reports. The Utility Clerk is also responsible for receipting and depositing other types of monies received at city hall.

The City Clerk and the Utility Clerk both have access to the cash drawer and the safe, where receipts of all types are stored. The Mayor and the Board do not perform a documented supervisory review of the accounting and bank records to ensure all monies received are properly recorded and deposited.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent review of the work performed and investigation into unusual items and variances is necessary. Good management practices require extensive and detailed oversight by the Board.

2.2 Annual audits

The city does not obtain annual audits as required. The last audit of the city finances occurred for the year ended December 31, 2010. Section 250.150, RSMo, requires the city to obtain annual audits of the combined waterworks and sewerage system, and the cost of the audit is to be paid from the revenues received from the system. The city is also required to obtain annual audits as a condition of bond covenants.

Conclusion

The lack of adequate controls and the absence of proper oversight by the Board allowed undeposited receipts to go undetected for a significant period of time. Had proper controls and oversight procedures been in place and annual audits obtained, it is likely some of the problems noted in this report may have been detected more timely and/or prevented.

Recommendations

The Board of Aldermen:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 2.2 Obtain annual audits of the waterworks and sewerage system as required by state law.



City of Winona
Management Advisory Report - State Auditor's Findings

Auditee's Response

2.1 *We have implemented the following procedures to help segregate accounting duties:*

- a. *Deposits are prepared by a different individual than the one that has receipted the money. Then another individual verifies the deposit. The individuals that prepare the deposit and verify the deposit, date and sign the deposit documentation to denote completion of the process.*
- b. *The Board receives a list of the accounts payable and the related bills for its review at each meeting.*
- c. *Reports detailing balances and budgets are taken directly from the accounting software for all the city bank accounts and distributed to the Board members for their review.*
- d. *The Utility Clerk prints a report from the utility billing account and compares it to the report she distributes to the City Clerk. The City Clerk then compares the report from the Utility Clerk to the deposits made into the accounts.*
- e. *The bank statements and reconciliation reports are available for the Board's review at each meeting. The Mayor or another Board member will initial the bank statements and reconciliation reports monthly to denote completion of the review.*
- f. *We will obtain annual audits of all bank accounts.*

2.2 *We will obtain annual audits.*

3. Cash Handling Procedures and Bank Accounts

Significant weaknesses exist with the city's cash handling procedures and bank accounts. The city's clerks received monies at city hall for utilities (\$1.61 million), utility deposits (\$17,300), merchant licenses (\$2,490), utility reconnection and bad check fees (\$2,080), and other miscellaneous items (\$3,307) totaling approximately \$1.64 million during the year ended December 31, 2016. These monies were deposited into the General, Water, Sewer, Electric, Solid Waste, and Utility Deposit Funds.

Payments for monthly utility billings are recorded in the utility system. There are no official receipt records for other payments such as reconnection fees, bad check fees, recycle bag sales, material sales, and other miscellaneous items. However, if a customer requests a receipt slip, a manual receipt slip is issued for the payment. In instances where a utility payment stub is not remitted with monies received, the Utility Clerk prepares unofficial unnumbered payment stubs for the monies received, and payment stubs (utility and unofficial) are filed by deposit date.

3.1 Receipting, recording, and depositing

The city's procedures for receipting, recording, and depositing monies are poor.



City of Winona
Management Advisory Report - State Auditor's Findings

Receipting

The Utility Clerk does not issue official prenumbered receipt slips for some monies received, account for the numerical sequence of manual receipt slips or electronic receipt numbers, and reconcile manual receipt slips issued to the utility system or monies deposited. Also, the top copy of 12 receipt slips voided during the period January 1, 2015, through March 21, 2017, was not retained.

Recording

The City Clerk and Utility Clerk improperly recorded vendor payments and third party checks to customer utility accounts.

- Rather than paying a local tire vendor directly for services rendered, the City Clerk issued checks made payable to the city for amounts owed to the vendor and used those checks to pay the vendor's utility balance. During the year ended December 31, 2016, the City Clerk issued 8 such checks totaling \$667 for payment of tire services received. The Utility Clerk posted the payments to the vendor's utility account and deposited the city checks with other utility payments. Proper handling would require the city to pay the vendor directly for services provided and billed; and for the vendor to pay the city separately for utility services.
- The Utility Clerk sometimes accepts third-party checks from customers as payment for utility bills. For example, during the period January 2015 through March 2017, a local gas station owner brought in 57 third-party checks received from various customers for purchases made at his gas station totaling \$10,755 to be applied to his utility accounts. The Utility Clerk often recorded these receipts as cash payments instead of checks, creating differences in composition (see the Depositing section). By accepting third-party checks, the city is incurring an increased risk that these checks would be uncollectible, if returned for non-sufficient funds.

Depositing

The Utility Clerk does not deposit receipts intact or timely or reconcile the composition of receipts to the composition of deposits.

The Utility Clerk prepared deposits by including all checks on hand (except those intentionally being held as discussed later) plus cash needed from the drawer to agree to the total deposit amount reported on the deposit summary. The deposit summary supports the deposit of all monies received at city hall, with the exception of police department and municipal court monies that are separately deposited. The deposit summary included a payment report generated from the utility system with other miscellaneous receipts (not recorded in the utility system) manually denoted on the report by the Utility Clerk. For each deposit the Utility Clerk prepared multiple deposit slips to allocate monies to the appropriate bank accounts. We noted the total of each deposit agreed to the total deposit amount reported on the deposit summary. However, for various reasons the composition of the receipts generally did not agree to the composition of the deposits.



City of Winona
Management Advisory Report - State Auditor's Findings

- The Utility Clerk sometimes held checks at the request of customers. The clerk indicated this occurred when customers did not have sufficient funds at the time a utility payment was due, but wanted to avoid late charges or being disconnected. She said these checks were typically held a week to a month before being deposited.
- The City Clerk and Utility Clerk cashed checks totaling \$168,074 for city employees, family members, and utility customers from January 2015 through July 2016 (see Appendix C). The clerks allowed city employees (including themselves) to cash 329 payroll checks totaling \$132,690 and 176 personal checks totaling \$26,654, and customers to cash 38 personal checks totaling \$8,730 during this period. Checks were cashed using monies maintained in the cash drawer. In addition, the City Clerk cashed 15 city disbursement checks totaling \$3,216 from January 2015 through October 2016 to pay vendors. The Mayor discontinued the practice of paying vendors with cash in July 2016; however, a \$95 check was cashed appropriately in October 2016 (see Appendix C).

The Utility Clerk substituted city checks into deposits for missing recorded cash receipts. These city checks were issued to transfer monies from one bank account to another. City checks totaling \$30,616 were included in utility deposits during the period of January 1, 2015, through February 28, 2017. The Utility Clerk also substituted other checks totaling \$985 into deposits for missing cash receipts. These checks included checks written by individuals to the Park Board (\$565), and checks received from a utility assistance program (\$312) and city customers (\$108). The Utility Clerk indicated the City Clerk was responsible for recording Park Board monies. None of these checks were recorded on the utility deposit reports. As a result, deposits included more checks and less cash than recorded.

- The Utility Clerk improperly recorded utility payments for the Mayor and Board of Aldermen, resulting in records not reflecting actual transactions as they occurred and causing discrepancies in deposits.

The Mayor and each Alderman receive a \$100 reduction in their monthly utility bills as compensation. At the end of each month, the City Clerk issued a General Fund check payable to the city to be applied to the Mayor and each Alderman's utility accounts. However, the Mayor and Aldermen paid their portion of their utility bills on varying dates throughout the month, and the Utility Clerk recorded the \$100 city payments in the utility system at the time of these payments rather than at the end of the month when the city payment actually occurred. For example, one Alderman paid \$49 of his \$149 utility bill on December 5, 2016, and the Utility Clerk recorded a \$149 payment in the utility system on December 5, 2016, using other monies on hand to cover the \$100 difference in that



City of Winona Management Advisory Report - State Auditor's Findings

week's deposit. On December 27, 2016, the City Clerk issued a General Fund check that included this Alderman's compensation and the Utility Clerk substituted this city check for other recorded monies in that week's deposit.

The City Clerk failed to properly report the Mayor and Aldermen's compensation or make proper withholdings (see MAR finding number 6.5) and their compensation was not established by ordinance (see MAR finding number 10.2).

- The clerks indicated they used cash on hand to reimburse the bank for non-sufficient funds (NSF) checks received (see section 3.3).
- The Utility Clerk does not deposit receipts timely. Deposits are performed approximately once a week regardless of the amount of monies collected. There were 12 deposits during the period January through March 31, 2017, which ranged from \$25,493 to \$70,955, and averaged \$38,619; 61 deposits during 2016, which ranged from \$2,158 to \$72,482, and averaged \$26,784; and 49 deposits during 2015, which ranged from \$6,773 to \$64,520, and averaged \$34,370. Cash included in deposits averaged \$8,229, \$5,062, and \$5,047 for these time periods in 2017, 2016, and 2015, respectively.

Conclusion

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of monies will occur and go undetected. To reduce this risk, procedures should be established to ensure all monies received are properly receipted, recorded, and deposited. These poor receipting, recording, and depositing procedures helped conceal the theft that occurred.

3.2 Bank accounts

The city maintains an excessive number of bank accounts, resulting in cumbersome record keeping, and it is unclear whether the city had the legal authority to maintain an annuity. The city maintained 15 bank accounts, 3 certificates of deposits, and an annuity. One bank account had no activity since 2015. Several city checks were issued for transfers between accounts to ensure restricted utility collections were held in the appropriate account, and these checks were substituted for recorded cash receipts and helped conceal the undeposited utility receipts.

An annuity was opened in September 2012 and listed the City Clerk as the annuitant. The balance of the annuity was \$107,245 as of December 31, 2016. In addition, the City Clerk incorrectly presented the annuity as a savings account on the city's financial statements and as a result, the Board was not aware the city had an annuity. The Board subsequently closed the annuity and deposited the monies into a checking account.



City of Winona
Management Advisory Report - State Auditor's Findings

The city may benefit from combining some city bank accounts. A large number of bank accounts require additional record keeping and increases the likelihood that errors will occur in the handling of monies.

3.3 Non-sufficient fund checks

The clerks indicated they used cash on hand to reimburse the bank for non-sufficient fund (NSF) checks, and they do not typically reverse NSF checks in the utility system to show the customer's check was returned and payment is still due from the customer; thus improperly giving the customer credit for the payment.

Without adequate procedures for the collection and recording of NSF checks, the city cannot ensure amounts due from customers are properly tracked and monies are properly distributed. Because restitution for NSF checks may not be received for a significant period after initial receipt and, in some instances, restitution may never be received, it is necessary for the city to maintain records of NSF checks and adjust accounting records accordingly.

3.4 Change fund

The city change fund is not maintained at a constant amount. The City Clerk and Utility Clerk indicated a change fund of \$250 is maintained; however, no records are maintained to support this amount. In addition, periodic reconciliations to the authorized balance are not performed. To safeguard against possible loss, theft, or misuse of funds, change funds should be maintained at a constant amount and the funds should be periodically counted and reconciled to the authorized balance.

3.5 Shop With a Cop program

Procedures regarding the city's Shop With a Cop program need improvement. The police department collects donations throughout the year that allow needy children to go shopping with police officers before Christmas.

Official prenumbered receipt slips were not issued for all monies received, and the Police Chief opened a bank account outside the city treasury in December 2016 for the deposit of these donations. The city spent \$4,411 in December 2016 for this program.

To adequately account for all Shop With a Cop receipts and ensure city funds are spent appropriately, receipt slips should be issued for all monies received and all Shop With a Cop donations should be remitted to the city treasury in the same manner other fees collected are remitted. All purchases should be made within the city's established disbursement system.

Recommendations

The Board of Aldermen:

- 3.1 Ensure receipt slips are issued for all monies received; all copies of voided receipt slips are retained; the numerical sequence of receipt slips and electronic receipt numbers is accounted for; the composition of receipts is reconciled to the composition of deposits; and monies



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are deposited timely and intact. The Board should also ensure payments are properly recorded for vendors and the Mayor and Aldermen's compensation. In addition, the Board should discontinue the practice of accepting third-party checks, cashing personal checks, and using cash receipts to reimburse the bank for NSF checks.

- 3.2 Consider reducing the number of bank accounts.
- 3.3 Establish procedures for proper follow-up and handling of NSF checks in the accounting records.
- 3.4 Maintain the change fund at a constant amount, and reconcile the change fund to the authorized balance with each deposit.
- 3.5 Work with the police department to ensure official prenumbered receipt slips are issued for all monies received and all monies are remitted to the city treasury.

Auditee's Response

- 3.1 *We are in the process of purchasing a new program that will print receipts for customers and this program will provide a numerical sequence of receipts. The composition of receipts is being reconciled to the composition of deposits. At this time, the Utility Clerk is receipting the monies using stubs or the city side of the bill, and reconciling the amounts on this stub to the amounts placed in the computer program daily. In addition the Utility Clerk is reconciling the composition of deposits to the stubs or city side of the bill daily.*

We have implemented daily deposits.

We have stopped accepting third-party checks, cashing personal checks, and using cash receipts to reimburse the bank for NSF checks.

We have stopped the Mayor and Board from receiving a \$100 deduction in their monthly utility bills.

- 3.2 *We are in the process of reducing the number of bank accounts.*
- 3.3 *We have established the following procedures for NSF checks:*
 - a. *NSF checks are withheld by the bank from the General bank account deposits.*
 - b. *The city contacts the individual by a personally hand delivered notice and advises the person of the NSF check. Within this notice it states that the individual has one business day to come and pick up the check and reimburse the city for the check and the NSF*



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fee of \$30. The individual is also to sign a copy of the notice and the city keeps it on file.

- c. The city places the individual on a bad check list and after having 2 NSF checks withheld the individual is no longer allowed to use a check for any city business.*
- d. Once the individual reimburses the city, the money is deposited into the General bank account from which the money was withheld.*

3.4 *We have started to maintain a change fund of a constant amount of \$250. The Utility Clerk reconciles the change fund to the authorized balance daily. The change fund will be checked morning and evening by 2 individuals. These individuals will sign stating that they checked the change fund.*

3.5 *We will work with the police department to ensure that official prenumbered receipt slips are issued for all monies received and all monies are remitted to the city treasury. The police department has stamped all their receipts with the police department name and address and when turning them into the city, they give a copy of the receipt with the monies turned in.*

4. Restricted Funds, Allocations, and Excess Sales Tax

The city has not established adequate procedures to ensure restricted revenues are credited to the appropriate fund or to ensure these monies are used only for intended purposes. In addition, the city has imposed general sales taxes that exceed the statutory maximum allowed.

4.1 Restricted revenues

The city has not established procedures to properly track and record various statutorily restricted monies.

- Monies collected for trash services were deposited into the city's General Fund, while disbursements related to these services were paid out of the Solid Waste Fund. Revenues received from a general sales tax were incorrectly deposited into the Solid Waste Fund and used to pay the cost of trash services.
- The city received utility reconnection fees totaling \$1,840 during the year ended December 31, 2016. These fees were incorrectly deposited and recorded in the General Fund rather than the Water or Sewer Funds. Section 250.150, RSMo, restricts the use of water and sewer monies for operating the systems, payments of bonds, establishment of a reserve, fulfillment of any agreements contained in ordinances, and payment of costs of improvements of such systems.



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- The city received state motor vehicle-related tax revenues totaling \$52,804 during the year ended December 31, 2016. These tax monies were incorrectly deposited into the Capital Improvement Fund rather than the Street Fund. These revenues were commingled with capital improvement sales tax monies and city officials do not know what has been spent or the remaining balance, and cannot demonstrate that these monies were used for statutorily intended purposes.

In addition, the Board inappropriately purchased a police vehicle costing \$26,650 in May 2016 with monies from the Capital Improvements Fund.

Missouri Constitution, Article IV, Section 30(a) and 30(b), requires motor vehicle-related revenues apportioned by the state of Missouri be expended for road purposes only. In addition, City Ordinance 303 restricts the use of capital improvement sales tax monies to make debt payments and fund capital improvements.

- During the year ended December 31, 2016, the City Clerk allocated all fuel, oil, parts, and repairs/maintenance costs (totaling \$14,192) associated with city maintenance vehicles to the Street Fund. Employees use city vehicles and equipment for all city utility and street maintenance services, so costs should be allocated between various funds. Section 94.700, RSMo, and City Ordinance 302, requires transportation sales tax funds to be used for the construction, reconstruction, repair, and maintenance of streets, roads, and bridges within the municipality.

To ensure restricted monies are used for the intended purpose, monies received should be credited to the appropriate fund, and disbursements should be paid from the appropriate funds.

4.2 Allocation of salaries and fringe benefits

Several city employees perform tasks related to multiple city functions, but the city has no documentation to justify the allocation of salaries and fringe benefit expenses to various funds. City officials have not established allocation percentages and did not maintain documentation to support how allocations were determined. The City Clerk indicated she processed payroll with monies from various funds based on the availability of monies and not the employees' job duties. During the year ended December 31, 2016, the city paid payroll and fringe benefits totaling \$575,245 from the following funds:



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Fund	Amount
Electric	\$ 220,830
Water	116,798
Municipal Court	66,000
General	56,174
Sewer	56,113
Transportation	34,500
Heritage	21,830
Police	3,000
Total	\$ 575,245

The proper allocation of expenses is necessary for the city to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure restricted funds are used for intended purposes, the allocation of expenditures to city funds should be based on specific criteria, such as the number of hours worked by each employee, if possible, or by determining a reasonable basis to allocate costs for employees.

4.3 Excess general sales tax

The city has imposed 2 sales taxes, totaling 1.5 percent, which exceeds the statutory maximum allowed for general sales taxes per Section 94.510, RSMo, by 1/2 percent.

In April 2016, voters approved a 1/2 percent city sales tax for law enforcement purposes under Section 94.510, RSMo. As a result of the passage of this new sales tax, the city exceeded the statutory maximum allowed. The city began receiving revenue from this sales tax in November 2016. The Police Fund received sales tax revenues totaling \$59,185 during November and December 2016 and the year ended December 31, 2017. The sales tax does not have an expiration date.

Voters had previously approved a 1 percent city sales tax for general purposes under Section 94.510, RSMo, in July 1975. This sales tax is used by the city to help fund trash services to citizens and the tax does not have an expiration date. The Solid Waste Fund received sales tax revenues totaling \$139,751 during November and December 2016 and the year ended December 31, 2017.

Section 94.510, RSMo, allows cities to impose a rate of 1/2, 7/8, or 1 percent. There is no provision that prevents the city from having two sales taxes under this section. For periods before August 28, 2017, however, there was no provision authorizing the city to exceed a total tax of 1 percent. Attorney General Opinion 61-1989 (March 22, 1989) and Attorney General Opinion 97-1999 (June 4, 1999), state that without specific authorization the maximum sales tax cannot exceed the limits of the statute, interpreting similar language authorizing county sales taxes under Section 67.548, RSMo, and



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taxes for capital improvements under Section 67.700, RSMo. The additional general sales tax passed in April 2016 caused the city to exceed the statutorily-imposed maximum. Prior to submitting any future sales taxes to voters for approval, the city should review the current sales taxes imposed, research the statutory requirements for current sales taxes, and determine an allowable sales tax statute to ensure statutory limits are not exceeded.

Recommendations

The Board of Aldermen:

- 4.1 Deposit restricted monies in the appropriate fund, establish procedures to ensure restricted monies are used only for allowable purposes, and ensure shared costs are properly allocated to the applicable city funds and allocations are supported by adequate documentation.
- 4.2 Allocate salary and fringe benefit expenses to city funds based on specific criteria and retain documentation to support the allocation.
- 4.3 Consult with legal counsel to review the sales taxes levied and determine the disposition of any invalid sales taxes collected. In addition, prior to submitting any future sales taxes to voters for approval, the Board should ensure an adequate legal analysis is conducted.

Auditee's Response

- 4.1 *We have stopped depositing the monies collected for the trash services into the General account and are placing them in the Solid Waste account. We will work with the Department of Revenue (DOR) to change the direct deposit account numbers to enable the restricted monies to be placed into the appropriate account.*

We have stopped depositing the reconnection fees into the General account. The funds for 2016, 2017, and the beginning of 2018 will be calculated and placed into the Sewer and Water accounts.

We will work with the DOR to change the direct deposit account numbers to enable the restricted monies to be placed into the appropriate account. In addition, we will remove the amounts for the motor vehicle related tax from the Capital Improvement account and place those monies into the Street account.

The police department is reimbursing the money borrowed to purchase the police vehicle at \$500 a month.

We now allocate fuel, oil, parts, and repairs/maintenance costs associated with vehicles and equipment used for maintenance of streets and roads to appropriate funds.



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- 4.2 *We have implemented a process to determine the specific criteria and are retaining the documentation to support the allocation of the salary and fringe benefit expenses.*
- 4.3 *We will consult with legal counsel to review the sales tax levied and determine the disposition of any invalid sales taxes collected. We will ensure an adequate legal analysis is conducted before submitting any future sales taxes to voters for approval.*

5. Utility System Controls and Procedures

Utility system controls and procedures need improvement. According to the city's accounting records, the city collected approximately \$1.6 million for water, sewer, electric, and trash services; utility reconnection fees; and utility deposits during the year ended December 31, 2016.

5.1 Utility rates

Current water, sewer, electric, and trash rates are not supported by a cost study or other documentation showing how the rates were determined. The Board increased rates for sewer, water, electric, and commercial electric services in January 2010, January 2015, August 2016, and December 2016, respectively. Additionally, the city collected \$90,563 and disbursed \$134,179 for trash services during the year ended December 31, 2016, resulting in disbursements exceeding receipts by \$43,616. Without current cost studies for utilities, it is unclear whether the rates assessed for these services are set at an appropriate level.

Section 67.042, RSMo, provides that fees may be increased if supported by a cost study showing the increase is necessary to cover costs of providing the service. The city should periodically conduct cost studies that consider expenses such as debt service costs, the need for the extension of the system, equipment repairs and replacement, depreciation, enlargement of plant, capital improvements, and operating and incidental expenses. The preparation of a comprehensive cost study would allow the city to determine the rates necessary to support current and future operations and provide documentation to customers of the rationale behind the rates.

5.2 Utility reconciliations.

City personnel do not prepare proper reconciliations related to utility services.

- The Maintenance Supervisor did not perform monthly reconciliations of total gallons of water billed to gallons of water pumped.

Using city records, we compared the total gallons billed during December 2016 to the gallons of water pumped during that month and identified a discrepancy of 31 percent. City officials were unable to provide specific reasons for the difference. Monthly reconciliations of gallons of water billed to gallons of water pumped are necessary to help detect significant water loss or other problems and ensure all water use is properly billed.



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- The Utility Clerk did not perform monthly reconciliations of amounts billed, payments received, and amounts unpaid for utility services. Monthly reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected timely.

5.3 Adjustments

The Utility Clerk posted adjustments to customer accounts, including writing off charges caused by water leaks or incorrect meter readings, without obtaining independent approval or maintaining adequate documentation to support the reason for many adjustments. Because the Utility Clerk is responsible for all utility functions, the ability to make adjustments without independent approval represents a significant control weakness. During the year ended December 31, 2016, the Utility Clerk made 100 customer account adjustments totaling \$11,446 (\$4,082 positive, \$7,364 negative).

Requiring someone independent of receipting and recording functions to review and approve adjustments, and requiring proper supporting documentation for such adjustments would help ensure adjustments are valid.

5.4 Utility deposits

The City Clerk did not reconcile the list of refundable utility deposits to the balance of the utility deposit bank account.

New residential customers are required to pay a \$250 refundable deposit (\$200 electric, \$25 water, and \$25 sewer) and new commercial customers are required to pay a \$350 refundable deposit (\$300 electric, \$25 water, and \$25 sewer).

The city's list of refundable utility deposits totaled \$75,973 as of December 31, 2016; however, the utility deposit bank account balance was \$54,279, resulting in a shortage of \$21,694.

To ensure all customer utility deposits received are accounted for properly, the City Clerk should compare utility deposit records and bank account balances for accuracy.

5.5 Flat fees

The City Clerk and Utility Clerk allowed some customers to pay a monthly flat fee for utility services without the Board's approval. The Board has not established a policy or ordinance addressing the use of flat fee payments.

The flat fee is determined based on the customer's average of the prior year's monthly charges. The customer pays the set monthly rate throughout the year and at the end of the year the Utility Clerk calculates the difference between payments made and the actual charges during the year. The customer then pays any remaining balance due or the city will issue a refund check for any overpayment.



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Some customers did not make monthly payments every month, and some payments were for less than the calculated flat fee. These customers were not charged penalties and their service was not shut off. Some of these customers were city employees.

The Board should review the use and necessity of flat rates and consider discontinuing the practice or establish an ordinance authorizing it. In addition, the Board should ensure ordinances and policies are followed and all exceptions are approved and properly documented.

5.6 Penalties, shut off procedures, and usage calculations

City procedures do not comply with city ordinances when assessing penalties, discontinuing services, and calculating usage. The Utility Clerk prints and mails billings at the end of each month. Payment is due by the 10th of the following month.

- Penalties for late payments are assessed on the 15th of each month, which is not in compliance with city ordinances. In addition, the 5 percent penalty is assessed on the amount of current utility charges rather than the full amount due, which includes user fees and previously incurred penalties. City Ordinances 187 and 188 state residential service bills not paid on or before the 10th of the following month will have a 5 percent delinquent charge added.
- The Utility Clerk prints delinquent notices on the 16th and shut-offs are completed on the 17th. The Utility Clerk indicated extensions were granted upon request of the utility customer. These requests are not documented and are not submitted to the Board for approval. City Ordinances 187 and 188 state failure to pay a residential bill by the 15th of each month shall result in disconnection of the service.

Penalties and shut off procedures were also not followed for utility check payments held at customers' requests as discussed in MAR finding number 3.1.

- Sewer usage charges are not calculated on actual monthly usage in accordance with city ordinance. The Utility Clerk calculates sewer user charges based on the average of water usage for the months of November, December, and January of each year. City Ordinance 347 states sewer charges are to be calculated based on monthly usage.

Failure to enforce city ordinances results in inconsistent application of penalties and shut off procedures, incorrect calculation of usage, and reduces the incentive for customers to make timely payments.

5.7 Inactive accounts

City personnel were not proactive in following up on inactive utility account balances. As of December 31, 2016, the city had inactive utility account



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balances totaling \$169,212. The account listing included some balances dating back to 1994, and showed 46 account holders as deceased with balances totaling \$13,431. The city contracted with a collection agency in August 2016, and provided accounts with unpaid balances totaling \$100,972 to the agency for collection efforts; however, some delinquent accounts were not submitted to the collection agency. City officials indicated some of the accounts not submitted for collection were those of friends and family of the City Clerk and Utility Clerk.

Good business practices require adequate collection procedures be established to ensure accounts are collected timely and bad debts are kept to a minimum.

Recommendations

The Board of Aldermen:

- 5.1 Ensure a statement of costs is prepared to support utility rate increases and document formal reviews of utility rates periodically to ensure revenues are sufficient to cover all costs of providing these services.
- 5.2 Ensure monthly reconciliations of water usage and amounts billed to amounts collected and delinquent accounts are performed.
- 5.3 Ensure all adjustments are independently approved and supporting documentation is retained.
- 5.4 Periodically reconcile customer deposits per accounting records to the available cash balance and promptly investigate any differences.
- 5.5 Review the use and necessity of flat rates and adopt an ordinance authorizing its use, if the practice is continued.
- 5.6 Ensure compliance with utility ordinances.
- 5.7 Ensure sufficient procedures are developed to collect accounts receivable and all past due accounts are submitted to the collection agency.

Auditee's Response

- 5.1 *We will provide a statement of costs to support utility rate increases and document formal reviews of utility rates periodically to ensure revenues are sufficient to cover all costs of providing these services. The city is considering conducting a rate study.*
- 5.2 *The Utility Clerk prepares a monthly reconciliation of water usage and this report is provided to the City Maintenance Supervisor and the Board. The city is investigating the significant water losses*



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reported. The Utility Clerk prepares a monthly reconciliation of amounts billed, collected, and delinquent accounts.

5.3 *We now only allow adjustments when the Mayor or the Board approve. The supporting documents are reviewed by the Mayor or Board and attached to a printout of the individual adjustment made to the utility system. The Mayor or Board will sign off on the individual adjustment. The Utility Clerk will print an adjustment report every month, showing all adjustments made during the month, and the Mayor and Board will review and sign the report.*

5.4 *The City Clerk and Utility Clerk will work together to ensure the utility deposits received are accounted for properly and utility deposit records and the related bank account balances match.*

5.5 *We have discontinued the use of flat rate fees.*

5.6 *We will ensure that the 5 percent penalty is assessed on the amount of current utility charges and that they are applied on the 10th of every month.*

We will ensure that the shut-offs are in compliance with the city ordinances and there will be no extensions for the utility customers.

We have stopped prorating the sewer usage charges and are now in compliance with City Ordinance 347.

5.7 *We have enacted a procedure for collecting unpaid balances. We are unable to turn over collections of some accounts due to the lack of information on individuals that is required by the collection agency. The city now turns over unpaid balances to the collection agency quarterly. The Board will review the list quarterly and sign off on them. The Board will look at the accounts that have not been turned over due to lack of information and determine what to do with them.*

6. Payroll and Related Matters

Controls and procedures over payroll and related matters need improvement. The city disbursed \$424,182 in wages during the year ended December 31, 2016.

6.1 Timesheets, leave records, and questionable payments

Significant improvement is needed with timesheets and leave records, and some employees may have been overpaid.



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Timesheets

Timesheets were not always signed by the employee or his/her supervisor to document approval of time worked and leave used. In addition, overtime hours worked are not consistently documented on timesheets and punch cards for some employees. City maintenance employees use punch cards and manual timesheets to record hours worked, but sometimes record overtime hours only on the punch cards, while other times record overtime hours only on the manual timesheets.

Leave records

Leave records maintained are inaccurate and do not adequately track the number of hours of vacation and sick leave earned, used, and any remaining balances. The report generated from the city's accounting system does not show leave accruals or uses for some employees. In addition, employee leave balances from the report do not agree to leave balances recorded on payroll check stubs. The City Clerk indicated she manually changed the available leave balances in the accounting system when employees used leave. However, it is unclear why leave balances recorded on payroll check stubs differ from leave balances recorded in the accounting system, and no efforts have been made to determine the correct balances.

Questionable payments

The city compensates full-time police officers for 40 hour work weeks (weekly salary) even when they do not work 40 hours or take leave for unworked hours. For example, employee timesheets indicate one officer worked an average of 34 hours a week, with only 12 hours in one week, during the 5 week period December 5, 2016, through January 6, 2017. However, the officer was compensated for a full 40 hours each week for the 5 weeks reviewed and no vacation or sick leave was used.

Also, some overtime appears questionable. December 2016 timesheets for some city maintenance employees indicate overtime hours were paid for "turn-ons." Turning on and shutting off utilities is part of the maintenance employees normal daily job duties, and it is not clear from the timesheets that any additional hours were worked.

Conclusion

Without adequate timesheets or a record of leave taken, the city cannot ensure hours worked and leave earned and taken by employees are properly documented. To ensure the accuracy of the hours worked and leave taken, timesheets should be signed by the employees and reviewed and approved by the supervisor. Leave records also aid in determining final compensation for employees leaving city employment. In addition, the Fair Labor Standards Act (FLSA) requires employers maintain accurate records of actual time worked by employees.

6.2 Personnel policies

The city's personnel policy does not adequately address compensatory time, holiday pay, overtime, or the employment and supervision of related employees, and city employees have not always followed established policies.



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Compensatory time

City hall and city maintenance employees accrue and use compensatory time without Board review and approval. The city has not established a formal policy allowing the accrual and use of compensatory time.

Holidays

The city's personnel policy does not adequately address holiday pay. Some city employees work three 12-hour days, while others work five 8-hour days per week. Employees who work 12-hour days receive 12 hours of holiday pay per holiday, while those who work 8-hour days receive 8 hours of holiday pay. As a result, those employees who work 12-hour days received more hours of holiday pay than other city employees. City policy provides for all full-time employees to receive the same number of holidays each year, but does not address the number of hours received per holiday.

In addition, some employees inappropriately received both double-pay for working on a holiday and for working the separate day on which it was observed (the weekday designated for observance of a weekend holiday). City policy states full-time employees required to work on holidays shall be paid at a rate of 2 times their regular hourly rate. In 2 instances, 2 dispatchers in the police department received double-pay for working on both the day of observance and the actual holiday. By allowing these employees to receive double-pay on the day of observance, the employees received more benefits than permitted by policy. Also, the city does not pay full-time police officers for holidays in compliance with policy.

Vacation

Vacation leave is not accrued in compliance with city policy. For example, the Maintenance Supervisor accrued vacation leave one month prior to his anniversary date, and as a result, he used 24 hours of unearned vacation leave. In addition, the City Clerk's vacation leave balance carried from one year to the next in both 2016 and 2017 in violation of city policy. As a result, the City Clerk's vacation leave balance of 249.5 hours as of her termination date was overstated by 109.5 hours.

Vacation leave was not accurately and timely paid out at the end of employment for an employee as required by city policy. A police department employee accrued 40 hours of vacation leave in September 2016 (his anniversary date) and according to city records, used no vacation leave prior to his resignation in January 2017. However, the City Clerk did not compensate the employee for these hours until March 2017. In addition, the City Clerk paid the employee for 42.5 vacation hours, when only 40 hours was due.

City policy provides for vacation leave to be accrued annually on employment anniversary dates, requires vacation leave to be taken the year following its accumulation, and does not allow for carryover from one year to the next. Also, city policy provides for employees to be compensated for accrued vacation leave upon termination.



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Overtime

Nonworking time (vacation, sick leave, and holidays) is included in total hours worked when determining the amount of overtime earned by employees, which is not required by the FLSA. As a result, the city has been paying more overtime to employees than required. The city does not have a policy addressing the hours (nonworking time) to be considered when calculating overtime.

Related employees

The Maintenance Supervisor directly supervises his nephew. The supervision of related employees can compromise a supervisor's objectivity when assigning duties, tracking leave, approving payroll, or evaluating employee performance.

Written personnel policies and strict compliance with those policies is necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated.

6.3 Overtime exemption

The city inappropriately claims an overtime exemption for police department employees, and as a result, did not pay police officers for overtime.

Section 13(b)(20) of the FLSA provides an overtime exemption to law enforcement employees of a public agency that employs less than five employees during the workweek in law enforcement activities. The exemption applies on a workweek basis.

City officials do not include reserve officers in the determination of the number of officers the city employs and concluded the city was exempt of the FLSA overtime requirements. 29 CFR 553.200 indicates no distinction is made between full-time and part-time employees and all such categories must be counted in determining whether the exemption applies. Payroll records indicate the city employed 5 or more full-time and reserve officers every month during 2016. Due to the city not meeting the exemption requirement, the city likely underpaid some officers during this period.

The city's personnel policy requires all full-time employees of the city be paid at a rate of one and one-half times their regular hourly wage for any hours over 40 hours per week. The FLSA provides the city the option of computing overtime for law enforcement employees based on a work period of 7 to 28 days, and overtime pay is required when the number of hours worked exceeds 171 hours in a 28-day period, or similar proportion for shorter work periods (e.g., 86 hours in a 14-day period or 43 hours in a 7-day period).

6.4 Employee benefits

Improvement is needed in the cities handling of employee benefits.

Retirement contributions

The City Clerk did not always comply with the requirements of the Missouri Local Government Employees' Retirement System (LAGERS) for employee contributions and employee hire dates.



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The City Clerk incorrectly withheld contributions totaling \$2,564 from 9 city employees during the employees' first 6 months of employment. LAGERS does not require contributions from employees during the first 6 months of employment; and as a result, the withholdings were retained by the city.

In addition, the City Clerk incorrectly reported hire dates to LAGERS for some employees. The city's personnel policy requires a 3-month probationary period for full-time employees. The City Clerk incorrectly reported to LAGERS the ending date of the probationary period as the hire date for 3 city employees.

To ensure the equitable treatment of employees and compliance with LAGERS reporting requirements, the city should report accurate hire dates for new employees to LAGERS.

Health insurance

The City Clerk inappropriately withheld health insurance premiums for an employee who resigned from full-time employment on June 20, 2016, but continued to work part-time. City policy only provides for health insurance coverage for full-time employment. From June 26, 2016, until October 2016, the City Clerk improperly withheld health insurance premiums totaling \$363 from the employee's wages. The City Clerk also failed to remove the employee from the city's coverage until mid-July 2016 and the city was billed for coverage through August.

To ensure proper withholdings are made, the city should develop procedures to ensure employees are removed from city health insurance policies as soon as their full-time employment ends.

6.5 Additional compensation
and withholding and
reporting of
compensation

Improvement is needed in the city's handling of additional compensation and the withholding and reporting of compensation.

- Additional compensation totaling \$4,800 and \$2,400 was paid to the City Clerk and Utility Clerk, respectively, during the year ended December 31, 2016. The clerks indicated this additional compensation was for serving as the Court Clerk and Assistant Court Clerk; however, timesheets or other supporting documentation was not retained to support the compensation. In addition, these payments were not included on the employees' W-2 forms and were not subjected to payroll tax withholdings. Also, it is unclear how the work performed was not within the normal job duties of these employees. The clerks perform these court duties during regular city business hours and received compensation for those hours worked through regular payroll checks.
- The Mayor and Aldermen receive a \$100 reduction in their monthly utility bills as compensation; however, these amounts were not reported on their W-2 forms and were not subjected to payroll tax withholdings.



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The Internal Revenue Service requires employers to report compensation on W-2 forms and withhold and remit income and payroll taxes. The failure to withhold and properly report payroll and income taxes makes the city potentially subject to additional tax liabilities along with penalties and interest.

Recommendations

The Board of Aldermen:

- 6.1 Ensure timesheets are adequately prepared, and properly signed and approved; employee leave balances are properly tracked and monitored; and ensure reviews of timesheets are performed to ensure the propriety of payroll payments.
- 6.2 Review and update the personnel policy, as necessary, and ensure compliance with the policy.
- 6.3 Review overtime hours worked by police officers and pay any amounts due, and ensure compliance with the FLSA and city policy regarding overtime.
- 6.4 Ensure retirement withholdings are recalculated for current and past employees and disburse amounts owed. The Board should also ensure contributions are properly deducted and reported to LAGERS, along with accurate hire dates. In addition, the Board should disburse amounts owed to the employee for health insurance premiums withheld improperly and ensure employees are properly removed from city coverage upon termination from employment.
- 6.5 Review the additional compensation, and ensure additional time worked, if any, is reported on employee timesheets and compensated properly. In addition, the Board should ensure previous years' W-2 forms are amended, as appropriate, and compensation is properly reported and subjected to proper withholdings.

Auditee's Response

- 6.1 *We have now developed procedures that require all employees to sign their timesheets and their supervisor reviews, approves, and signs the timesheet as well. In addition, the City Clerk or the Utility Clerk check the timesheets before payroll is recorded in the accounting system. The handwritten timesheets are compared to the biometric time clock sheets and any discrepancies are noted and resolved. We have also purchased biometric time clocks and the police department employees, city hall employees, and city maintenance employees use daily.*

The City Clerk has made adjustments to the accounting system and it now automatically accounts for leave time. The employees now fill



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out leave slips if they are taking any leave and turn the slips in to their supervisor, who approves the leave. The leave slips are turned in with their timesheet and placed into their personnel files.

We have implemented a flextime schedule for all city employees.

6.2 *We have established a new personnel manual that addresses holidays, overtime, and related employees. We have stopped the use of compensatory time.*

6.3 *We have started implementing the FLSA requirements for police department employees.*

6.4 *We are going to disburse amounts owed to the employees for health insurance premiums and the retirement withholdings. We are now reporting accurate hire dates and contribution amounts to LAGERS. We will ensure employees are properly removed from city coverage upon termination from employment.*

6.5 *We are ensuring that additional time worked, if any, is being reported on employee timesheets and compensated properly. We have stopped the additional compensation for the City Clerk and Utility Clerk being Court Clerk and Assistant Court Clerk. The Board and Mayor compensation is now being paid through payroll thus enabling taxes to be withheld. They will receive a W-2 form at the end of the year. The former Court Clerk and Assistant Court Clerk received a form 1099 for the additional compensation during the year ended December 31, 2016, and in other prior years. We do not plan to amend prior year W-2 forms for the clerks or the Board and Mayor compensation.*

7. Disbursements

Controls and procedures over disbursements need improvement.

7.1 Disbursement review and documentation

The city's disbursement review and documentation procedures need improvement.

List of bills

The list of bills provided to the Board for review and approval were not compared to invoices and actual checks written and did not include payroll disbursements totaling approximately \$424,000 during the year ended December 31, 2016.

Approval of invoices

The City Clerk did not require department heads to document their review and approval of invoices and did not require documentation acknowledging receipt of goods or services.



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Supporting documentation

The City Clerk did not maintain adequately detailed supporting documentation for 14 of 116 disbursements reviewed totaling \$4,588 in 2016. These disbursements included purchases of automotive supplies (\$2,073), fiber-optic repair services (\$1,467), grocery items (\$500), and other small miscellaneous purchases. Payments were often made from summary statements, and detailed invoices documenting quantity, prices, and items purchased were not retained.

To safeguard against possible loss or misuse of funds, the Board should approve all disbursements and review supporting documentation, bank information, and canceled checks. Board approval of disbursements should be documented by signing or initialing the monthly list of bills. Requiring the receipt of goods and services prior to payment helps ensure the city actually received all items. To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices or other detailed documentation with payment information clearly indicated.

7.2 Unnecessary
disbursements

The city made several unreasonable and/or unnecessary purchases.

- The city held a holiday party and catered meals for 60 guests totaling \$570 in December 2016. The City Clerk indicated the meals were for city employees and their families. A list of attendees was not maintained.
- The city paid \$1,200 for 24 gift certificates to a local grocery. The City Clerk indicated the gift certificates were given to employees as holiday gifts.
- The city's January 2016 credit card statement shows a \$96 purchase at a local liquor store in December 2015. An itemized receipt was not maintained to support the purchase.
- The city purchased items at a local grocery store totaling \$206. The items were charged to the city's account in December 2015 and paid for in January 2016. In addition, the signature on some of the invoices was the Maintenance Supervisor's wife, who is not a city employee.
- The city incurred travel costs for the family of the City Clerk to travel with her while she attended a training conference at the Lake of the Ozarks in April 2016. The hotel invoice indicates the room reservation was for 2 adults and 2 children totaling \$542. In addition, the credit card statement shows one restaurant charge totaling \$69; however, a detailed invoice was not retained to indicate how many meals were purchased.

The Missouri Constitution prohibits the use of public money or property to benefit any private individual, associations, or corporations except as



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provided in the constitution. Public funds should be spent only on items necessary and beneficial to the city. Citizens have placed a fiduciary trust in their public officials to spend city monies in a prudent and necessary manner.

7.3 Procurement procedures and contracts

The city does not have a formal bidding policy and has not established policies for the selection of vendors providing professional services.

The city did not solicit proposals for professional services including engineering services (\$4,085) and wastewater treatment services (\$6,625). Additionally, the city did not obtain a contract for the engineering services; and the wastewater treatment contract did not clearly document each party's duties and responsibilities, and did not cover services performed during the period of September 1, 2016, through March 9, 2017.

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration. Sections 8.289 and 8.291, RSMo, provide requirements for the selection of engineering services.

Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

7.4 Fuel usage

The city does not reconcile fuel usage to fuel purchases. The city maintains a bulk fuel tank for the city maintenance department and another for the police department. Both departments maintain fuel logs showing the date, amount of fuel purchased, mileage, and the vehicle or equipment obtaining the fuel. However, no comparison is performed between total gallons pumped, gallons purchased, and gallons on hand. As a result there is less assurance fuel usage is accounted for, invoices for fuel purchased are correct, and misuse would be detected promptly. The city purchased \$14,700 in fuel during the year ended December 31, 2016.

Procedures for reviewing fuel used and reconciling use to fuel purchases are necessary to ensure the reasonableness and propriety of fuel use and disbursements.



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Recommendations

The Board of Aldermen:

- 7.1 Ensure all payments made are included in the listing of bills presented for approval, approval of the list of bills is documented, and the approved list of bills is compared to invoices and checks written. In addition, the Board should ensure invoices are adequately reviewed and require documentation of receipt of goods and/or services prior to payment of invoices. The Board should also maintain adequate supporting documentation for all disbursements.
- 7.2 Ensure all disbursements are necessary and prudent uses of public funds.
- 7.3 Establish formal bidding policies and procedures, periodically solicit proposals for professional services, and enter into clearly written agreements for those services.
- 7.4 Ensure a documented periodic reconciliation of fuel purchased to fuel used is performed with any significant differences investigated.

Auditee's Response

- 7.1 *The City Clerk provides a list of bills that includes all expenses paid and pending to the Board monthly. The Mayor and one of the Aldermen will initial the list of bills. The invoices are matched up with billing statements and the checks written, then the Mayor and the Mayor Pro-tem sign the checks. All bills that are paid have supporting documentation attached to the check stubs.*
- 7.2 *We will ensure that all disbursements are necessary and prudent uses of public funds.*
- 7.3 *We will establish formal bidding policies and procedures and will enter into clearly written agreements for the services.*
- 7.4 *We will perform a monthly reconciliation of fuel purchases to fuel used and any significant differences will be investigated.*

8. Budgets and Financial Reporting

The city does not prepare complete and accurate annual budgets, publish accurate semiannual financial statements, and file annual financial reports timely.

8.1 Budgets

The Board does not have adequate procedures to prepare or monitor budgets.

Preparation

The city's budgets do not contain all statutorily required elements. The 2016 and 2017 budgets did not include a budget message or budget summary. In



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addition, the actual beginning available resources and estimated ending available resources were not included, but are needed to present a complete financial plan for city finances. Also, city officials did not prepare budgets for the Park Board or Sewer Rehabilitation Funds, and the financial activity and balances of the cities certificates of deposit and annuity were not reflected in the budgets.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. A complete budget should include the beginning available resources and a reasonable estimate of the ending available resources. A complete and well-planned budget, in addition to meeting statutory requirements, serves as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in providing information to the public about city operations and current finances.

Monitoring

The Board does not adequately monitor budget-to-actual receipts and disbursements. Actual disbursements of the General Fund, Sewer Fund, and Heritage Fund for the year ended December 31, 2016, exceeded budgeted amounts by \$60,032, \$7,920, and \$21,831, respectively.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted, but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget. Proper monitoring and amending prior to disbursing funds is necessary for the budget to be an effective management tool and comply with state law.

8.2 Published financial statements

The City Clerk did not prepare and publish complete and accurate financial statements as required by state law. The City Clerk did not include various fund disbursements totaling \$33,237 shown in the accounting system for the 2 semiannual settlements published for year ended December 31, 2016. In addition, the financial activity of the Park Board Fund was not included in the published financial statement for the semiannual period ended December 31, 2016.

Section 79.160, RSMo, requires the Board to prepare and publish semiannual financial statements that include a full and detailed account of the receipts, disbursements, and indebtedness of the city. To ensure compliance with this statute, the Board should require timely preparation of financial statements and review the statements for accuracy prior to publication.

8.3 Filing of financial reports

The City Clerk did not file timely or accurate annual financial reports with the SAO as required by state law. The city's financial report for the year ended



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December 31, 2016, due by June 30, 2017, was not filed until July 25, 2017, and the financial report for the year ended December 31, 2017, due by June 30, 2018, was not filed until July 16, 2018. In addition, the report submitted for the year ended December 31, 2016, did not include financial information for the first 6 months of 2016. Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office.

Recommendations

The Board of Aldermen:

- 8.1 Prepare accurate annual budgets that contain all information required by state law, and ensure the budgets are adequately monitored.
- 8.2 Ensure accurate publication of the city's semiannual financial statements as required by state law.
- 8.3 Submit annual financial reports to the State Auditor's Office as required by state law.

Auditee's Response

- 8.1 *We will prepare accurate annual budgets that contain all information required by state law. The City Clerk provides budget to actual reports to the Board monthly. The City Clerk provides budget increase resolutions, if needed.*
- 8.2 *We will ensure the accurate publication of the city's semiannual financial statement.*
- 8.3 *We will submit annual financial reports to the State Auditor's Office as required by law.*

9. Park Board

We noted significant weaknesses in the Park Board's controls, policies, and procedures.

The Park Board is required to be governed by a seven-member board, which is appointed by the Mayor with the consent of the Board of Aldermen, and has control of disbursements for the improvement, care, and custody of city parks. The city holds the Park Board bank account and makes disbursements at the Park Board's request. City records indicate the Park Board collected \$8,714 and disbursed \$9,403 during the year ended December 31, 2016.

9.1 Board meetings

Park Board members indicated Board meetings have not been held for a considerable period of time. While there are no legal requirements stipulating the frequency of Board meetings and the Board has not adopted a policy on the frequency of Board meetings, periodic or at a minimum, annual Board meetings are necessary for the Board to properly fulfill its duties as required by state law and Board bylaws. Sections 67.010 to 67.040, RSMo, include



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provisions regarding preparation of annual budgets and Park Board bylaws include provisions for the approval of disbursements (see section 9.2).

9.2 Bylaws and agreements

The Park Board does not have current bylaws and does not operate in accordance with bylaws, city ordinance, or the operating agreement between the Board and the city.

- The Park Board did not update its bylaws to reflect changes made by city ordinance in 1983 and 1986, or a 1990 operating agreement with the city establishing the responsibility and authority for city parks.
- The Park Board does not operate with the required number of board members and does not appoint new members in compliance with city ordinance. The Park Board consisted of three members during the year ended December 31, 2016. Two of the three members resigned in March 2017, and volunteers filled the vacated positions without being appointed by the Mayor. City ordinance states the Board of Park Directors shall consist of seven members appointed for a two-year term. The Mayor with approval of the Board of Aldermen shall reappoint the members for additional 2-year terms or appoint new members.
- The Park Board does not prepare and file an annual report with the Board of Aldermen in accordance with city ordinance.
- The Park Board Treasurer did not obtain a written report from the City Clerk regarding the activity and status of the Park Board Fund, and present the report to the Park Board in accordance with the bylaws.
- The Park Board did not maintain a record of all business transactions including donations, profits, and costs in accordance with the operating agreement with the city.
- The Park Board President did not sign all checks in accordance with the Board's bylaws. The City Clerk was the only signer on Park Board checks.
- The Park Board did not review and approve disbursements in excess of \$25 by a 2/3 majority in accordance with its bylaws.
- The Park Board incorrectly reimbursed the city \$450 for utilities during the year ended December 31, 2016. The operating agreement states the city will absorb the costs of electric, water and sewer usage for Park Board activities.

Bylaws can be used as a management tool for establishing Park Board policies and procedures. To increase the usefulness of the bylaws, they should be



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updated on a regular basis. Adherence to Park Board bylaws, city ordinance, and the terms of written agreements is necessary to ensure the Park Board is operating as intended and all parties have met their contractual obligations.

9.3 Receipts

Various Park Board members collect park monies and do not always issue receipt slips or maintain records of monies received. The Park Board collects donations, sports fees, concessions revenue, and admission fees for various events. The Park Board bylaws indicate the Park Board Treasurer shall be responsible for the collection of monies. In addition, the Park Board does not reconcile the composition of monies collected to the composition of monies transmitted and deposited. As a result, there is little assurance that all monies collected are properly transmitted and deposited.

Failure to implement adequate receipting procedures increases the risk that loss, theft, or misuse of funds will go undetected.

9.4 Supporting documentation

Adequate supporting documentation was not retained for approximately \$3,300 of the \$9,403 spent by the Park Board during 2016. All disbursements should include proper supporting documentation to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.

Recommendations

The Board of Aldermen in conjunction with the Park Board:

- 9.1 Ensure periodic Park Board meetings are held to properly fulfill the Board's duties, including approving disbursements and adopting budgets annually as required by the Board's bylaws and state law.
- 9.2 Review and update Park Board bylaws, city ordinances, and agreements periodically, and ensure compliance with the terms of the bylaws, ordinances, and agreements.
- 9.3 Require preparation of prenumbered receipt slips or receipt records for monies received and reconciliation of the composition of receipts to the composition of monies transmitted and deposited.
- 9.4 Require adequate supporting documentation be retained for all disbursements.

Auditee's Response

- 9.1 *The Board of Aldermen and the Park Board will ensure periodic meetings are held. The Board of Aldermen and the Park Board will adopt budgets annually and the disbursements will be approved by the Board of Aldermen.*
- 9.2 *The Board of Aldermen and the Park Board will review and update the Park Board bylaws, city ordinances, and agreements periodically*



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and ensure compliance with the terms of the bylaws, ordinances, and agreements.

9.3 *The Park Board will issue prenumbered receipt slips for monies received. The monies received will be reconciled to the receipts, which will in turn be reconciled to the deposits.*

9.4 *The Park Board will provide supporting documentation for all disbursements.*

10. Sunshine Law and Ordinances

City officials did not always ensure compliance with the Sunshine Law and city ordinances need improvement.

10.1 Sunshine Law

The Board did not always comply with the Sunshine Law regarding closed sessions.

Reasons for closed meetings

Open meeting minutes did not document the specific reasons or section of law allowing the meeting to be closed for 11 of 32 closed sessions held between January 1, 2016, and March 8, 2018. Section 610.022, RSMo, requires public bodies announce the specific reasons allowed by law for going into a closed session and to enter the vote and reason into the minutes. The section also limits discussion topics and actions in closed meetings to only those specifically announced prior to closure.

Allowable topics

Some topics discussed and voted on in 27 of 32 closed sessions held between January 1, 2016, and March 8, 2018, were not allowable under the Sunshine Law. For example, closed meeting minutes indicated the Board discussed employee salaries and benefits, concerns with financial records, holiday pay for police department employees, employee awards, city street light usage, and other miscellaneous topics. Section 610.021, RSMo, provides that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law.

10.2 Ordinances

Ordinances are not comprehensive or maintained in an organized manner; one ordinance could not be located; and the city has not always established ordinances as appropriate.

- Ordinances are poorly maintained. The City Clerk maintains multiple ordinance books, ordinances are not maintained in numeric order, and many ordinances are old and not updated. In addition, an index of all ordinances passed and rescinded by the city is not maintained, making it difficult for city personnel to determine which ordinances remain in effect and which have been rescinded.



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- City officials could not locate an ordinance or ballot to support the passage of a general city sales tax. We obtained a copy of the ordinance with the ballot language from the Department of Revenue.
- The city has not adopted an ordinance to establish the current trash rates.
- The city does not have ordinances establishing the compensation of city officials and employees.

Because ordinances passed by the Board to govern the city and its residents have the force and effect of law, it is important ordinances be complete and organized. In addition, ordinances documenting approved salary amounts help ensure equitable treatment and prevent misunderstandings. Section 79.270, RSMo, authorizes the Board to fix the compensation of city officials and employees by ordinance.

Recommendations

The Board of Aldermen:

- 10.1 Ensure specific reasons for closing a meeting are documented in the open minutes, and ensure only topics allowed by state law are discussed in closed Board meetings.
- 10.2 Ensure ordinances are maintained in a complete and well-organized manner, establish an index of all ordinances passed and rescinded, retain copies of ballots or signed ordinances for all sales taxes, and establish trash rates and the compensation of city officials and employees by ordinance.

Auditee's Response

- 10.1 *We will specify the reasons for closing the meeting and will ensure only topics allowed by state law are discussed in closed Board meetings.*
- 10.2 *We will maintain the ordinances in a complete and well-organized manner and establish an index of all ordinances passed and rescinded. We will establish an ordinance for trash rates and an ordinance for the compensation of all city officials and employees.*

11. Electronic Data Security

Controls over some city computers are not sufficient to prevent unauthorized access, and sufficient plans and processes are not in place for recovering systems and data. As a result, city records are not adequately protected and are susceptible to unauthorized access, and the city faces an increased risk of not being able to resume normal business operations timely.

11.1 Passwords

The city has not established adequate password controls to reduce the risk of unauthorized access to computers and data. The City Clerk, Utility Clerk, and employees in the police department are not required to change passwords



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periodically. The City Clerk and the Utility Clerk share the same user identification and password to access the utility system, and passwords for the utility system are not required to contain a minimum number of characters.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential and requiring users to enter their password when switching users. However, since passwords do not have to be periodically changed, are shared between employees, and are not required to contain a minimum number of characters, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique, confidential, contain a minimum number of characters, and be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

11.2 Security controls

Security controls are not in place to lock computers after a specified number of incorrect logon attempts or after a certain period of inactivity. Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

11.3 Contingency plan and backup data

The city has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations. In addition, the city does not periodically test backup data to ensure essential data can be restored, and does not always store backup files at a secure off-site location.

A formal, written contingency plan should be prepared, and periodically tested and updated as needed to address actions for restoring computer systems should a disaster or other extraordinary situation occur. In addition, completing regular data backups and periodically testing the backup data helps ensure current data is available to be restored and is complete and reliable. Storing backup files in a secure off-site location provides increased assurance city electronic records could be restored if necessary.

Recommendations

The Board of Aldermen:

- 11.1 Require confidential passwords for each employee that are periodically changed to prevent unauthorized access to the city's



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computers and data. Passwords should contain a minimum number of characters.

- 11.2 Require each city computer to have security controls in place to lock it after a specified number of incorrect logon attempts and after a certain period of inactivity.
- 11.3 Develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. The Board should also require city personnel test restoration of backup data on a periodic basis and store backup files in a secure off-site location.

Auditee's Response

- 11.1 *We will require confidential passwords for each employee that are periodically changed to prevent unauthorized access to the city's computers and data. The passwords will contain a minimum number of characters.*
- 11.2 *We will have security controls in place to lock computers after a specified number of incorrect logon attempts and after a certain period of inactivity.*
- 11.3 *We will develop a formal written contingency plan that is periodically tested, evaluated, and updated as needed. The Board will also require backups be tested on a periodic basis and stored in a secure off-site location.*

12. Capital Assets

The city does not maintain records of its capital assets including buildings, utility system infrastructure, vehicles, equipment, and other property. Additionally, city personnel do not tag, number, or otherwise identify assets or perform annual physical inventories.

Adequate capital asset records and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.

Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location and subsequent disposition. The Board should also ensure city personnel properly tag, number, or otherwise identify all applicable city property and conduct and document an annual inventory.

Auditee's Response

We will ensure complete and detailed capital asset records are maintained.

City of Winona

Organization and Statistical Information

The City of Winona is located in Shannon County. The city was incorporated in 1888 and is currently a fourth-class city. The city employed 15 full-time employees and 6 part-time employees on December 31, 2016.

City operations include utility services (water, sewer, electric, and trash), police, maintenance of streets, and parks and recreation.

Mayor and Board of Aldermen

The city government consists of a mayor and 6-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2016, are identified below. The Mayor and Board of Aldermen received \$100 reductions in their monthly utility bills as compensation. The compensation of these officials is not established by ordinance.

Brenda Barkman, Mayor
Bob Needels, Alderman
Allen Phillips, Alderman
Tommy Farris, Alderman
Charles Points, Alderman
Mark Simpson, Alderman
Peggy Jones, Alderwoman

Other Principal Officials

The City Clerk and Utility Clerk are appointed positions. The city's principal officials at December 31, 2016, are identified below:

Terri Denton, City Clerk ¹
Elisha Pierce, Utility Clerk

¹ Terri Denton served as the City Clerk until she was terminated in September 2017. Mandy Brown was subsequently hired in October 2017.

Financial Activity and Supporting Documentation

Appendix A is a summary of the city's financial activity for the year ended December 31, 2016. Appendix B and C provide supporting documentation for undeposited receipts and a summary of checks cashed.

Appendix A

City of Winona

Schedule of Receipts, Disbursements, and Changes in Cash Balances

Year Ended December 31, 2016

		General	Electric	Water	Sewer	Sewer Rehabilitation	Solid Waste	Street	Police Department
(1) RECEIPTS	\$	116,644	1,266,625	119,011	134,611	20,000	135,121	56,543	31,618
(1) DISBURSEMENTS		160,032	1,286,017	145,958	148,619	0	134,179	57,774	32,398
RECEIPTS OVER (UNDER) DISBURSEMENTS		(43,388)	(19,392)	(26,947)	(14,008)	20,000	942	(1,231)	(780)
CASH BALANCE, JANUARY 1, 2016		92,832	88,742	49,543	35,190	60,000	4,388	27,511	4,098
CASH BALANCE, DECEMBER 31, 2016	\$	49,444	69,350	22,596	21,182	80,000	5,330	26,280	3,318

		Payroll	Utility Deposit	Capital Improvement	Park Board	Municipal Court	Heritage Fund	(2) Certificates of Deposit	(2) Deferred Annuity	Total (all funds)
(1) RECEIPTS	\$	462,361	17,406	106,512	8,638	144,598	13	1,129	1,585	2,622,415
(1) DISBURSEMENTS		467,467	14,974	26,860	9,327	143,148	21,831	0	0	2,648,584
RECEIPTS OVER (UNDER) DISBURSEMENTS		(5,106)	2,432	79,652	(689)	1,450	(21,818)	1,129	1,585	(26,169)
CASH BALANCE, JANUARY 1, 2016		10,603	51,847	226,420	2,063	3,080	21,818	447,830	105,661	1,231,626
CASH BALANCE, DECEMBER 31, 2016	\$	5,497	54,279	306,072	1,374	4,530	0	448,959	107,246	1,205,457

(1) Receipts and disbursements presented include transfers in and out.

(2) The source and purpose of the certificates of deposit and the deferred annuity are unknown and cannot be allocated to a specific fund.

Appendix B

City of Winona

Supporting Documentation - Undeposited Receipts

Deposit Date	(1) Recorded Cash Receipts	(1) Recorded Check and Money Order Receipts	(2) Unrecorded Checks	(3) Undeposited Manual Receipts	Cash Substituted for Recorded Checks	Total Receipts	Cash Deposited	Checks and Money Orders Deposited	Total Deposited	Total Undeposited
1/6/2015	\$ 8,371.80	28,957.45	683.11	0.00	0.00	38,012.36	4,730.70	32,598.55	37,329.25	(683.11)
1/13/2015	11,491.05	48,445.96	210.72	0.00	0.00	60,147.73	8,321.80	51,615.21	59,937.01	(210.72)
1/22/2015	6,790.01	18,809.74	0.00	0.00	0.00	25,599.75	3,764.02	21,835.73	25,599.75	0.00
1/29/2015	6,253.20	17,274.50	1,612.35	0.00	0.00	25,140.05	16.76	23,510.94	23,527.70	(1,612.35)
2/5/2015	9,296.47	22,521.93	274.01	150.00	245.10	32,487.51	7,901.40	23,917.00	31,818.40	(669.11)
2/10/2015	8,574.83	18,502.66	0.00	0.00	0.00	27,077.49	6,679.07	20,398.42	27,077.49	0.00
2/13/2015	7,301.89	33,029.94	0.00	0.00	0.00	40,331.83	3,404.71	36,927.12	40,331.83	0.00
2/19/2015	10,135.12	31,313.80	0.00	35.85	0.00	41,484.77	10,971.13	30,477.79	41,448.92	(35.85)
2/26/2015	7,041.47	6,266.81	0.00	0.00	0.00	13,308.28	4,263.36	9,044.92	13,308.28	0.00
3/5/2015	8,855.56	27,214.85	75.00	0.00	215.55	36,360.96	7,218.63	28,851.78	36,070.41	(290.55)
3/10/2015	8,521.16	36,560.00	0.00	0.00	0.00	45,081.16	3,726.25	41,354.91	45,081.16	0.00
3/12/2015	6,857.96	28,645.25	0.00	0.00	0.00	35,503.21	9,326.22	26,176.99	35,503.21	0.00
3/19/2015	6,541.77	22,841.60	100.00	0.00	0.00	29,483.37	5,575.74	23,807.63	29,383.37	(100.00)
3/31/2015	7,507.89	11,003.94	1,117.74	0.00	0.00	19,629.57	691.28	17,820.55	18,511.83	(1,117.74)
4/6/2015	9,314.50	24,768.70	0.00	0.00	203.87	34,287.07	6,769.94	27,313.26	34,083.20	(203.87)
4/9/2015	6,552.14	28,967.58	0.00	0.00	0.00	35,519.72	6,532.14	28,987.58	35,519.72	0.00
4/15/2015	10,366.39	37,262.09	0.00	100.00	0.00	47,728.48	9,059.13	38,569.35	47,628.48	(100.00)
4/29/2015	11,626.17	16,711.96	722.11	0.00	0.00	29,060.24	3,668.52	24,669.61	28,338.13	(722.11)
5/5/2015	8,175.89	19,653.91	0.00	0.00	245.10	28,074.90	6,975.17	20,854.63	27,829.80	(245.10)
5/12/2015	10,783.24	39,630.58	0.00	0.00	0.00	50,413.82	8,439.44	41,974.38	50,413.82	0.00
5/19/2015	7,397.51	29,574.64	0.00	50.00	0.00	37,022.15	6,015.16	30,956.99	36,972.15	(50.00)
5/28/2015	4,807.91	2,973.69	527.24	0.00	77.83	8,386.67	898.29	6,883.31	7,781.60	(605.07)
6/4/2015	8,603.66	27,404.26	0.00	100.00	172.29	36,280.21	7,047.59	28,960.33	36,007.92	(272.29)
6/11/2015	6,664.99	30,198.62	0.00	15.16	0.00	36,878.77	5,534.46	31,329.15	36,863.61	(15.16)
6/15/2015	6,569.13	27,929.90	0.00	0.00	0.00	34,499.03	5,289.09	29,209.94	34,499.03	0.00
6/30/2015	7,576.37	22,177.22	786.77	0.00	0.00	30,540.36	1,420.47	28,333.12	29,753.59	(786.77)
7/7/2015	7,006.68	25,253.03	0.00	0.00	184.68	32,444.39	5,491.75	26,767.96	32,259.71	(184.68)
7/14/2015	9,962.88	39,464.95	0.00	0.00	0.00	49,427.83	8,212.31	41,215.52	49,427.83	0.00
7/24/2015	6,112.67	14,657.64	0.00	0.00	0.00	20,770.31	2,795.74	17,974.57	20,770.31	0.00
7/31/2015	2,758.63	4,014.85	914.64	170.00	0.00	7,858.12	43.14	6,730.34	6,773.48	(1,084.64)
8/7/2015	9,397.48	27,409.76	0.00	0.00	205.97	37,013.21	5,853.77	30,953.47	36,807.24	(205.97)
8/12/2015	8,424.78	56,094.76	92.63	390.00	0.00	65,002.17	7,651.65	56,867.89	64,519.54	(482.63)
8/19/2015	7,334.65	22,262.77	0.00	0.00	450.00	30,047.42	5,700.12	23,897.30	29,597.42	(450.00)
8/31/2015	6,754.65	6,765.11	1,325.72	0.00	0.00	14,845.48	720.79	12,798.97	13,519.76	(1,325.72)
9/4/2015	8,424.38	19,046.08	0.00	0.00	666.06	28,136.52	7,493.74	19,976.72	27,470.46	(666.06)
9/9/2015	6,803.10	40,202.87	0.00	0.00	0.00	47,005.97	6,653.10	40,352.87	47,005.97	0.00
9/14/2015	9,846.78	39,275.40	0.00	0.00	0.00	49,122.18	7,718.33	41,403.85	49,122.18	0.00
9/29/2015	11,407.01	35,395.83	619.96	0.00	0.00	47,422.80	5,156.35	41,646.49	46,802.84	(619.96)
10/6/2015	7,313.93	35,665.29	0.00	150.00	314.48	43,443.70	5,747.99	37,231.23	42,979.22	(464.48)
10/13/2015	5,427.28	19,179.30	0.00	0.00	0.00	24,606.58	3,403.83	21,202.75	24,606.58	0.00
10/16/2015	6,232.58	30,250.74	0.00	0.00	300.00	36,783.32	5,144.44	31,338.88	36,483.32	(300.00)
10/29/2015	6,437.53	28,516.81	2,181.63	0.00	20.00	37,155.97	207.73	34,746.61	34,954.34	(2,201.63)
11/9/2015	10,343.43	34,803.59	0.00	0.00	806.27	45,953.29	6,471.00	38,676.02	45,147.02	(806.27)
11/12/2015	5,297.57	34,946.88	0.00	0.00	0.00	40,244.45	7,190.76	33,053.69	40,244.45	0.00

Appendix B

City of Winona

Supporting Documentation - Undeposited Receipts

Deposit Date	(1) Recorded Cash Receipts	(1) Recorded Check and Money Order Receipts	(2) Unrecorded Checks	(3) Undeposited Manual Receipts	Cash Substituted for Recorded Checks	Total Receipts	Cash Deposited	Checks and Money Orders Deposited	Total Deposited	Total Undeposited
11/30/2015	8,097.82	27,118.46	59.06	500.00	0.00	35,775.34	73.21	35,143.07	35,216.28	(559.06)
12/3/2015	4,462.78	15,054.57	505.53	0.00	0.00	20,022.88	2,680.27	16,837.08	19,517.35	(505.53)
12/8/2015	6,326.96	42,861.84	0.00	0.00	0.00	49,188.80	3,408.75	45,780.05	49,188.80	0.00
12/17/2015	7,082.24	32,102.21	0.00	150.00	0.00	39,334.45	4,719.04	34,465.41	39,184.45	(150.00)
12/29/2015	6,105.92	15,820.12	470.62	138.23	0.00	22,534.89	535.87	21,390.17	21,926.04	(608.85)
Total 2015	379,339.81	1,304,804.44	12,278.84	1,949.24	4,107.20	1,702,479.53	247,314.15	1,436,830.10	1,684,144.25	(18,335.28)
1/7/2016	6,450.18	19,444.69	0.00	0.00	0.00	25,894.87	4,901.33	20,993.54	25,894.87	0.00
1/12/2016	6,062.00	35,953.32	0.00	0.00	0.00	42,015.32	3,226.79	38,788.53	42,015.32	0.00
1/14/2016	3,940.89	27,736.14	0.00	0.00	0.00	31,677.03	3,995.54	27,681.49	31,677.03	0.00
1/27/2016	8,976.35	19,061.92	1,888.99	0.00	549.66	30,476.92	2,363.36	25,674.91	28,038.27	(2,438.65)
2/4/2016	5,732.98	21,094.40	0.00	297.42	190.67	27,315.47	4,034.88	22,792.50	26,827.38	(488.09)
2/8/2016	7,894.93	17,753.14	0.00	150.00	0.00	25,798.07	6,251.34	19,396.73	25,648.07	(150.00)
2/17/2016	12,246.48	60,235.30	0.00	0.00	599.39	73,081.17	11,301.36	61,180.42	72,481.78	(599.39)
2/29/2016	10,105.45	5,442.47	1,446.14	0.00	200.00	17,194.06	3,160.73	12,387.19	15,547.92	(1,646.14)
3/3/2016	6,723.12	18,495.26	0.00	0.00	0.00	25,218.38	6,286.49	18,931.89	25,218.38	0.00
3/8/2016	6,199.20	32,313.81	0.00	0.00	0.00	38,513.01	4,391.10	34,121.91	38,513.01	0.00
3/14/2016	13,115.18	41,052.88	0.00	0.00	0.00	54,168.06	11,881.43	42,286.63	54,168.06	0.00
3/31/2016	12,407.89	27,778.25	707.95	0.00	582.40	41,476.49	7,290.42	32,895.72	40,186.14	(1,290.35)
4/5/2016	7,709.53	20,707.61	296.59	150.00	0.00	28,863.73	5,460.46	22,956.68	28,417.14	(446.59)
4/8/2016	5,568.83	20,950.87	0.00	0.00	0.00	26,519.70	1,184.65	25,335.05	26,519.70	0.00
4/13/2016	6,686.55	35,288.75	0.00	0.00	0.00	41,975.30	6,382.96	35,592.34	41,975.30	0.00
4/27/2016	11,618.21	27,277.94	2,063.86	0.00	0.00	40,960.01	5,559.74	33,336.41	38,896.15	(2,063.86)
5/5/2016	8,938.33	17,201.30	357.67	200.00	0.00	26,697.30	7,173.21	18,966.42	26,139.63	(557.67)
5/12/2016	4,201.83	31,532.72	0.00	0.00	0.00	35,734.55	1,465.34	34,269.21	35,734.55	0.00
5/16/2016	7,088.66	31,558.03	50.00	0.00	381.13	39,077.82	6,674.15	31,972.54	38,646.69	(431.13)
5/31/2016	8,248.38	5,807.13	324.86	0.00	0.00	14,380.37	2,828.05	11,227.46	14,055.51	(324.86)
6/6/2016	6,474.35	16,965.29	1,089.53	0.00	0.00	24,529.17	4,460.32	18,979.32	23,439.64	(1,089.53)
6/8/2016	2,046.84	28,152.80	0.00	0.00	0.00	30,199.64	1,604.80	28,594.84	30,199.64	0.00
6/10/2016	6,574.80	19,590.10	0.00	0.00	0.00	26,164.90	711.46	25,453.44	26,164.90	0.00
6/14/2016	2,879.37	16,393.28	0.00	0.00	0.00	19,272.65	2,879.37	16,393.28	19,272.65	0.00
6/16/2016	1,197.98	3,372.87	0.00	0.00	0.00	4,570.85	1,283.23	3,287.62	4,570.85	0.00
6/20/2016	1,582.36	1,526.64	0.00	0.00	0.00	3,109.00	1,570.14	1,538.86	3,109.00	0.00
6/22/2016	1,606.24	552.14	0.00	0.00	0.00	2,158.38	1,686.24	472.14	2,158.38	0.00
6/27/2016	1,504.51	4,127.14	0.00	0.00	0.00	5,631.65	1,275.97	4,355.68	5,631.65	0.00
6/30/2016	844.68	4,324.27	164.91	0.00	0.00	5,333.86	223.54	4,945.41	5,168.95	(164.91)
7/5/2016	4,769.82	8,543.72	1,472.39	0.00	170.15	14,956.08	3,723.81	9,589.73	13,313.54	(1,642.54)
7/7/2016	2,753.83	16,767.15	0.00	0.00	0.00	19,520.98	2,945.19	16,575.79	19,520.98	0.00
7/11/2016	3,796.58	12,268.42	0.00	0.00	0.00	16,065.00	3,724.11	12,340.89	16,065.00	0.00
7/12/2016	1,949.22	30,142.43	0.00	0.00	0.00	32,091.65	2,049.82	30,041.83	32,091.65	0.00
7/15/2016	2,582.49	8,361.91	0.00	0.00	0.00	10,944.40	2,391.23	8,553.17	10,944.40	0.00
7/20/2016	5,346.55	12,754.84	0.00	0.00	0.00	18,101.39	5,453.07	12,648.32	18,101.39	0.00
7/26/2016	4,069.24	3,221.23	0.00	0.00	0.00	7,290.47	3,869.06	3,421.41	7,290.47	0.00
8/2/2016	4,308.76	14,077.18	1,352.97	0.00	0.00	19,738.91	1,986.75	16,399.19	18,385.94	(1,352.97)
8/5/2016	4,976.68	15,029.15	0.00	0.00	0.00	20,005.83	5,123.64	14,882.19	20,005.83	0.00

Appendix B

City of Winona

Supporting Documentation - Undeposited Receipts

Deposit Date	(1) Recorded Cash Receipts	(1) Recorded Check and Money Order Receipts	(2) Unrecorded Checks	(3) Undeposited Manual Receipts	Cash Substituted for Recorded Checks	Total Receipts	Cash Deposited	Checks and Money Orders Deposited	Total Deposited	Total Undeposited
8/9/2016	3,754.32	28,799.36	0.00	0.00	0.00	32,553.68	3,717.82	28,835.86	32,553.68	0.00
8/11/2016	7,269.76	22,605.26	0.00	0.00	0.00	29,875.02	7,609.47	22,265.55	29,875.02	0.00
8/16/2016	9,324.60	26,079.66	0.00	0.00	0.00	35,404.26	9,430.41	25,973.85	35,404.26	0.00
8/22/2016	5,383.04	3,973.42	0.00	0.00	0.00	9,356.46	5,653.70	3,702.76	9,356.46	0.00
8/30/2016	5,584.88	6,167.81	899.90	0.00	0.00	12,652.59	3,358.89	8,393.80	11,752.69	(899.90)
9/7/2016	10,857.97	38,837.10	0.00	0.00	0.00	49,695.07	11,134.93	38,560.14	49,695.07	0.00
9/9/2016	5,476.45	27,175.89	0.00	0.00	0.00	32,652.34	5,477.01	27,175.33	32,652.34	0.00
9/13/2016	11,616.29	47,527.05	40.00	0.00	0.00	59,183.34	12,223.09	46,920.25	59,143.34	(40.00)
9/19/2016	7,269.41	12,215.52	150.00	0.00	464.64	20,099.57	5,438.10	14,046.83	19,484.93	(614.64)
9/29/2016	3,878.19	5,643.83	1,397.15	0.00	0.00	10,919.17	3,195.20	6,326.82	9,522.02	(1,397.15)
10/4/2016	7,908.05	23,850.76	0.00	0.00	0.00	31,758.81	8,029.04	23,729.77	31,758.81	0.00
10/10/2016	9,583.75	23,509.85	0.00	0.00	0.00	33,093.60	9,680.43	23,413.17	33,093.60	0.00
10/12/2016	10,578.77	34,985.68	0.00	0.00	0.00	45,564.45	11,648.73	33,915.72	45,564.45	0.00
10/21/2016	9,480.65	25,701.43	0.00	0.00	0.00	35,182.08	8,714.71	26,467.37	35,182.08	0.00
10/27/2016	3,042.85	1,521.20	1,073.49	0.00	0.00	5,637.54	1,413.31	3,150.74	4,564.05	(1,073.49)
11/3/2016	5,898.13	19,209.96	0.00	10.00	0.00	25,118.09	5,870.93	19,237.16	25,108.09	(10.00)
11/8/2016	5,755.71	28,955.79	0.00	0.00	0.00	34,711.50	5,702.38	29,009.12	34,711.50	0.00
11/15/2016	9,918.67	42,951.66	0.00	0.00	0.00	52,870.33	10,608.87	42,261.46	52,870.33	0.00
11/29/2016	7,526.00	12,421.70	731.73	0.00	0.00	20,679.43	5,832.11	14,115.59	19,947.70	(731.73)
12/6/2016	6,124.44	22,788.53	0.00	0.00	0.00	28,912.97	5,995.52	22,917.45	28,912.97	0.00
12/13/2016	7,545.00	53,006.24	0.00	20.00	0.00	60,571.24	7,849.36	52,701.88	60,551.24	(20.00)
12/21/2016	6,523.10	7,984.94	0.00	0.00	0.00	14,508.04	6,624.83	7,883.21	14,508.04	0.00
12/29/2016	2,474.67	3,093.77	971.65	0.00	0.00	6,540.09	779.08	4,789.36	5,568.44	(971.65)
Total 2016	381,953.97	1,251,862.90	16,479.78	827.42	3,138.04	1,654,262.11	308,763.00	1,325,053.87	1,633,816.87	(20,445.24)
1/5/2017	6,544.03	30,786.22	0.00	0.00	0.00	37,330.25	6,591.61	30,738.64	37,330.25	0.00
1/10/2017	9,904.40	44,077.19	0.00	0.00	0.00	53,981.59	10,083.36	43,898.23	53,981.59	0.00
1/13/2017	5,318.12	22,819.72	0.00	0.00	0.00	28,137.84	6,076.31	22,061.53	28,137.84	0.00
1/26/2017	10,951.10	14,542.30	1,261.89	250.00	0.00	27,005.29	8,699.79	16,793.61	25,493.40	(1,511.89)
2/3/2017	3,972.21	25,537.75	0.00	0.00	0.00	29,509.96	4,074.69	25,435.27	29,509.96	0.00
2/7/2017	5,402.31	34,983.12	0.00	0.00	0.00	40,385.43	5,502.31	34,883.12	40,385.43	0.00
2/10/2017	7,878.49	23,856.49	0.00	0.00	0.00	31,734.98	7,926.49	23,808.49	31,734.98	0.00
2/14/2017	7,851.64	41,926.80	0.00	3.00	0.00	49,781.44	8,340.10	41,438.34	49,778.44	(3.00)
2/28/2017	14,348.02	20,511.60	1,580.84	57.87	0.00	36,498.33	11,700.40	23,159.22	34,859.62	(1,638.71)
3/7/2017	10,045.42	25,665.43	0.00	0.00	0.00	35,710.85	9,992.39	25,718.46	35,710.85	0.00
3/14/2017	12,287.81	58,667.48	0.00	0.00	0.00	70,955.29	12,735.09	58,220.20	70,955.29	0.00
3/21/2017	7,392.22	18,157.89	0.00	0.00	0.00	25,550.11	7,020.83	18,529.28	25,550.11	0.00
Total 2017	101,895.77	361,531.99	2,842.73	310.87	0.00	466,581.36	98,743.37	364,684.39	463,427.76	(3,153.60)
Total	\$ 863,189.55	2,918,199.33	31,601.35	3,087.53	7,245.24	3,823,323.00	654,820.52	3,126,568.36	3,781,388.88	(41,934.12)

(1) Represents receipts recorded in the utility system, on payment stubs, and/or on manual receipt slips and included in the deposit summary.

(2) Represents deposited checks unrelated to recorded utility receipts.

(3) Represents recorded manual receipts that could not be traced to a deposit. Method of payment was not recorded on some of the manual receipt slips or payment stubs. Therefore, the method of payment was presumed to be cash based on the contents of deposits that included these receipts.

Appendix C

City of Winona

Supporting Documentation - Summary of Checks Cashed

Year	Month	City Payroll Checks		(1) City Disbursement Checks		(2) Personal Checks		(3) Third Party Checks		Total	
		Amount	Number of Checks	Amount	Number of Checks	Amount	Number of Checks	Amount	Number of Checks	Amount	Number of Checks
2015	January	\$ 7,747.99	19	\$ 515.00	3	\$ 3,399.36	11	\$ 626.83	3	\$ 12,289.18	36
	February	5,836.39	15	0.00	0	900.00	5	1,303.91	4	8,040.30	24
	March	8,806.98	20	0.00	0	633.00	7	3.00	1	9,442.98	28
	April	8,297.27	21	0.00	0	550.00	7	700.00	2	9,547.27	30
	May	6,567.01	20	478.36	3	1,733.90	10	522.00	2	9,301.27	35
	June	7,701.45	19	66.41	3	863.16	6	235.00	2	8,866.02	30
	July	6,531.02	15	0.00	0	1,124.80	8	205.00	2	7,860.82	25
	August	8,975.68	22	0.00	0	1,180.38	5	550.00	2	10,706.06	29
	September	7,473.47	20	16.95	1	1,075.50	10	546.38	3	9,112.30	34
	October	7,126.75	18	0.00	0	1,704.36	13	500.00	1	9,331.11	32
	November	8,681.38	21	80.00	1	1,729.22	19	125.00	1	10,615.60	42
	December	7,942.35	21	0.00	0	2,914.10	17	650.00	2	11,506.45	40
2016	January	6,625.56	15	0.00	0	1,490.37	12	550.00	4	8,665.93	31
	February	8,437.10	21	0.00	0	501.00	8	1,200.00	4	10,138.10	33
	March	7,312.11	18	40.72	2	1,185.39	7	151.50	1	8,689.72	28
	April	7,900.73	20	1,924.00	1	499.00	12	72.03	1	10,395.76	34
	May	8,037.56	18	0.00	0	642.20	13	600.00	2	9,279.76	33
	June	2,689.49	6	0.00	0	4,428.15	5	188.86	1	7,306.50	12
	(4) July	0.00	0	0.00	0	100.00	1	0.00	0	100.00	1
	August	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
	September	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
	October	0.00	0	95.00	1	0.00	0	0.00	0	95.00	1
	November	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
	December	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0
Total		\$ 132,690.29	329	\$ 3,216.44	15	\$ 26,653.89	176	\$ 8,729.51	38	\$ 171,290.13	558

(1) City checks were cashed to pay vendors or for police department drug buys.

(2) Checks cashed by city employees and their family members.

(3) City cashed checks for various citizens and businesses.

(4) The Mayor discontinued the practice of cashing personal checks (including payroll) and third-party checks in July 2016. The \$95 check cashed in October 2016 was an appropriate use of funds.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
July 2018**

Monthly Report on Political Subdivision Filings

July 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 10 political subdivisions required to file a financial report by July 31, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in July 2018, after their filing deadline. The filing status for these 259 entities is presented in summary on page 3 and by individual entity in Appendix B-F.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name of the State Auditor.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

July 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 10 political subdivisions, other than cities, towns, and villages, with a fiscal year end of January 31, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 10 political subdivisions, 7 filed an annual financial report by July 31, 2018.

This report also includes the filing status for 259 political subdivisions, other than cities, towns, and villages, that filed their financial report in July 2018, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due July 31, 2018

Fiscal Year Ended January 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	South St. Joseph D&LD	Yes	March 21, 2018
Carroll	Carr Sal Levee District	Yes	January 16, 2018
	Eugene Township Drainage District	Yes	January 16, 2018
	Farmers Drainage & Levee District	Yes	January 16, 2018
	Wakenda Levee District	Yes	January 24, 2018
	Cedar County Memorial Hospital	No	
Jefferson	Valle Lake Sewer District	Yes	July 11, 2018
Mississippi	Consolidated DD 1 Mississippi County	No	
Scott	North Scott Ambulance District	No	
St. Charles	Dardenne Creek Drainage District 3	Yes	July 27, 2018
Total Filed		7	
Total Not Filed		3	

Acronyms:

DD Drainage District
D&LD Drainage and Levee District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2017
 Filed in July 2018

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	Tuscany Village CID	Yes	July 24, 2018
Jackson	23rd & Sterling CID	Yes	July 23, 2018
Phelps	Rolla Free Public Library District	Yes	July 11, 2018
St. Louis City	705 Olive CID	Yes	July 24, 2018
	705 Olive TDD	Yes	July 24, 2018
	Syndicate Trust CID	Yes	July 26, 2018
Total Filed		6	

Acronyms:

CID Community Improvement District
 TDD Transportation Development District

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due March 31, 2018
 Filed in July 2018

Fiscal Year Ended September 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Monroe	Monroe City Area FPD	Yes	July 31, 2018
Total Filed		1	

Acronyms:

FPD Fire Protection District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due April 30, 2018
 Filed in July 2018

Fiscal Year Ended October 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Wayne	East Wayne Ambulance District	Yes	July 26, 2018
Total Filed		1	

Appendix E
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due May 31, 2018
 Filed in July 2018

Fiscal Year Ended November 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Holt	Big Tarkio Drainage District	Yes	July 30, 2018
Total Filed		1	

Appendix F

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2018

Filed in July 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	Andrew County Ambulance District	Yes	July 18, 2018
	Bolckow FPD	Yes	July 1, 2018
	Savannah FPD	Yes	July 30, 2018
	Village of Country Club FPD	Yes	July 16, 2018
Atchison	Langdon SRD Atchison County	Yes	July 21, 2018
	North Nishnabotna Drainage District	Yes	July 24, 2018
	PWSD 1 Atchison County	Yes	July 2, 2018
	Tarkio SRD Atchison County	Yes	July 23, 2018
Audrain	Audrain County Health Center	Yes	July 20, 2018
	Saling SRD 2 Audrain County	Yes	July 23, 2018
	Tri County NHD	Yes	July 16, 2018
Barry	Capps Creek SRD Barry County	Yes	July 24, 2018
	Crane Creek SRD Barry County	Yes	July 14, 2018
	Exeter SRD Barry County	Yes	July 27, 2018
	Greasy Creek SRD 35 Barry County	Yes	July 16, 2018
	Jenkins SRD 20 Barry County	Yes	July 19, 2018
	Pleasant Ridge SRD 25 Barry County	Yes	July 14, 2018
	Purdy FPD	Yes	July 31, 2018
	Washburn FPD	Yes	July 23, 2018
Barton	Barton County Ambulance District	Yes	July 16, 2018
	Consolidated PWSD 1	Yes	July 2, 2018
Bates	Bates County Memorial Hospital	Yes	July 16, 2018
Benton	Cole Camp & Rural FPD	Yes	July 23, 2018
	Cole Camp SRD Benton County	Yes	July 30, 2018
Bollinger	Bollinger County Health Center	Yes	July 16, 2018
	Sedgewickville FPD	Yes	July 23, 2018
Buchanan	Agri-Business Expo Center TDD	Yes	July 18, 2018
	Lake Contrary FPD	Yes	July 24, 2018
	San Antonio FPD	Yes	July 13, 2018
Butler	PWSD 104 Butler County	Yes	July 31, 2018
	PWSD 3 Butler County	Yes	July 23, 2018
Caldwell	Caldwell County Health Department	Yes	July 9, 2018
	Caldwell County Library District	Yes	July 26, 2018
Callaway	North Callaway FPD	Yes	July 25, 2018
Camden	Arrowhead Centre CID	Yes	July 19, 2018
	Mid-County FPD Camden County	Yes	July 26, 2018
	PWSD 2 Camden County	Yes	July 16, 2018
	PWSD 3 Camden County	Yes	July 17, 2018
	Tri-County FPD	Yes	July 30, 2018
Carroll	Norborne FPD	Yes	July 20, 2018
Carter	East Carter Ambulance District	Yes	July 26, 2018
	Landing River Center CID	Yes	July 25, 2018
	PWSD 2 Carter County	Yes	July 18, 2018
Cass	Dolan & West Dolan FPD	Yes	July 1, 2018
	Garden City FPD	Yes	July 23, 2018
	Harrisonville Brookhart TDD	Yes	July 11, 2018

Appendix F

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2018

Filed in July 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cass	PWSD 12 Cass County	Yes	July 18, 2018
Cedar	Bear Creek SRD Cedar County	Yes	July 20, 2018
	Bethel SRD Cedar County	Yes	July 20, 2018
	Caplinger Mills SRD Cedar County	Yes	July 20, 2018
	Cedar County Chapel Hills FPD	Yes	July 20, 2018
	Cedar Hall SRD Cedar County	Yes	July 20, 2018
	Dogwood SRD Cedar County	Yes	July 20, 2018
	Eldorado Springs SRD Cedar County	Yes	July 20, 2018
	Independence SRD Cedar County	Yes	July 20, 2018
	Jerico Springs SRD Cedar County	Yes	July 20, 2018
	Koncord SRD Cedar County	Yes	July 20, 2018
	Korth Special Road Subdistrict	Yes	July 20, 2018
	Madison SRD Cedar County	Yes	July 20, 2018
	Masters SRD Cedar County	Yes	July 20, 2018
	Omer SRD Cedar County	Yes	July 20, 2018
	PWSD 1 Cedar County	Yes	July 23, 2018
	Rowland SRD Cedar County	Yes	July 20, 2018
	Stockton SRD Cedar County	Yes	July 20, 2018
Chariton	PWSD 2 Chariton County	Yes	July 16, 2018
	Christian County Ambulance District	Yes	July 12, 2018
	Ozark FPD	Yes	July 23, 2018
	Ozark SRD Christian County	Yes	July 23, 2018
	Selmore SRD Christian County	Yes	July 26, 2018
	South Sparta SRD Christian County	Yes	July 19, 2018
Clay	Blue Jay Crossing CID	Yes	July 9, 2018
	Clay County Public Health Center	Yes	July 16, 2018
	Liberty Triangle CID	Yes	July 12, 2018
	North Kansas City SRD 9 Clay County	Yes	July 18, 2018
	PWSD 4 Clay County	Yes	July 16, 2018
	PWSD 8 Clay County	Yes	July 17, 2018
Clinton	Cameron FPD	Yes	July 18, 2018
	Cameron SRD Clinton County	Yes	July 16, 2018
Cole	PWSD 3 Cole County	Yes	July 16, 2018
	PWSD 4 Cole County	Yes	July 18, 2018
	Regional West FPD	Yes	July 19, 2018
Cooper	Hail Ridge CID	Yes	July 24, 2018
Dade	Dade County Health Department	Yes	July 17, 2018
	Lockwood FPD	Yes	July 24, 2018
Daviess	Daviess County 911 Board	Yes	July 16, 2018
	Daviess County SRD 1	Yes	July 24, 2018
DeKalb	Central DeKalb County FPD	Yes	July 6, 2018
Dent	Dent County Health Center	Yes	July 16, 2018
Dunklin	PWSD 2 Dunklin County	Yes	July 17, 2018
	PWSD 3 Dunklin County	Yes	July 23, 2018
Franklin	Crestview Sewer District	Yes	July 30, 2018
	Highway 100 CID	Yes	July 25, 2018

Appendix F
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in July 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Gasconade	Hermann Area Hospital District	Yes	July 16, 2018
	Morrison SRD 4 Gasconade County	Yes	July 19, 2018
	Owensville Ambulance District	Yes	July 9, 2018
Greene	Ash Grove FPD	Yes	July 23, 2018
	PWSD 1 Greene County	Yes	July 30, 2018
	Strafford Volunteer FPD	Yes	July 17, 2018
Grundy	Jewett Norris-Grundy County PLD	Yes	July 17, 2018
	Laredo FPD	Yes	July 16, 2018
Harrison	North Harrison FPD	Yes	July 30, 2018
Henry	Mt. Hope SRD Henry County	Yes	July 25, 2018
	Windsor Ambulance District	Yes	July 31, 2018
Holt	Levee District 7 Holt County	Yes	July 18, 2018
	Levee District 9 Holt County	Yes	July 17, 2018
Howard	Armstrong FPD	Yes	July 16, 2018
	Glasgow Volunteer FPD	Yes	July 31, 2018
	Levee District 6 Howard County	Yes	July 24, 2018
Howell	Pumpkin Center FPD	Yes	July 26, 2018
Iron	Quad County FPD	Yes	July 31, 2018
Jackson	Prairie Township FPD	Yes	July 5, 2018
	PWSD 15 Jackson County	Yes	July 18, 2018
	Raytown FPD	Yes	July 16, 2018
Jefferson	Dunklin FPD	Yes	July 2, 2018
Johnson	PWSD 3 Johnson County	Yes	July 3, 2018
Laclede	Phillipsburg SRD 3 Laclede County	Yes	July 26, 2018
	PWSD 1 Laclede County	Yes	July 2, 2018
Lafayette	Lafayette County Health Department	Yes	July 17, 2018
	Wellington-Napoleon R-IX RRD	Yes	July 24, 2018
Lawrence	Buck Prairie SRD Lawrence County	Yes	July 14, 2018
	Midway Benefit SRD Lawrence County	Yes	July 17, 2018
	Miller Rural FPD	Yes	July 18, 2018
Lewis	PWSD 1 Lewis County	Yes	July 17, 2018
	Western Lewis County FPD	Yes	July 11, 2018
Lincoln	Lincoln County FPD	Yes	July 20, 2018
	Northwest FPD Lincoln County	Yes	July 17, 2018
Livingston	Mooreville Township FPD	Yes	July 26, 2018
	PWSD 3 Livingston County	Yes	July 24, 2018
Macon	Samaritan Memorial Hospital	Yes	July 18, 2018
Madison	Madison County Health Department	Yes	July 16, 2018
Maries	Belle SRD 6 Maries-Osage County	Yes	July 16, 2018
Marion	Marion County NHD	Yes	July 17, 2018
McDonald	Goodman Area FPD	Yes	July 24, 2018
Miller	Iberia Rural FPD	Yes	July 23, 2018
	Lake Ozark FPD	Yes	July 16, 2018
	Lake Ozark-Osage Beach SwrD	Yes	July 2, 2018
	Miller County Ambulance District	Yes	July 16, 2018
	Moreau FPD	Yes	July 19, 2018

Appendix F
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in July 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Miller	St. Elizabeth FPD	Yes	July 18, 2018
	Tuscumbia FPD	Yes	July 1, 2018
Mississippi	Mississippi County Health	Yes	July 16, 2018
	Mississippi County Library District	Yes	July 24, 2018
Moniteau	Moniteau County 911 Board	Yes	July 16, 2018
	PWSD 2 Moniteau County	Yes	July 19, 2018
Monroe	Madison-West Monroe FPD	Yes	July 24, 2018
	Monroe County Ambulance District	Yes	July 25, 2018
	Monroe County NHD	Yes	July 18, 2018
Montgomery	Big Spring FPD	Yes	July 25, 2018
	Jonesburg-High Hill FPD	Yes	July 23, 2018
	Montgomery Ambulance District	Yes	July 16, 2018
Morgan	Gravois Arm Sewer District	Yes	July 2, 2018
	Gravois FPD	Yes	July 23, 2018
	Rocky Mount FPD	Yes	July 19, 2018
New Madrid	Drainage District 39 New Madrid County	Yes	July 30, 2018
	New Madrid County Library District	Yes	July 16, 2018
Newton	Neosho-Newton County PLD	Yes	July 16, 2018
	PWSD 1 Newton County	Yes	July 17, 2018
Oregon	Oregon County Health Department	Yes	July 16, 2018
Osage	Osage Ambulance District	Yes	July 18, 2018
	PWSD 1 Osage County	Yes	July 18, 2018
	PWSD 4 Osage County	Yes	July 9, 2018
Ozark	Ozark County Health Center	Yes	July 30, 2018
Pemiscot	Pemiscot County Memorial Hospital	Yes	July 30, 2018
Perry	PWSD 1 Perry County	Yes	July 20, 2018
Pettis	Pettis County FPD 1	Yes	July 30, 2018
Phelps	Edgar Springs Rural Volunteer FPD	Yes	July 31, 2018
	Phelps County 911 Board	Yes	July 28, 2018
	Rolla Rural FPD	Yes	July 17, 2018
	St. James Ambulance District	Yes	July 17, 2018
Pike	Buffalo Township FPD	Yes	July 25, 2018
	Eolia Community FPD	Yes	July 31, 2018
Platte	PWSD 8 Platte County	Yes	July 18, 2018
	Weatherby Lake FPD	Yes	July 19, 2018
Polk	Polk County Health Center	Yes	July 20, 2018
	Southwest SRD Polk County	Yes	July 25, 2018
Pulaski	Crocker Rural FPD	Yes	July 24, 2018
	Pulaski County Health Department	Yes	July 16, 2018
	Pulaski County Sewer District	Yes	July 24, 2018
Putnam	Grant Township FPD	Yes	July 27, 2018
	Putnam County Ambulance District	Yes	July 25, 2018
	Putnam County E-911 Board	Yes	July 23, 2018
	Unionville SRD Putnam County	Yes	July 31, 2018
Ralls	Ralls County Health Department	Yes	July 19, 2018
Randolph	Eastern Randolph Rural FPD	Yes	July 26, 2018

Appendix F
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in July 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Randolph	Northeast R-IV Rural FPD	Yes	July 24, 2018
	Randolph County Ambulance District	Yes	July 24, 2018
	Southeastern Randolph FPD	Yes	July 25, 2018
	Westran FPD	Yes	July 25, 2018
Ray	Hardin FPD	Yes	July 30, 2018
	Hardin SRD Ray County	Yes	July 26, 2018
	Lawson Community Fire & Rescue	Yes	July 11, 2018
	Levee District 5 Ray County	Yes	July 27, 2018
Reynolds	Reynolds County 911 Board	Yes	July 18, 2018
	Reynolds County Health Center	Yes	July 16, 2018
Ripley	Naylor Drainage District	Yes	July 24, 2018
	PWSD 1 Ripley County	Yes	July 30, 2018
Saline	Gilliam SRD Saline County	Yes	July 31, 2018
	Slater Rural FPD	Yes	July 19, 2018
Scotland	Bear Creek Watershed Subdistrict	Yes	July 19, 2018
	Scotland County Ambulance District	Yes	July 19, 2018
Scott	Scott County Health Department	Yes	July 25, 2018
Shannon	Shannon County Health Department	Yes	July 16, 2018
St. Charles	Augusta FPD	Yes	July 31, 2018
	Cottleville FPD	Yes	July 16, 2018
	Darst Bottom Levee District	Yes	July 25, 2018
	Greens Bottom Drainage District	Yes	July 18, 2018
	Hancock Drainage District	Yes	July 18, 2018
	New Melle FPD	Yes	July 20, 2018
	New Town at St. Charles	Yes	July 16, 2018
	New Town at St. Charles II	Yes	July 16, 2018
	Wentzville Industrial TDD	Yes	July 31, 2018
	Lowry City SRD St. Clair County	Yes	July 19, 2018
St. Clair	Sac Osage FPD	Yes	July 23, 2018
	Pilot Knob Rural Water District	Yes	July 19, 2018
St. Francois	St. Francois County Health Center	Yes	July 17, 2018
	Affton Plaza CID	Yes	July 16, 2018
St. Louis	Center at Kenrick Plaza CID	Yes	July 16, 2018
	Francis Place TDD	Yes	July 17, 2018
	Glasgow Village SLD	Yes	July 18, 2018
	Metropolitan Taxicab Commission	Yes	July 16, 2018
	Olive/Graeser TDD	Yes	July 26, 2018
	Shoppes at Old Webster TDD	Yes	July 6, 2018
	Euclid Buckingham TDD	Yes	July 18, 2018
	Hampton/Berthold TDD	Yes	July 31, 2018
	Laurel TDD	Yes	July 25, 2018
	St. Louis Food Hub TDD	Yes	July 25, 2018
St. Louis City	Tower Grove South Concerned Citizen SBD	Yes	July 27, 2018
	Ste. Genevieve County Health	Yes	July 2, 2018
Stoddard	Bluff SRD Stoddard County	Yes	July 18, 2018
	Dudley SRD Stoddard County	Yes	July 18, 2018

Appendix F

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2018

Filed in July 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Stoddard	Gray Ridge SRD Stoddard County	Yes	July 18, 2018
Stone	North Stone-Northeast Barry County FPD	Yes	July 14, 2018
	Stone County Library District	Yes	July 20, 2018
Sullivan	Sullivan County Library District	Yes	July 6, 2018
Taney	76 Entertainment CID	Yes	July 19, 2018
	Protem FPD	Yes	July 4, 2018
	PWSD 1 Taney County	Yes	July 31, 2018
	PWSD 2 Taney County	Yes	July 2, 2018
	PWSD 3 Taney County	Yes	July 2, 2018
	Taney County Health Department	Yes	July 16, 2018
Texas	PWSD 4 Texas County	Yes	July 2, 2018
	Texas County Health Department	Yes	July 3, 2018
Vernon	Consolidated PWSD 1 Vernon County	Yes	July 2, 2018
	PWSD 2 Vernon County	Yes	July 16, 2018
	Vernon County Health Department	Yes	July 16, 2018
Washington	Caledonia FPD	Yes	July 29, 2018
	Washington County 911 Board	Yes	July 19, 2018
	Washington County Health Department	Yes	July 16, 2018
Wayne	PWSD 2 Wayne County	Yes	July 19, 2018
	Wayne County Health Center	Yes	July 16, 2018
Total Filed		250	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PLD	Public Library District
PWSD	Public Water Supply District
RRD	Regional Recreational District
SLD	Street Light Maintenance District
SRD	Special Road District
SwrD	Sewer District
TDD	Transportation Development District



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
July 2018**

Monthly Report on Municipal Court and Revenue Filings

July 2018

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D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due May 31, 2018 Filed in July 2018	8
E	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2018 Filed in July 2018	9



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the city required to file a financial report by July 31, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the city is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in July 2018, after their filing deadline. The filing status for these 58 cities, 1 town, and 24 villages is presented in summary on pages 3-4 and by individual entity in Appendixes B to E.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

July 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the city with a fiscal year end of January 31, 2018, whose financial report was due by July 31, 2018. That city filed its financial report timely. The city was not required to file an addendum or a certification.

This report includes the filing status for 58 cities, 1 town, and 24 villages that filed at least one of the items (financial report, addendum, or certification) in



Monthly Report on Municipal Court and Revenue Filings
July 2018
Executive Summary

July 2018, after their filing deadline. Of these entities, 70 filed an annual financial report, 12 filed an addendum, 5 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due July 31, 2018

Fiscal Year Ended January 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cole	City of St. Martins	Yes	July 31, 2018	n/a	n/a
Total Filed		1		0	0
Total Not Filed		0		0	0
Total n/a		0		1	1

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in July 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Morgan	City of Stover	***	January 19, 2018	Yes	n/a
Ray	City of Wood Heights	**	December 6, 2017	Yes	***
Wayne	City of Williamsville	Yes	July 24, 2018	No	n/a
Total Filed		1		2	0

** Filed by December 31, 2017.

*** Filed after December 31, 2017, but before July 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2018
Filed in July 2018

Fiscal Year Ended September 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Ozark	City of Gainesville	Yes	July 3, 2018	n/a	n/a
Phelps	City of Rolla	***	June 13, 2018	Yes	**
Total Filed		1		1	0

** Filed by March 31, 2018.

*** Filed after March 31, 2018, but before July 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due May 31, 2018
Filed in July 2018

Fiscal Year Ended November 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Lafayette	City of Mayview	Yes	July 10, 2018	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in July 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	City of Bolckow	Yes	July 11, 2018	n/a	n/a
Atchison	City of Fairfax	Yes	July 19, 2018	n/a	n/a
Audrain	Village of Rush Hill	Yes	July 28, 2018	n/a	n/a
Barton	City of Liberal	Yes	July 16, 2018	n/a	n/a
Bates	City of Amoret	Yes	July 9, 2018	n/a	n/a
	City of Rich Hill	Yes	July 9, 2018	n/a	n/a
Butler	City of Poplar Bluff	**	June 29, 2018	Yes	Yes
Caldwell	City of Kingston	Yes	July 29, 2018	n/a	n/a
Carroll	City of Bosworth	Yes	July 24, 2018	n/a	n/a
Cedar	Village of Umber View Height	Yes	July 24, 2018	n/a	n/a
Chariton	City of Mendon	Yes	July 22, 2018	n/a	n/a
Clay	Village of Prathersville	Yes	July 16, 2018	n/a	n/a
Cole	City of Russellville	Yes	July 16, 2018	n/a	n/a
Cooper	City of Otterville	Yes	July 20, 2018	n/a	n/a
Dade	Village of Arcola	Yes	July 21, 2018	n/a	n/a
	Village of South Greenfield	Yes	July 24, 2018	n/a	n/a
DeKalb	City of Stewartville	Yes	July 23, 2018	n/a	n/a
Franklin	Village of Oak Grove	Yes	July 24, 2018	n/a	n/a
Greene	City of Walnut Grove	Yes	July 3, 2018	No	No
Harrison	City of Bethany	Yes	July 20, 2018	n/a	n/a
	Village of Blythedale	Yes	July 23, 2018	n/a	n/a
Henry	Village of Tightwad	Yes	July 30, 2018	n/a	n/a
Holt	Village of Fortescue	Yes	July 17, 2018	n/a	n/a
Howell	City of Willow Springs	Yes	July 18, 2018	No	No
Iron	City of Annapolis	No		Yes	No
Jasper	City of Duenweg	**	June 7, 2018	**	Yes
	City of Jasper	Yes	July 2, 2018	n/a	n/a
Knox	City of Baring	Yes	July 22, 2018	n/a	n/a
Lincoln	City of Elsberry	Yes	July 9, 2018	No	No
	City of Hawk Point	Yes	July 19, 2018	n/a	n/a
	Village of Fountain 'N Lakes	Yes	July 31, 2018	n/a	n/a
Linn	City of Laclede	Yes	July 24, 2018	n/a	n/a
Livingston	City of Wheeling	Yes	July 30, 2018	n/a	n/a
Macon	City of Ethel	Yes	July 18, 2018	n/a	n/a
McDonald	City of Noel	**	June 28, 2018	Yes	**
	City of Southwest City	Yes	July 3, 2018	No	**
Morgan	City of Syracuse	Yes	July 23, 2018	n/a	n/a
New Madrid	City of Canalou	Yes	July 17, 2018	No	Yes
	City of Marston	Yes	July 17, 2018	No	No
	City of Matthews	Yes	July 12, 2018	No	**
Newton	City of Seneca	Yes	July 10, 2018	**	**
	Village of Leawood	Yes	July 18, 2018	n/a	n/a
Nodaway	Village of Guilford	Yes	July 16, 2018	n/a	n/a
Osage	Village of Argyle	Yes	July 31, 2018	n/a	n/a
Pemiscot	City of Pascola	Yes	July 30, 2018	n/a	n/a
Phelps	City of Edgar Springs	Yes	July 26, 2018	n/a	n/a
Pike	Town of Paynesville	Yes	July 28, 2018	n/a	n/a

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in July 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Platte	City of Edgerton	Yes	July 16, 2018	n/a	n/a
	City of Parkville	**	June 1, 2018	Yes	**
Putnam	Village of Powersville	Yes	July 31, 2018	n/a	n/a
Randolph	Village of Cairo	Yes	July 27, 2018	n/a	n/a
Saline	City of Emma	Yes	July 1, 2018	n/a	n/a
	City of Miami	Yes	July 24, 2018	n/a	n/a
	City of Slater	Yes	July 16, 2018	n/a	n/a
Schuyler	Village of Glenwood	Yes	July 23, 2018	n/a	n/a
Shannon	City of Winona	Yes	July 16, 2018	Yes	**
St. Charles	City of St. Charles	**	June 29, 2018	**	Yes
	City of St. Paul	Yes	July 19, 2018	n/a	n/a
St. Louis	City of Bel Ridge	**	June 15, 2018	Yes	**
	City of Brentwood	Yes	July 18, 2018	**	**
	City of Huntleigh	Yes	July 30, 2018	n/a	n/a
	City of Lakeshire	**	June 11, 2018	No	Yes
	City of Manchester	Yes	July 17, 2018	No	No
	City of Moline Acres	No		Yes	No
	City of Sunset Hills	Yes	July 12, 2018	Yes	**
	Village of Champ	Yes	July 30, 2018	No	No
	Village of Glen Echo Park	Yes	July 21, 2018	n/a	n/a
	Village of Twin Oaks	Yes	July 6, 2018	No	No
Ste. Genevieve	City of Bloomsdale	Yes	July 18, 2018	n/a	n/a
Stone	City of Galena	Yes	July 30, 2018	No	**
Taney	Village of Kirbyville	Yes	July 1, 2018	n/a	n/a
Texas	City of Houston	Yes	July 3, 2018	**	No
Vernon	City of Nevada	**	June 29, 2018	Yes	**
	Village of Deerfield	Yes	July 19, 2018	n/a	n/a
	Village of Stotesbury	Yes	July 31, 2018	n/a	n/a
Worth	Village of Allendale	Yes	July 24, 2018	n/a	n/a
	Village of Denver	Yes	July 27, 2018	n/a	n/a
Total Filed		67		9	5

** Filed by June 30, 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Scott County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Scott County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name.

Nicole R. Galloway, CPA
State Auditor

August 2018
Report No. 2018-066

THE COUNTY OF SCOTT
BENTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017 AND 2016

**THE COUNTY OF SCOTT
BENTON, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Scott, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Scott ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2017, and 2016, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2017, and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2018, on our consideration of the County of Scott’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Scott’s internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 24, 2018

FINANCIAL STATEMENTS

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH BALANCES JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH BALANCES DECEMBER 31, 2017
General Revenue Fund	\$ 97,927.68	\$ 5,532,307.06	\$ 5,627,545.22	\$ 2,689.52
Special Road and Bridge Fund	214,689.63	1,356,652.27	1,348,627.49	222,714.41
Assessment Fund	19,895.40	502,705.41	488,246.93	34,353.88
Law Enforcement Training Fund	1,235.18	3,666.63	3,737.49	1,164.32
Law Enforcement Fund	355.84	2,727,112.67	2,727,468.51	-
Sheriff's Revolving Fund	582.28	24,721.97	19,022.11	6,282.14
Prosecuting Attorney's Training Fund	1,398.01	936.91	-	2,334.92
Election Services Fund	10,304.54	5,873.95	4,181.51	11,996.98
County Development Fund	-	-	-	-
Administrative Handling Cost Fund	3,934.69	16,003.96	17,119.62	2,819.03
Landfill Fund	7,015.50	26.56	3,900.00	3,142.06
Johnson Grass Fund	15,782.98	50,633.90	53,597.60	12,819.28
Recorder User Fund	62,573.24	22,359.38	17,775.11	67,157.51
HAVA Fund	-	-	-	-
911 Communications Center Fund	-	409,048.99	409,048.99	-
Domestic Violence Fund	-	10,322.37	10,322.37	-
Sheriff's POST Fund	2,466.61	3,242.32	3,450.97	2,257.96
Sheriff's Special Fund	139.85	50,000.00	49,784.48	355.37
Law Enforcement Restitution Fund	28,697.87	22,311.55	14,443.13	36,566.29
TIF Special Allocation Fund	-	43,632.00	43,632.00	-
Insurance Fund	50,981.68	643,802.45	643,672.58	51,111.55
Sheriff's Emergency Response Team Fund	18,124.84	14,651.53	27,692.20	5,084.17
Inmate Security Fund	208.59	74,777.94	36,492.49	38,494.04
Collector's Maintenance Fund	52,864.28	58,956.13	43,315.96	68,504.45
Prosecuting Attorney's Delinquent Tax Fund	4,343.18	544.24	1,693.57	3,193.85
Truancy Fund	122,256.47	31,330.04	19,351.92	134,234.59
Senate Bill 40 Fund	259,581.28	212,529.87	128,582.76	343,528.39
Reserve Fund	1,000,000.00	29,700.20	146,871.47	882,828.73
D.A.R.E. Fund	365.90	1,083.45	710.70	738.65
Juvenile Community Assistance Fund	2,352.67	32,227.75	26,425.32	8,155.10
Family Services and Justice Fund	-	10,797.97	-	10,797.97
TOTAL	<u>\$ 1,978,078.19</u>	<u>\$ 11,891,959.47</u>	<u>\$ 11,916,712.50</u>	<u>\$ 1,953,325.16</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

FUND	CASH BALANCES JANUARY 1, 2016	RECEIPTS 2016	DISBURSEMENTS 2016	CASH BALANCES DECEMBER 31, 2016
General Revenue Fund	\$ 678,285.93	\$ 5,531,425.77	\$ 6,111,784.02	\$ 97,927.68
Special Road and Bridge Fund	176,165.06	1,657,426.13	1,618,901.56	214,689.63
Assessment Fund	42,797.28	451,620.35	474,522.23	19,895.40
Law Enforcement Training Fund	706.01	3,772.17	3,243.00	1,235.18
Law Enforcement Fund	-	2,499,003.89	2,498,648.05	355.84
Sheriff's Revolving Fund	21,690.36	71,225.94	92,334.02	582.28
Prosecuting Attorney's Training Fund	1,813.37	914.41	1,329.77	1,398.01
Election Services Fund	9,889.14	8,082.80	7,667.40	10,304.54
County Development Fund	279,984.33	22.76	280,007.09	-
Administrative Handling Cost Fund	2,995.80	15,594.49	14,655.60	3,934.69
Landfill Fund	10,492.51	10,054.14	13,531.15	7,015.50
Johnson Grass Fund	22,268.25	44,958.68	51,443.95	15,782.98
Recorder User Fund	62,378.81	20,742.39	20,547.96	62,573.24
HAVA Fund	(214.49)	7,007.49	6,793.00	-
911 Communications Center Fund	-	452,782.72	452,782.72	-
Domestic Violence Fund	-	10,682.65	10,682.65	-
Sheriff's POST Fund	5,864.09	4.62	3,402.10	2,466.61
Sheriff's Special Fund	378.27	50,000.00	50,238.42	139.85
Law Enforcement Restitution Fund	11,998.35	19,865.66	3,166.14	28,697.87
TIF Special Allocation Fund	-	46,395.00	46,395.00	-
Insurance Fund	-	654,103.87	603,122.19	50,981.68
Sheriff's Emergency Response Team Fund	1,203.87	42,257.74	25,336.77	18,124.84
Inmate Security Fund	45,747.26	47,177.12	92,715.79	208.59
Collector's Maintenance Fund	52,118.71	54,505.91	53,760.34	52,864.28
Prosecuting Attorney's Delinquent Tax Fund	7,128.70	966.48	3,752.00	4,343.18
Truancy Fund	118,060.93	25,295.29	21,099.75	122,256.47
Senate Bill 40 Fund	236,938.09	188,824.93	166,181.74	259,581.28
Reserve Fund	1,000,000.00	-	-	1,000,000.00
D.A.R.E. Fund	65.90	300.00	-	365.90
Juvenile Community Assistance Fund	-	23,300.69	20,948.02	2,352.67
Family Services and Justice Fund	-	-	-	-
TOTAL	\$ 2,788,756.53	\$ 11,938,314.09	\$ 12,748,992.43	\$ 1,978,078.19

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	GENERAL REVENUE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 24,000.00	\$ 23,510.95	\$ 56,670.00	\$ 56,660.12
Sales Taxes	4,150,000.00	4,146,798.16	4,400,000.00	4,224,343.72
Intergovernmental	436,451.00	395,568.85	426,319.00	329,934.45
Charges for Services	683,053.00	680,126.65	588,750.00	558,260.00
Interest	6,500.00	3,738.08	6,000.00	5,062.85
Other	133,230.00	105,692.90	111,280.00	117,157.54
Transfers In	480,000.00	176,871.47	240,007.09	240,007.09
TOTAL RECEIPTS	5,913,234.00	5,532,307.06	5,829,026.09	5,531,425.77
DISBURSEMENTS				
County Commission	129,436.00	127,245.18	123,547.00	123,251.27
County Clerk	99,881.00	98,226.71	95,360.00	94,704.79
Elections	115,102.75	100,037.14	163,387.00	161,231.55
Buildings and Grounds	808,928.50	787,572.81	1,174,000.00	1,349,465.62
Employee Fringe Benefits	350,000.00	337,112.20	475,000.00	345,919.40
County Treasurer	91,088.00	88,910.37	87,029.00	84,750.42
Collector	153,071.00	147,506.33	148,427.00	141,289.01
Recorder of Deeds	106,499.50	103,880.20	103,129.00	98,702.08
Circuit Clerk	28,000.00	27,022.17	29,500.00	27,589.96
Court Administration	5,200.00	1,925.82	5,200.00	1,825.79
Public Administrator	120,324.50	111,006.56	116,905.00	107,704.76
Sheriff	-	-	-	-
Jail	-	-	-	-
Prosecuting Attorney	380,307.00	384,444.45	372,348.28	365,710.28
Juvenile Officer	130,000.00	96,253.78	130,000.00	100,331.12
County Coroner	48,936.00	42,903.52	52,075.00	45,737.82
Emergency Management	61,078.00	51,440.98	50,983.00	44,324.52
PA Child Support	47,740.50	44,009.14	48,713.00	42,274.98
Reimbursable Grants	242,165.82	180,329.05	220,000.00	186,113.66
General County	437,439.00	404,173.77	491,390.00	400,205.34
Health and Welfare	5,000.00	3,290.71	10,000.00	1,051.68
Other	-	-	-	-
Transfers Out	2,474,377.00	2,490,254.33	2,387,318.00	2,389,599.97
Emergency Fund	175,000.00	-	170,000.00	-
TOTAL DISBURSEMENTS	6,009,574.57	5,627,545.22	6,454,311.28	6,111,784.02
RECEIPTS OVER (UNDER) DISBURSEMENTS	(96,340.57)	(95,238.16)	(625,285.19)	(580,358.25)
CASH BALANCES, JANUARY 1	97,927.68	97,927.68	678,285.93	678,285.93
CASH BALANCES, DECEMBER 31	\$ 1,587.11	\$ 2,689.52	\$ 53,000.74	\$ 97,927.68

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SPECIAL ROAD AND BRIDGE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 718,600.00	\$ 718,072.73	\$ 648,437.00	\$ 648,290.10
Intergovernmental	719,520.00	568,682.68	656,383.50	653,127.38
Charges for Services	55,000.00	50,000.00	54,350.00	54,332.78
Interest	1,500.00	1,182.69	1,200.00	1,153.68
Other	17,500.00	18,714.17	253,000.00	250,522.19
Transfers In	-	-	50,000.00	50,000.00
TOTAL RECEIPTS	1,512,120.00	1,356,652.27	1,663,370.50	1,657,426.13
DISBURSEMENTS				
Salaries	405,000.00	406,453.00	386,000.00	375,444.04
Employee Fringe Benefits	153,000.00	140,294.75	179,500.00	127,820.29
Supplies	118,300.00	102,427.25	117,850.00	101,759.08
Insurance	30,000.00	27,279.00	30,000.00	26,125.00
Road and Bridge Materials	511,000.00	209,051.47	552,000.00	449,964.39
Equipment Repairs	90,000.00	79,929.24	50,000.00	54,664.34
Rentals	1,000.00	-	1,500.00	1,359.70
Equipment Purchases	363,850.00	363,640.98	481,888.00	462,972.43
Road and Bridge Construction	-	-	-	-
Other	38,750.00	19,551.80	36,558.00	18,792.29
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,710,900.00	1,348,627.49	1,835,296.00	1,618,901.56
RECEIPTS OVER (UNDER) DISBURSEMENTS	(198,780.00)	8,024.78	(171,925.50)	38,524.57
CASH BALANCES, JANUARY 1	214,689.63	214,689.63	176,165.06	176,165.06
CASH BALANCES, DECEMBER 31	\$ 15,909.63	\$ 222,714.41	\$ 4,239.56	\$ 214,689.63

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ASSESSMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 482,613.00	\$ 482,434.14	\$ 457,500.00	\$ 432,279.69	\$ 1,650.00	\$ 1,206.00	\$ 1,520.00	\$ 1,438.00
Charges for Services	9,830.00	9,560.55	9,050.00	5,643.69	2,500.00	2,460.63	2,300.00	2,234.17
Interest	400.00	388.72	350.00	383.50	-	-	-	-
Other	3,100.00	-	3,130.00	3,001.47	-	-	-	100.00
Transfers In	10,322.00	10,322.00	10,312.00	10,312.00	-	-	-	-
TOTAL RECEIPTS	506,265.00	502,705.41	480,342.00	451,620.35	4,150.00	3,666.63	3,820.00	3,772.17
DISBURSEMENTS								
Salaries	282,831.50	279,783.60	268,440.00	268,013.28	-	-	-	-
Employee Fringe Benefits	90,000.00	87,786.81	105,000.00	82,484.38	-	-	-	-
Office	24,550.00	25,123.41	30,300.00	20,895.53	-	-	-	-
Mileage	10,000.00	11,203.62	10,000.00	12,757.09	-	-	-	-
Appraisal Contract	15,000.00	15,000.00	15,000.00	11,000.00	-	-	-	-
Equipment and Maintenance	52,815.00	46,193.65	63,225.00	56,216.12	-	-	-	-
Aerial Flying	23,156.00	23,155.84	23,156.00	23,155.83	-	-	-	-
Training	-	-	-	-	5,385.00	3,737.49	4,526.01	3,243.00
Services and Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	498,352.50	488,246.93	515,121.00	474,522.23	5,385.00	3,737.49	4,526.01	3,243.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	7,912.50	14,458.48	(34,779.00)	(22,901.88)	(1,235.00)	(70.86)	(706.01)	529.17
CASH BALANCES, JANUARY 1	19,895.40	19,895.40	42,797.28	42,797.28	1,235.18	1,235.18	706.01	706.01
CASH BALANCES, DECEMBER 31	\$ 27,807.90	\$ 34,353.88	\$ 8,018.28	\$ 19,895.40	\$ 0.18	\$ 1,164.32	\$ -	\$ 1,235.18

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	LAW ENFORCEMENT FUND				SHERIFF'S REVOLVING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ 300.00	\$ 250.96	\$ -	\$ -	\$ -	\$ -
Intergovernmental	570,680.00	544,530.46	590,598.00	427,162.79	-	5,345.75	-	-
Charges for Services	43,600.00	41,466.38	39,600.00	32,267.26	60,000.00	7,140.00	75,000.00	71,131.25
Interest	-	-	-	-	125.00	12.68	200.00	94.69
Other	14,800.00	12,435.47	5,700.00	2,908.88	-	12,223.54	-	-
Transfers In	2,109,655.00	2,128,680.36	2,062,814.00	2,036,414.00	-	-	-	-
TOTAL RECEIPTS	2,738,735.00	2,727,112.67	2,699,012.00	2,499,003.89	60,125.00	24,721.97	75,200.00	71,225.94
DISBURSEMENTS								
Sheriff	92,238.00	92,376.00	86,134.00	82,181.45	60,707.00	19,022.11	96,890.00	92,334.02
Jail	137,637.00	142,173.04	163,137.00	141,023.49	-	-	-	-
Vehicles	243,001.00	240,058.14	236,802.00	223,128.01	-	-	-	-
Buildings & Other	585,487.00	582,414.79	461,500.00	454,031.05	-	-	-	-
Salaries	1,281,677.00	1,277,901.72	1,210,923.00	1,246,182.24	-	-	-	-
Employee Fringe Benefits	394,750.00	386,996.90	420,000.00	341,390.73	-	-	-	-
Supplies	4,300.00	5,547.92	70,516.00	10,711.08	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,739,090.00	2,727,468.51	2,649,012.00	2,498,648.05	60,707.00	19,022.11	96,890.00	92,334.02
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(355.00)	(355.84)	50,000.00	355.84	(582.00)	5,699.86	(21,690.00)	(21,108.08)
CASH BALANCES, JANUARY 1	355.84	355.84	-	-	582.28	582.28	21,690.36	21,690.36
CASH BALANCES, DECEMBER 31	\$ 0.84	\$ -	\$ 50,000.00	\$ 355.84	\$ 0.28	\$ 6,282.14	\$ 0.36	\$ 582.28

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	PROSECUTING ATTORNEY'S TRAINING FUND				ELECTION SERVICES FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 515.00	\$ 301.48	\$ 510.00	\$ 362.02	\$ 10,000.00	\$ -	\$ 15,000.00	\$ 3,935.30
Charges for Services	650.00	635.43	800.00	552.39	1,500.00	5,844.65	7,000.00	4,117.86
Interest	-	-	-	-	50.00	29.30	100.00	29.64
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,165.00	936.91	1,310.00	914.41	11,550.00	5,873.95	22,100.00	8,082.80
DISBURSEMENTS								
Election Supplies	-	-	-	-	21,854.00	4,181.51	31,989.00	7,667.40
Training	2,563.00	-	3,123.00	1,329.77	-	-	-	-
TOTAL DISBURSEMENTS	2,563.00	-	3,123.00	1,329.77	21,854.00	4,181.51	31,989.00	7,667.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,398.00)	936.91	(1,813.00)	(415.36)	(10,304.00)	1,692.44	(9,889.00)	415.40
CASH BALANCES, JANUARY 1	1,398.01	1,398.01	1,813.37	1,813.37	10,304.54	10,304.54	9,889.14	9,889.14
CASH BALANCES, DECEMBER 31	\$ 0.01	\$ 2,334.92	\$ 0.37	\$ 1,398.01	\$ 0.54	\$ 11,996.98	\$ 0.14	\$ 10,304.54

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THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	COUNTY DEVELOPMENT FUND				ADMINISTRATIVE HANDLING COST FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	16,750.00	15,761.93	20,900.00	15,590.49
Interest	-	-	22.76	22.76	-	-	25.00	-
Other	-	-	-	-	-	242.03	-	4.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	22.76	22.76	16,750.00	16,003.96	20,925.00	15,594.49
DISBURSEMENTS								
Housing and County Development	-	-	-	-	-	-	-	-
Supplies and Equipment	-	-	-	-	20,684.00	17,119.62	23,920.00	14,655.60
Transfers Out	-	-	280,007.09	280,007.09	-	-	-	-
TOTAL DISBURSEMENTS	-	-	280,007.09	280,007.09	20,684.00	17,119.62	23,920.00	14,655.60
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	(279,984.33)	(279,984.33)	(3,934.00)	(1,115.66)	(2,995.00)	938.89
CASH BALANCES, JANUARY 1	-	-	279,984.33	279,984.33	3,934.69	3,934.69	2,995.80	2,995.80
CASH BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.69</u>	<u>\$ 2,819.03</u>	<u>\$ 0.80</u>	<u>\$ 3,934.69</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	LANDFILL FUND				JOHNSON GRASS FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 50,306.00	\$ 50,000.00	\$ 44,591.43
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	275.00	198.00	-	229.23
Interest	75.00	9.97	50.00	40.78	175.00	129.90	200.00	138.02
Other	25.00	16.59	10.00	13.36	-	-	-	-
Transfers In	-	-	10,000.00	10,000.00	-	-	-	-
TOTAL RECEIPTS	100.00	26.56	10,060.00	10,054.14	50,450.00	50,633.90	50,200.00	44,958.68
DISBURSEMENTS								
Repairs	1,000.00	-	1,500.00	3,109.15	-	-	-	-
Landfill Project	115.00	-	10,000.00	1,922.00	-	-	-	-
Engineering and Testing	6,000.00	3,900.00	9,052.00	8,500.00	-	-	-	-
Salaries and Equipment	-	-	-	-	50,000.00	50,000.00	50,000.00	50,000.00
Chemicals	-	-	-	-	16,200.00	3,597.60	22,468.00	1,443.95
TOTAL DISBURSEMENTS	7,115.00	3,900.00	20,552.00	13,531.15	66,200.00	53,597.60	72,468.00	51,443.95
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(7,015.00)	(3,873.44)	(10,492.00)	(3,477.01)	(15,750.00)	(2,963.70)	(22,268.00)	(6,485.27)
CASH BALANCES, JANUARY 1	7,015.50	7,015.50	10,492.51	10,492.51	15,782.98	15,782.98	22,268.25	22,268.25
CASH BALANCES, DECEMBER 31	\$ 0.50	\$ 3,142.06	\$ 0.51	\$ 7,015.50	\$ 32.98	\$ 12,819.28	\$ 0.25	\$ 15,782.98

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	RECORDER USER FUND				HAVA FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00	\$ -	\$ 25,000.00	\$ 7,007.49
Charges for Services	22,200.00	22,195.25	21,000.00	20,587.25	-	-	-	-
Interest	250.00	164.13	200.00	155.14	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	22,450.00	22,359.38	21,200.00	20,742.39	10,000.00	-	25,000.00	7,007.49
DISBURSEMENTS								
Equipment	40,000.00	9,422.95	40,000.00	10,802.84	-	-	-	-
Supplies	10,000.00	8,352.16	10,000.00	9,745.12	10,000.00	-	24,785.00	6,793.00
Services and Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	50,000.00	17,775.11	50,000.00	20,547.96	10,000.00	-	24,785.00	6,793.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(27,550.00)	4,584.27	(28,800.00)	194.43	-	-	215.00	214.49
CASH BALANCES, JANUARY 1	62,573.24	62,573.24	62,378.81	62,378.81	-	-	(214.49)	(214.49)
CASH BALANCES, DECEMBER 31	\$ 35,023.24	\$ 67,157.51	\$ 33,578.81	\$ 62,573.24	\$ -	\$ -	\$ 0.51	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	911 COMMUNICATIONS CENTER FUND				DOMESTIC VIOLENCE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	3,550.00	2,392.00	3,025.00	2,862.00
Charges for Services	2,000.00	2,000.00	2,500.00	-	9,500.00	7,928.16	8,000.00	7,819.65
Interest	-	-	145,708.00	-	25.00	2.21	-	1.00
Other	147,600.00	129,129.22	-	132,703.75	-	-	-	-
Transfers In	274,700.00	277,919.77	314,192.00	320,078.97	-	-	-	-
TOTAL RECEIPTS	424,300.00	409,048.99	462,400.00	452,782.72	13,075.00	10,322.37	11,025.00	10,682.65
DISBURSEMENTS								
Salaries	270,000.00	262,495.66	300,000.00	298,744.11	-	-	-	-
Employee Fringe Benefits	82,500.00	80,000.77	92,100.00	95,775.47	-	-	-	-
Supplies	2,800.00	2,643.25	2,600.00	2,081.23	-	-	-	-
Network Expenses	51,000.00	46,736.40	51,000.00	47,435.93	-	-	-	-
Equipment and Maintenance	14,000.00	14,093.66	12,700.00	7,529.10	-	-	-	-
Mileage and Training	4,000.00	3,079.25	4,000.00	1,216.88	-	-	-	-
House of Refuge	-	-	-	-	13,075.00	10,322.37	11,025.00	10,682.65
TOTAL DISBURSEMENTS	424,300.00	409,048.99	462,400.00	452,782.72	13,075.00	10,322.37	11,025.00	10,682.65
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH BALANCES, JANUARY 1	-	-	-	-	-	-	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SHERIFF'S POST FUND				SHERIFF'S SPECIAL FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	3,245.00	3,242.32	2,000.00	-	49,950.00	49,984.70	49,975.00	49,963.88
Interest	25.00	-	5.00	4.62	50.00	15.30	25.00	36.12
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,270.00	3,242.32	2,005.00	4.62	50,000.00	50,000.00	50,000.00	50,000.00
DISBURSEMENTS								
Equipment and Supplies	5,736.00	3,450.97	7,869.09	3,402.10	50,139.00	49,621.36	50,378.00	26,638.42
Services and Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	163.12	-	23,600.00
TOTAL DISBURSEMENTS	5,736.00	3,450.97	7,869.09	3,402.10	50,139.00	49,784.48	50,378.00	50,238.42
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(2,466.00)	(208.65)	(5,864.09)	(3,397.48)	(139.00)	215.52	(378.00)	(238.42)
CASH BALANCES, JANUARY 1	2,466.61	2,466.61	5,864.09	5,864.09	139.85	139.85	378.27	378.27
CASH BALANCES, DECEMBER 31	\$ 0.61	\$ 2,257.96	\$ -	\$ 2,466.61	\$ 0.85	\$ 355.37	\$ 0.27	\$ 139.85

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	LAW ENFORCEMENT RESTITUTION FUND				TIF SPECIAL ALLOCATION FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	22,500.00	22,221.65	20,000.00	19,820.42	-	-	-	-
Interest	100.00	89.90	100.00	45.24	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	65,000.00	43,632.00	49,000.00	46,395.00
TOTAL RECEIPTS	22,600.00	22,311.55	20,100.00	19,865.66	65,000.00	43,632.00	49,000.00	46,395.00
DISBURSEMENTS								
Supplies and Equipment	50,797.00	14,443.13	30,098.00	3,166.14	-	-	-	-
City of Sikeston	-	-	-	-	35,000.00	27,647.00	32,000.00	25,486.00
City of Miner	-	-	-	-	30,000.00	15,985.00	17,000.00	20,909.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	50,797.00	14,443.13	30,098.00	3,166.14	65,000.00	43,632.00	49,000.00	46,395.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(28,197.00)	7,868.42	(9,998.00)	16,699.52	-	-	-	-
CASH BALANCES, JANUARY 1	28,697.87	28,697.87	11,998.35	11,998.35	-	-	-	-
CASH BALANCES, DECEMBER 31	\$ 500.87	\$ 36,566.29	\$ 2,000.35	\$ 28,697.87	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	INSURANCE FUND				SHERIFF'S EMERGENCY RESPONSE TEAM FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	250.00	129.87	200.00	119.66	50.00	24.97	50.00	26.25
Other	700,000.00	643,672.58	700,000.00	653,984.21	30,000.00	14,626.56	40,000.00	42,231.49
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	700,250.00	643,802.45	700,200.00	654,103.87	30,050.00	14,651.53	40,050.00	42,257.74
DISBURSEMENTS								
Insurance Premiums	651,231.00	643,672.58	500,200.00	574,989.52	-	-	-	-
Insurance Claims	100,000.00	-	200,000.00	28,132.67	-	-	-	-
Supplies and Equipment	-	-	-	-	48,174.00	27,692.20	41,253.00	25,336.77
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	751,231.00	643,672.58	700,200.00	603,122.19	48,174.00	27,692.20	41,253.00	25,336.77
RECEIPTS OVER (UNDER) DISBURSEMENTS	(50,981.00)	129.87	-	50,981.68	(18,124.00)	(13,040.67)	(1,203.00)	16,920.97
CASH BALANCES, JANUARY 1	50,981.68	50,981.68	-	-	18,124.84	18,124.84	1,203.87	1,203.87
CASH BALANCES, DECEMBER 31	<u>\$ 0.68</u>	<u>\$ 51,111.55</u>	<u>\$ -</u>	<u>\$ 50,981.68</u>	<u>\$ 0.84</u>	<u>\$ 5,084.17</u>	<u>\$ 0.87</u>	<u>\$ 18,124.84</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	INMATE SECURITY FUND				COLLECTOR'S MAINTENANCE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 4,190.00	\$ 4,083.00	\$ 5,500.00	\$ 4,813.00	\$ -	\$ -	\$ -	\$ -
Charges for Services	70,713.00	69,363.03	47,200.00	42,266.30	58,762.00	58,761.84	55,000.00	54,331.12
Interest	125.00	35.17	100.00	97.82	200.00	194.29	200.00	174.79
Other	-	1,296.74	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	75,028.00	74,777.94	52,800.00	47,177.12	58,962.00	58,956.13	55,200.00	54,505.91
DISBURSEMENTS								
Inmate Security	75,236.00	36,492.49	98,547.00	92,715.79	-	-	-	-
Supplies and Equipment	-	-	-	-	73,014.00	13,315.96	82,258.00	33,760.34
Transfers Out	-	-	-	-	30,000.00	30,000.00	20,000.00	20,000.00
TOTAL DISBURSEMENTS	75,236.00	36,492.49	98,547.00	92,715.79	103,014.00	43,315.96	102,258.00	53,760.34
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(208.00)	38,285.45	(45,747.00)	(45,538.67)	(44,052.00)	15,640.17	(47,058.00)	745.57
CASH BALANCES, JANUARY 1	208.59	208.59	45,747.26	45,747.26	52,864.28	52,864.28	52,118.71	52,118.71
CASH BALANCES, DECEMBER 31	\$ 0.59	\$ 38,494.04	\$ 0.26	\$ 208.59	\$ 8,812.28	\$ 68,504.45	\$ 5,060.71	\$ 52,864.28

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	PROSECUTING ATTORNEY'S DELINQUENT TAX FUND				TRUANCY FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,200.00	544.24	2,500.00	953.70	-	-	-	-
Charges for Services	-	-	-	-	31,000.00	31,000.00	25,000.00	25,000.00
Interest	15.00	-	25.00	12.78	350.00	330.04	400.00	295.29
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,215.00	544.24	2,525.00	966.48	31,350.00	31,330.04	25,400.00	25,295.29
DISBURSEMENTS								
Services and Other	5,558.00	1,693.57	9,653.00	3,752.00	144,606.00	19,351.92	143,460.00	21,099.75
TOTAL DISBURSEMENTS	5,558.00	1,693.57	9,653.00	3,752.00	144,606.00	19,351.92	143,460.00	21,099.75
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,343.00)	(1,149.33)	(7,128.00)	(2,785.52)	(113,256.00)	11,978.12	(118,060.00)	4,195.54
CASH BALANCES, JANUARY 1	4,343.18	4,343.18	7,128.70	7,128.70	122,256.47	122,256.47	118,060.93	118,060.93
CASH BALANCES, DECEMBER 31	\$ 0.18	\$ 3,193.85	\$ 0.70	\$ 4,343.18	\$ 9,000.47	\$ 134,234.59	\$ 0.93	\$ 122,256.47

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SENATE BILL 40 FUND				RESERVE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 188,000.00	\$ 209,405.55	\$ 198,000.00	\$ 185,659.69	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,000.00	795.96	500.00	916.91	-	-	-	-
Interest	700.00	814.89	500.00	664.07	-	-	-	-
Other	1,515.00	1,513.47	16.00	1,584.26	-	-	-	-
Transfers In	-	-	-	-	-	29,700.20	-	-
TOTAL RECEIPTS	191,215.00	212,529.87	199,016.00	188,824.93	-	29,700.20	-	-
DISBURSEMENTS								
Contracts	163,220.00	112,090.75	177,518.80	116,445.62	-	-	-	-
Other Projects	27,900.00	16,492.01	80,371.75	49,736.12	-	-	-	-
Transfers Out	-	-	-	-	1,000,000.00	146,871.47	1,000,000.00	-
TOTAL DISBURSEMENTS	191,120.00	128,582.76	257,890.55	166,181.74	1,000,000.00	146,871.47	1,000,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	95.00	83,947.11	(58,874.55)	22,643.19	(1,000,000.00)	(117,171.27)	(1,000,000.00)	-
CASH BALANCES, JANUARY 1	259,581.28	259,581.28	236,938.09	236,938.09	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
CASH BALANCES, DECEMBER 31	\$ 259,676.28	\$ 343,528.39	\$ 178,063.54	\$ 259,581.28	\$ -	\$ 882,828.73	\$ -	\$ 1,000,000.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	D.A.R.E. FUND				JUVENILE COMMUNITY ASSISTANCE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	35,000.00	31,323.00	30,000.00	16,976.50
Interest	-	-	-	-	25.00	7.39	25.00	5.30
Other	1,500.00	920.33	500.00	300.00	-	897.36	-	6,318.89
Transfers In	-	163.12	-	-	-	-	-	-
TOTAL RECEIPTS	1,500.00	1,083.45	500.00	300.00	35,025.00	32,227.75	30,025.00	23,300.69
DISBURSEMENTS								
D.A.R.E. Training	1,865.90	710.70	565.90	-	-	-	-	-
Services and Other	-	-	-	-	37,377.00	26,425.32	30,025.00	20,948.02
TOTAL DISBURSEMENTS	1,865.90	710.70	565.90	-	37,377.00	26,425.32	30,025.00	20,948.02
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(365.90)	372.75	(65.90)	300.00	(2,352.00)	5,802.43	-	2,352.67
CASH BALANCES, JANUARY 1	365.90	365.90	65.90	65.90	2,352.67	2,352.67	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ 738.65	\$ -	\$ 365.90	\$ 0.67	\$ 8,155.10	\$ -	\$ 2,352.67

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	FAMILY SERVICES AND JUSTICE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	34,500.00	10,795.00	-	-
Interest	-	2.97	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	34,500.00	10,797.97	-	-
DISBURSEMENTS				
Services and Other	4,500.00	-	-	-
TOTAL DISBURSEMENTS	4,500.00	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	30,000.00	10,797.97	-	-
CASH BALANCES, JANUARY 1	-	-	-	-
CASH BALANCES, DECEMBER 31	\$ 30,000.00	\$ 10,797.97	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	<u>School Fines</u>	<u>Fees and Dues</u>	<u>Overplus Fund</u>	<u>Consolidated District #1</u>	<u>Intangible Tax</u>
ASSETS					
Cash and Cash Equivalents	\$ 77,638.37	\$ 792.91	\$ 6,548.83	\$ 10,833.92	\$ 61,465.31
Total Assets	77,638.37	792.91	6,548.83	10,833.92	61,465.31
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	77,638.37	792.91	6,548.83	10,833.92	61,465.31
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 77,638.37</u>	<u>\$ 792.91</u>	<u>\$ 6,548.83</u>	<u>\$ 10,833.92</u>	<u>\$ 61,465.31</u>
	<u>Levee District #2</u>	<u>Oran Fire</u>	<u>Collector</u>	<u>Recorder of Deeds</u>	<u>Prosecuting Attorney</u>
ASSETS					
Cash and Cash Equivalents	\$ 55,559.34	\$ -	\$ 6,169,806.86	\$ 250.00	\$ 28,602.42
Total Assets	55,559.34	-	6,169,806.86	250.00	28,602.42
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	55,559.34	-	6,169,806.86	250.00	28,602.42
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 55,559.34</u>	<u>\$ -</u>	<u>\$ 6,169,806.86</u>	<u>\$ 250.00</u>	<u>\$ 28,602.42</u>
	<u>Sheriff</u>	<u>CERF</u>	<u>Deputy Salary Supplemental</u>	<u>Grand Total Agency Funds</u>	
ASSETS					
Cash and Cash Equivalents	\$ 28,010.33	\$ -	\$ -	\$ 6,439,508.29	
Total Assets	28,010.33	-	-	6,439,508.29	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	28,010.33	-	-	\$ 6,439,508.29	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 28,010.33</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,439,508.29</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2016

	School Fines	Fees and Dues	Overplus Fund	Consolidated District #1	Intangible Tax
ASSETS					
Cash and Cash Equivalents	\$ 63,158.04	\$ 891.10	\$ 4,432.82	\$ 60,773.48	\$ 105,289.20
Total Assets	63,158.04	891.10	4,432.82	60,773.48	105,289.20
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	63,158.04	891.10	4,432.82	60,773.48	105,289.20
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 63,158.04</u>	<u>\$ 891.10</u>	<u>\$ 4,432.82</u>	<u>\$ 60,773.48</u>	<u>\$ 105,289.20</u>
	Levee District #2	Oran Fire	Collector	Recorder of Deeds	Prosecuting Attorney
ASSETS					
Cash and Cash Equivalents	\$ 51,658.20	\$ -	\$ 5,336,311.51	\$ 250.00	\$ 41,779.34
Total Assets	51,658.20	-	5,336,311.51	250.00	41,779.34
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	51,658.20	-	5,336,311.51	250.00	41,779.34
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 51,658.20</u>	<u>\$ -</u>	<u>\$ 5,336,311.51</u>	<u>\$ 250.00</u>	<u>\$ 41,779.34</u>
	Sheriff	CERF	Deputy Salary Supplemental	Grand Total Agency Funds	
ASSETS					
Cash and Cash Equivalents	\$ 30,516.01	\$ 8,121.45	\$ -	\$ 5,703,181.15	
Total Assets	30,516.01	8,121.45	-	5,703,181.15	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	30,516.01	8,121.45	-	\$ 5,703,181.15	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 30,516.01</u>	<u>\$ 8,121.45</u>	<u>\$ -</u>	<u>\$ 5,703,181.15</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Scott, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1821 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Treasurer, Collector of Revenue, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the County of Scott County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar years 2017 and 2016, for purposes of taxation, was:

	2017	2016
Real Estate	\$ 281,499,370	\$ 275,353,780
Personal Property	145,156,290	144,609,950
Railroad and Utilities	46,196,692	45,623,362
	<u>\$ 472,852,352</u>	<u>\$ 465,587,092</u>

During 2017 and 2016, the County Commission approved a \$0.3514 and \$0.3514 tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2017	2016
General Revenue Fund	\$ 0.0000	\$ 0.0000
Special Road and Bridge Fund	0.3012	0.3012
Johnson Grass Fund	0.0100	0.0100
Senate Bill 40 Fund	0.0402	0.0402
	<u>\$ 0.3514</u>	<u>\$ 0.3514</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017, and 2016, the carrying amount of the County's deposits was \$1,953,325.16 and \$1,978,078.19, respectively, and the bank balance was \$7,191,469.48 and \$11,371,773.44, respectively. The total bank balances as of December 31, 2017, and 2016 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
Deposits and cash equivalents	\$ 1,953,325.16
Total Governmental Funds	<u>1,953,325.16</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>6,439,508.29</u>
Total Agency Funds	<u>6,439,508.29</u>
Total Deposits as of December 31, 2017	<u>\$ 8,392,833.45</u>

The carrying values of deposits shown above are included in the financial statements at December 31, 2016, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
Deposits and cash equivalents	\$ 1,978,078.19
Total Governmental Funds	<u>1,978,078.19</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>5,703,181.15</u>
Total Agency Funds	<u>5,703,181.15</u>
Total Deposits as of December 31, 2016	<u>\$ 7,681,259.34</u>

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2017, and 2016.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2017, and 2016.

III. LONG-TERM DEBT

On April 9, 2015, the County entered into a lease agreement for \$130,095 with First State Bank and Trust Company for the purchase of a Motor Grader. The County is required to make one payment of \$130,095. The lease carries an interest rate of 4.0% and was paid off during 2016.

On December 28, 2015, the County entered into a lease agreement for \$87,000 with Kansas State Bank for the purchase of 18 Motorola Radios. The County is required to make three annual payments of \$31,887.30. The lease agreement carries an interest rate of 9.0%.

On June 30, 2016, the County entered into a lease agreement for \$250,095 with First State Bank and Trust Company for the purchase of a Paver. The County is required to make two varying annual payments of \$132,338.40 and \$128,847.85. The lease agreement carries an interest rate of 3.0%.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT (concluded)

As of December 31, 2017, the unpaid principal balances of the lease purchases agreements were \$155,492.81.

Description	12/31/2016	Additions	Payments	12/31/2017	Current Year
Paver	\$ 250,095.00	\$ -	\$ 125,000.00	\$ 125,095.00	\$ 7,338.40
Radios	59,375.70	-	28,977.89	30,397.81	2,909.41
	<u>\$ 309,470.70</u>	<u>\$ -</u>	<u>\$ 153,977.89</u>	<u>\$ 155,492.81</u>	<u>\$ 10,247.81</u>

The future payments for the lease purchase agreements of the County are as follows:

December 31,	Interest	Principal	Total
2018	\$ 5,242.34	\$ 155,492.81	\$ 160,735.15
	<u>\$ 5,242.34</u>	<u>\$ 155,492.81</u>	<u>\$ 160,735.15</u>

As of December 31, 2016, the unpaid principal balances of the lease purchases agreements were \$309,470.70.

Description	12/31/2015	Additions	Payments	12/31/2016	Current Year
Paver	\$ -	\$ 250,095.00	\$ -	\$ 250,095.00	\$ -
Radios	87,000.00	-	27,624.30	59,375.70	4,263.00
Motor Grader	130,095.00	-	130,095.00	-	4,642.44
	<u>\$ 217,095.00</u>	<u>\$ 250,095.00</u>	<u>\$ 157,719.30</u>	<u>\$ 309,470.70</u>	<u>\$ 8,905.44</u>

The future payments for the lease purchase agreements of the County are as follows:

December 31,	Interest	Principal	Total
2017	\$ 10,247.81	\$ 153,977.89	\$ 164,225.70
2018	5,242.34	155,492.81	160,735.15
	<u>\$ 15,490.15</u>	<u>\$ 309,470.70</u>	<u>\$ 324,960.85</u>

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2017, and 2016, are as follows:

	2017		2016	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 176,871.47	\$ 2,490,254.33	\$ 240,007.09	\$ 2,389,599.97
Special Road and Bridge Fund	-	-	50,000.00	-
Assessment Fund	10,322.00	-	10,312.00	-
Law Enforcement Fund	2,128,680.36	-	2,036,414.00	-
County Development Fund	-	-	-	280,007.09
Landfill Fund	-	-	10,000.00	-
911 Communications Center Fund	277,919.77	-	320,078.97	-
Sheriff's Special Fund	-	163.12	-	23,600.00
TIF Special Allocation Fund	43,632.00	-	46,395.00	-
Collector's Maintenance Fund	-	30,000.00	-	20,000.00
Reserve Fund	29,700.20	146,871.47	-	-
D.A.R.E. Fund	163.12	-	-	-
TOTAL	\$ 2,667,288.92	\$ 2,667,288.92	\$ 2,713,207.06	\$ 2,713,207.06

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement.

Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2017, and 2016, were \$107,154.23 and \$101,454.83, respectively.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Scott County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Scott County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

	<u>2017 Valuation</u>
Benefit Multiplier:	1.50%
Final Average Salary:	3 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	47	25
Inactive employees entitled to but not yet receiving benefits	60	30
Active employees	65	23
	<u>172</u>	<u>78</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 6.2% (General) and 9.3% (Police) of annual covered payroll.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

Mortality rates were based on the 1994 Group Annuity Mortality Table set back 0 years for both males and females.

The actuarial assumptions used in the February 28, 2017, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 198,412	\$ 80,994
2 Interest on Total Pension Liability	531,157	283,106
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(277,458)	45,823
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(286,955)	(267,769)
7 Net change in total pension liability	165,156	142,154
8 Total pension liability - beginning	7,369,803	3,996,658
9 Total pension liability - ending	<u>\$ 7,534,959</u>	<u>\$ 4,138,812</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 144,586	\$ 68,055
2 Contributions - employee	-	-
3 Net investment income	924,411	508,413
4 Benefit payments, including refunds of employee contributions	(286,955)	(267,769)
5 Pension plan administrative expense	(11,716)	(4,804)
6 Other (net transfer)	(100,330)	44,070
7 Net change in plan fiduciary net position	669,996	347,965
8 Plan fiduciary net position - beginning	7,961,981	4,050,545
9 Plan fiduciary net position - ending	<u>\$ 8,631,977</u>	<u>\$ 4,398,510</u>
C. Net Pension Liability / (Asset)	<u>\$ (1,097,018)</u>	<u>\$ (259,698)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.56%	106.27%
E. Covered-Employee Payroll	\$ 2,065,511	\$ 873,388
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-53.11%	-29.73%

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 8,598,977	\$ 7,534,959	\$ 6,661,143
Plan Fiduciary Net Position	8,631,977	8,631,977	8,631,977
Net Pension Liability / (Asset) (NPL)	\$ (33,000)	\$ (1,097,018)	\$ (1,970,834)
Police Division:			
Total Pension Liability (TPL)	\$ 4,748,556	\$ 4,138,812	\$ 3,641,706
Plan Fiduciary Net Position	4,398,510	4,398,510	4,398,510
Net Pension Liability / (Asset) (NPL)	\$ 350,046	\$ (259,698)	\$ (756,804)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the employer recognized pension expense of \$465,342 for the general and \$179,623 for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 74,458	\$ (94,046)	\$ 42,255	\$ -
Changes in assumptions	76,512	-	38,826	-
Net difference between projected and actual earnings on pension plan investments	206,231	(71,246)	105,751	(44,093)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 357,201</u>	<u>\$ (165,292)</u>	<u>\$ 186,832</u>	<u>\$ (44,093)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2018	\$ 191,909	\$ 136,661
2019	134,800	74,626
2020	(4,420)	26,927
2021	(71,245)	(44,091)
2022	-	-
Thereafter	-	-
Total	<u>\$ 251,044</u>	<u>\$ 194,123</u>

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$2,618, respectively, for the years ended December 31, 2017, and 2016.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2017, and December 31, 2016.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Employees receive one week of vacation after the first year of service, two weeks of vacation per year after two years of employment, three weeks of vacation per year after twelve years of employment, and four weeks of vacation per year after twenty years of employment. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue four hours of sick leave per month for a total of six days for the year. The County allows employees to carry forward any and all unused sick leave up to 560 hours. However, upon termination, employees do not get reimbursed for sick leave. These have not been subjected to auditing procedures.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. SUBSEQUENT EVENTS

There are no subsequent events to report as of the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF SCOTT
BENTON, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2017 AND 2016

SCHEDULE OF STATE FINDINGS

There were no state findings for the years ended December 31, 2017, and 2016.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Scott, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Scott ("County"), Missouri which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 24, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 24, 2018

THE COUNTY OF SCOTT
BENTON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the years ended December 31, 2017, and December 31, 2016.

THE COUNTY OF SCOTT
BENTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There was no audit completed for the year ended December 31, 2015, therefore we have no prior year audit findings to report.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

July 24, 2018

To the County Commissioners
The County of Scott, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Scott (the "County") as of and for the years ended December 31, 2017, and 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our comments concerning internal control and other significant matters are presented as follows:

I. Information Required by Professional Standards

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 6, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2017 and 2016 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 24, 2018.

I. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Washington County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Washington County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2018
Report No. 2018-065

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017 AND 2016

**THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Washington, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Washington ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash and investment balances-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2017, and 2016, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2017, and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Washington’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2018, on our consideration of the County of Washington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Washington's internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 12, 2018

FINANCIAL STATEMENTS

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH AND INVESTMENT BALANCES	RECEIPTS	DISBURSEMENTS	CASH AND INVESTMENT BALANCES
	JANUARY 1, 2017	2017	2017	DECEMBER 31, 2017
General Revenue Fund	\$ 18,535.47	\$ 3,305,436.66	\$ 3,308,955.73	\$ 15,016.40
Special Road and Bridge Fund	611,446.69	3,395,064.33	3,351,961.64	654,549.38
Assessment Fund	77,550.20	350,628.18	313,527.94	114,650.44
Sheriff L.E.F. Fund	2,800.30	1,549,939.90	1,477,954.65	74,785.55
Sheriff L.E.T. Fund	887.93	2,593.83	1,025.00	2,456.76
Prosecuting Attorney Delinquent Fund	15,018.43	1,846.42	2,396.11	14,468.74
Prosecuting Attorney Training Fund	5,906.62	520.64	89.79	6,337.47
Prosecuting Attorney Bad Check Fund	64,104.57	6,074.36	11,467.40	58,711.53
Sheriff's Civil Fund	36,517.70	50,180.51	60,000.00	26,698.21
Recorder User Fund	45,914.65	9,772.08	12,140.00	43,546.73
Airport Fund	11,291.70	38,852.25	35,497.35	14,646.60
Election Service Fund	363.35	3,210.52	-	3,573.87
Recorder Technology Fund	12,614.99	6,330.94	6,683.22	12,262.71
Revolving Loan Fund	658,019.07	16,537.76	20.50	674,536.33
Economic Development Fund	4,479,344.62	920,318.57	1,070,507.18	4,329,156.01
Building Fund	333,563.24	161,749.82	-	495,313.06
Sheriff Revolving Fund	28,901.32	6,631.74	28,000.00	7,533.06
Senior Citizen Services Fund	64,778.95	123,872.99	121,898.35	66,753.59
Senate Bill 40 Fund	901,580.04	1,296,306.88	1,264,033.77	933,853.15
Rental Property Fund	28,234.85	37,913.99	27,911.59	38,237.25
Emergency Fund	120,697.42	1,251.67	-	121,949.09
Sheriff's Inmate Security Fund	4,938.31	4,141.77	2,288.89	6,791.19
L.E.F. Restitution Fund	21,130.63	26,015.63	31,247.56	15,898.70
Help America Vote Act Fund	2,105.71	2,138.20	-	4,243.91
No Interest Fund	-	-	-	-
Tax Maintenance Fund	43,245.08	36,111.19	45,615.40	33,740.87
Total	\$ 7,589,491.84	\$ 11,353,440.83	\$ 11,173,222.07	\$ 7,769,710.60

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

FUND	CASH AND INVESTMENT BALANCES	RECEIPTS	DISBURSEMENTS	CASH AND INVESTMENT BALANCES
	JANUARY 1, 2016	2016	2016	DECEMBER 31, 2016
General Revenue Fund	\$ 15,427.23	\$ 3,686,760.33	\$ 3,683,652.09	\$ 18,535.47
Special Road and Bridge Fund	584,022.03	2,825,205.94	2,797,781.28	611,446.69
Assessment Fund	71,818.41	385,790.39	380,058.60	77,550.20
Sheriff L.E.F. Fund	35,619.50	1,521,928.90	1,554,748.10	2,800.30
Sheriff L.E.T. Fund	1,555.29	2,482.64	3,150.00	887.93
Prosecuting Attorney Delinquent Fund	15,370.29	822.85	1,174.71	15,018.43
Prosecuting Attorney Training Fund	7,643.24	407.88	2,144.50	5,906.62
Prosecuting Attorney Bad Check Fund	71,107.23	4,993.13	11,995.79	64,104.57
Sheriff's Civil Fund	-	36,517.70	-	36,517.70
Recorder User Fund	54,072.89	8,941.76	17,100.00	45,914.65
Airport Fund	8,911.03	14,564.15	12,183.48	11,291.70
Election Service Fund	570.91	3,166.60	3,374.16	363.35
Recorder Technology Fund	9,992.72	5,982.27	3,360.00	12,614.99
Revolving Loan Fund	643,957.88	14,061.19	-	658,019.07
Economic Development Fund	3,911,798.70	975,940.13	408,394.21	4,479,344.62
Building Fund	636,225.98	31,915.06	334,577.80	333,563.24
Sheriff Revolving Fund	14,122.74	44,778.58	30,000.00	28,901.32
Senior Citizen Services Fund	68,820.02	116,014.89	120,055.96	64,778.95
Senate Bill 40 Fund	950,644.89	1,006,558.78	1,055,623.63	901,580.04
Rental Property Fund	23,524.36	32,622.08	27,911.59	28,234.85
Emergency Fund	120,251.39	446.03	-	120,697.42
Sheriff's Inmate Security Fund	1,510.85	3,427.46	-	4,938.31
L.E.F. Restitution Fund	19,595.30	31,346.19	29,810.86	21,130.63
Help America Vote Act Fund	-	2,105.71	-	2,105.71
No Interest Fund	-	-	-	-
Tax Maintenance Fund	53,060.54	36,740.75	46,556.21	43,245.08
Total	\$ 7,319,623.42	\$ 10,793,521.39	\$ 10,523,652.97	\$ 7,589,491.84

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	GENERAL REVENUE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 496,435.96	\$ 490,846.96	\$ 571,090.33	\$ 564,607.52
Sales Taxes	1,107,191.85	1,107,191.85	1,050,000.00	1,075,572.94
Intergovernmental	1,457,803.01	843,144.53	913,516.50	958,187.97
Charges for Services	746,137.66	711,912.48	707,146.78	615,394.74
Interest Income	1,907.92	1,924.32	617.36	850.36
Other	-	-	-	-
Transfers In	376,892.00	150,416.52	653,414.80	472,146.80
TOTAL RECEIPTS	4,186,368.40	3,305,436.66	3,895,785.77	3,686,760.33
DISBURSEMENTS				
County Commission	130,670.00	111,105.43	132,440.00	122,902.99
County Clerk	134,800.00	146,748.04	177,106.00	170,293.96
Elections	91,179.00	71,819.59	217,433.00	206,132.27
Buildings and grounds	295,280.00	206,924.43	787,719.31	876,576.40
Employee fringe benefits	778,655.00	-	-	-
County Treasurer	59,300.00	63,370.37	67,236.00	64,688.12
Collector	167,690.00	159,315.43	193,315.00	183,236.41
Recorder of Deeds	101,357.00	100,704.73	129,352.00	111,640.36
Circuit Clerk	78,980.00	72,625.26	100,615.00	80,533.56
Associate Circuit Court	-	-	-	-
Court Administration	30,088.00	25,976.40	24,748.00	20,453.36
Public Administrator	54,850.00	58,060.10	62,669.00	61,429.20
Sheriff	273,139.71	270,859.77	295,129.00	261,737.37
Jail	-	-	-	-
Prosecuting Attorney	307,732.00	300,666.11	350,054.00	339,984.34
Juvenile Officer	127,290.00	93,450.00	93,450.00	93,450.00
Coroner	32,468.87	35,036.04	28,451.00	26,171.73
Airport	728,210.00	123,998.25	492,334.00	345,370.17
Sheriff's Auxillary	-	-	-	-
Landfill	34,678.00	34,974.54	42,841.00	42,819.38
Juvenile Detention Services	-	-	-	-
Other	329,198.79	524,833.09	388,342.46	330,178.94
Reimbursement - Health Insurance	40,000.00	515,722.88	40,000.00	28,471.53
Debt Service	-	-	-	-
Transfers Out	392,765.27	392,765.27	287,582.00	317,582.00
Emergency Fund	-	-	-	-
TOTAL DISBURSEMENTS	4,188,331.64	3,308,955.73	3,910,816.77	3,683,652.09
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,963.24)	(3,519.07)	(15,031.00)	3,108.24
CASH AND INVESTMENT BALANCES, JANUARY 1	18,535.47	18,535.47	15,427.23	15,427.23
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 16,572.23	\$ 15,016.40	\$ 396.23	\$ 18,535.47

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SPECIAL ROAD AND BRIDGE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 600,000.00	\$ 654,010.85	\$ 703,000.00	\$ 615,146.84
Sales Taxes	850,000.00	1,001,219.40	850,000.00	867,933.85
Intergovernmental	1,662,457.62	1,739,834.08	2,236,635.40	1,338,917.56
Charges for Services	-	-	-	-
Interest Income	400.00	-	200.00	3,207.69
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	3,112,857.62	3,395,064.33	3,789,835.40	2,825,205.94
DISBURSEMENTS				
Salaries	849,351.00	810,539.55	804,543.00	802,625.76
Employee Fringe Benefits	269,058.00	248,270.07	275,536.50	261,842.55
Materials and Supplies	247,300.00	237,486.93	285,350.00	227,181.48
Insurance	32,650.00	25,613.00	36,623.00	37,859.00
Road and Bridge Materials	813,150.34	757,758.43	1,018,690.53	859,249.33
Equipment Repairs	190,000.00	159,865.26	150,000.00	141,620.39
Equipment Rental	1,000.00	-	-	-
Equipment Purchases	376,823.00	79,679.23	212,737.00	76,188.63
Services and Other	-	-	-	-
Other	34,600.00	19,491.20	29,000.00	21,955.46
Construction	712,449.75	844,749.31	1,433,885.40	241,766.68
Debt Service	-	51,808.66	-	-
Transfers Out	116,700.00	116,700.00	127,492.00	127,492.00
TOTAL DISBURSEMENTS	3,643,082.09	3,351,961.64	4,373,857.43	2,797,781.28
RECEIPTS OVER (UNDER) DISBURSEMENTS	(530,224.47)	43,102.69	(584,022.03)	27,424.66
CASH AND INVESTMENT BALANCES, JANUARY 1	611,446.69	611,446.69	584,022.03	584,022.03
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 81,222.22	\$ 654,549.38	\$ -	\$ 611,446.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ASSESSMENT FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 302,373.00	\$ 311,286.55	\$ 334,273.00	\$ 358,127.25
Charges for Services	5,000.00	13,950.55	7,500.00	3,664.81
Interest Income	100.00	1,456.08	100.00	479.33
Other	-	-	-	-
Transfers In	23,935.00	23,935.00	23,519.00	23,519.00
TOTAL RECEIPTS	331,408.00	350,628.18	365,392.00	385,790.39
DISBURSEMENTS				
Salaries	191,590.00	183,497.46	178,350.00	180,996.78
Employee Fringe Benefits	59,005.00	47,737.30	59,479.00	57,268.74
Office Supplies	8,499.00	7,702.84	6,100.00	13,482.55
Equipment	1,000.00	345.47	-	-
Mileage/Training	10,000.00	7,451.10	12,500.00	8,014.75
Bond	340.00	266.00	-	-
Field Review	7,500.00	4,295.12	8,500.00	5,923.82
Mapping Contract	25,000.00	22,478.62	32,400.00	37,621.57
Computer Expense	48,000.00	30,895.00	58,145.00	38,908.00
Map Room Supplies	1,000.00	-	-	-
Printing Cost	16,700.00	7,624.00	12,500.00	29,754.41
Postage Machine	4,700.00	108.88	4,700.00	186.28
Utilities	5,091.00	-	6,370.00	5,091.10
Copy Machine Lease	3,500.00	1,126.15	2,000.00	2,810.60
Aerial Photography	27,000.00	-	25,000.00	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	408,925.00	313,527.94	406,044.00	380,058.60
RECEIPTS OVER (UNDER) DISBURSEMENTS	(77,517.00)	37,100.24	(40,652.00)	5,731.79
CASH AND INVESTMENT BALANCES, JANUARY 1	77,550.20	77,550.20	71,818.41	71,818.41
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 33.20	\$ 114,650.44	\$ 31,166.41	\$ 77,550.20

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SHERIFF L.E.F. FUND				SHERIFF L.E.T. FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 850,000.00	\$ 882,481.25	\$ 850,000.00	\$ 867,933.71	\$ -	\$ -	\$ -	\$ -
Intergovernmental	263,170.00	208,855.94	247,000.00	246,429.35	-	-	-	-
Charges for Services	124,647.16	159,466.27	126,900.86	113,410.06	2,200.00	2,576.83	1,700.00	2,474.23
Other	-	-	-	-	-	-	-	-
Interest Income	20.00	403.44	20.00	92.78	-	17.00	-	8.41
Transfers In	320,733.00	298,733.00	345,063.00	294,063.00	-	-	-	-
TOTAL RECEIPTS	1,558,570.16	1,549,939.90	1,568,983.86	1,521,928.90	2,200.00	2,593.83	1,700.00	2,482.64
DISBURSEMENTS								
Salaries	1,181,583.00	1,130,273.46	1,197,179.00	1,183,241.11	-	-	-	-
Uniform Allowance	-	-	-	-	-	-	-	-
Supplies	92,175.70	90,493.87	113,336.00	125,013.63	-	-	-	-
Equipment	12,171.05	8,819.44	6,000.00	5,927.30	-	-	-	-
Fuel and Maintenance	111,050.41	108,652.56	98,000.00	97,656.88	-	-	-	-
Insurance	37,335.00	37,335.00	31,752.00	34,311.00	-	-	-	-
Prisoner Expenses	103,350.00	95,068.05	126,850.00	89,542.62	-	-	-	-
Grants	23,704.00	7,312.27	31,485.86	19,055.56	-	-	-	-
Training	-	-	-	-	2,200.00	1,025.00	3,150.00	3,150.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,561,369.16	1,477,954.65	1,604,602.86	1,554,748.10	2,200.00	1,025.00	3,150.00	3,150.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,799.00)	71,985.25	(35,619.00)	(32,819.20)	-	1,568.83	(1,450.00)	(667.36)
CASH AND INVESTMENT BALANCES, JANUARY 1	2,800.30	2,800.30	35,619.50	35,619.50	887.93	887.93	1,555.29	1,555.29
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 1.30	\$ 74,785.55	\$ 0.50	\$ 2,800.30	\$ 887.93	\$ 2,456.76	\$ 105.29	\$ 887.93

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	PROSECUTING ATTORNEY DELINQUENT FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 800.00	\$ 1,688.31	\$ 1,500.00	\$ 768.44	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	400.00	457.27	500.00	385.87
Interest Income	-	158.11	-	54.41	-	63.37	-	22.01
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	800.00	1,846.42	1,500.00	822.85	400.00	520.64	500.00	407.88
DISBURSEMENTS								
Prosecuting Attorney	-	-	-	-	1,000.00	89.79	695.83	790.50
Mileage and Meals	2,700.00	2,396.11	3,000.00	1,174.71	-	-	-	-
Dues	-	-	-	-	-	-	2,000.00	1,354.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,700.00	2,396.11	3,000.00	1,174.71	1,000.00	89.79	2,695.83	2,144.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,900.00)	(549.69)	(1,500.00)	(351.86)	(600.00)	430.85	(2,195.83)	(1,736.62)
CASH AND INVESTMENT BALANCES, JANUARY 1	15,018.43	15,018.43	15,370.29	15,370.29	5,906.62	5,906.62	7,643.24	7,643.24
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 13,118.43</u>	<u>\$ 14,468.74</u>	<u>\$ 13,870.29</u>	<u>\$ 15,018.43</u>	<u>\$ 5,306.62</u>	<u>\$ 6,337.47</u>	<u>\$ 5,447.41</u>	<u>\$ 5,906.62</u>

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	PROSECUTING ATTORNEY BAD CHECK FUND				SHERIFF'S CIVIL FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 5,000.00	\$ 5,440.00	\$ 9,500.00	\$ 4,745.00	\$ 50,000.00	\$ 50,033.86	\$ 45,000.00	\$ 36,439.14
Interest Income	100.00	634.36	100.00	248.13	-	146.65	-	78.56
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,100.00	6,074.36	9,600.00	4,993.13	50,000.00	50,180.51	45,000.00	36,517.70
DISBURSEMENTS								
Salaries	19,000.00	10,679.94	19,000.00	10,858.92	-	-	-	-
Office Supplies	500.00	172.46	2,000.00	626.87	-	-	-	-
Bad Check Collection	500.00	615.00	-	510.00	-	-	-	-
Fees	-	-	1,500.00	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	60,000.00	60,000.00	45,000.00	-
TOTAL DISBURSEMENTS	20,000.00	11,467.40	22,500.00	11,995.79	60,000.00	60,000.00	45,000.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(14,900.00)	(5,393.04)	(12,900.00)	(7,002.66)	(10,000.00)	(9,819.49)	-	36,517.70
CASH AND INVESTMENT								
BALANCES, JANUARY 1	64,104.57	64,104.57	71,107.23	71,107.23	36,517.70	36,517.70	-	-
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	<u>\$ 49,204.57</u>	<u>\$ 58,711.53</u>	<u>\$ 58,207.23</u>	<u>\$ 64,104.57</u>	<u>\$ 26,517.70</u>	<u>\$ 26,698.21</u>	<u>\$ -</u>	<u>\$ 36,517.70</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	RECORDER USER FUND				AIRPORT FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 7,500.00	\$ 9,298.00	\$ 7,500.00	\$ 8,752.00	\$ 35,000.00	\$ 38,852.25	\$ 35,000.00	\$ 14,564.15
Interest Income	50.00	474.08	50.00	189.76	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,550.00	9,772.08	7,550.00	8,941.76	35,000.00	38,852.25	35,000.00	14,564.15
DISBURSEMENTS								
Records Preservation	40,000.00	12,140.00	45,000.00	17,100.00	-	-	-	-
Office Expense	5,000.00	-	5,000.00	-	-	-	-	-
Miscellaneous Expense	8,000.00	-	-	-	-	-	-	-
Computer Maintenance	-	-	8,000.00	-	-	-	-	-
Airport Expense	-	-	-	-	3,000.00	1,780.83	3,000.00	2,106.48
Transfers Out	-	-	-	-	35,000.00	33,716.52	35,000.00	10,077.00
TOTAL DISBURSEMENTS	53,000.00	12,140.00	58,000.00	17,100.00	38,000.00	35,497.35	38,000.00	12,183.48
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(45,450.00)	(2,367.92)	(50,450.00)	(8,158.24)	(3,000.00)	3,354.90	(3,000.00)	2,380.67
CASH AND INVESTMENT								
BALANCES, JANUARY 1	45,914.65	45,914.65	54,072.89	54,072.89	11,291.70	11,291.70	8,911.03	8,911.03
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	\$ 464.65	\$ 43,546.73	\$ 3,622.89	\$ 45,914.65	\$ 8,291.70	\$ 14,646.60	\$ 5,911.03	\$ 11,291.70

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ELECTION SERVICE FUND				RECORDER TECHNOLOGY FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 3,000.00	\$ 3,183.76	\$ 3,161.45	\$ 3,161.45	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	4,500.00	6,193.75	4,500.00	5,940.00
Interest Income	-	26.76	-	5.15	12.00	137.19	12.00	42.27
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,000.00	3,210.52	3,161.45	3,166.60	4,512.00	6,330.94	4,512.00	5,982.27
DISBURSEMENTS								
Polling Place Expense	3,000.00	-	3,374.16	3,374.16	-	-	-	-
Records Preservation	-	-	-	-	7,000.00	2,500.00	7,000.00	842.25
Office Expense	-	-	-	-	500.00	629.59	500.00	-
Equipment	-	-	-	-	-	-	-	-
Equipment Maintenance	-	-	-	-	5,700.00	3,553.63	5,700.00	2,517.75
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	3,000.00	-	3,374.16	3,374.16	13,200.00	6,683.22	13,200.00	3,360.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	3,210.52	(212.71)	(207.56)	(8,688.00)	(352.28)	(8,688.00)	2,622.27
CASH AND INVESTMENT								
BALANCES, JANUARY 1	363.35	363.35	570.91	570.91	12,614.99	12,614.99	9,992.72	9,992.72
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	\$ 363.35	\$ 3,573.87	\$ 358.20	\$ 363.35	\$ 3,926.99	\$ 12,262.71	\$ 1,304.72	\$ 12,614.99

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	REVOLVING LOAN FUND				ECONOMIC DEVELOPMENT FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 850,000.00	\$ 882,472.38	\$ 850,000.00	\$ 867,932.79
Intergovernmental	-	-	-	-	40,000.00	-	105,292.00	94,574.00
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	500.00	4,830.90	500.00	2,354.33	10,000.00	37,846.19	4,000.00	13,433.34
Other	11,707.00	11,706.86	11,707.00	11,706.86	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	12,207.00	16,537.76	12,207.00	14,061.19	900,000.00	920,318.57	959,292.00	975,940.13
DISBURSEMENTS								
Operational Expenses	-	-	-	-	193,878.00	158,611.07	188,976.00	181,452.68
Capital Improvements	-	-	-	-	1,739,500.00	911,896.11	1,594,207.00	226,941.53
Office Expense	20.50	20.50	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20.50	20.50	-	-	1,933,378.00	1,070,507.18	1,783,183.00	408,394.21
RECEIPTS OVER (UNDER) DISBURSEMENTS	12,186.50	16,517.26	12,207.00	14,061.19	(1,033,378.00)	(150,188.61)	(823,891.00)	567,545.92
CASH AND INVESTMENT BALANCES, JANUARY 1	658,019.07	658,019.07	643,957.88	643,957.88	4,479,344.62	4,479,344.62	3,911,798.70	3,911,798.70
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 670,205.57</u>	<u>\$ 674,536.33</u>	<u>\$ 656,164.88</u>	<u>\$ 658,019.07</u>	<u>\$ 3,445,966.62</u>	<u>\$ 4,329,156.01</u>	<u>\$ 3,087,907.70</u>	<u>\$ 4,479,344.62</u>

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	BUILDING FUND				SHERIFF REVOLVING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 6,565.00	\$ 45,000.00	\$ 44,609.00
Interest Income	-	3,652.55	500.00	1,915.06	-	66.74	-	169.58
Other	-	-	-	-	-	-	-	-
Transfers In	-	158,097.27	-	30,000.00	-	-	-	-
TOTAL RECEIPTS	-	161,749.82	500.00	31,915.06	50,000.00	6,631.74	45,000.00	44,778.58
DISBURSEMENTS								
MSPH	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Transfers Out	-	-	334,577.80	334,577.80	50,000.00	28,000.00	36,000.00	30,000.00
TOTAL DISBURSEMENTS	-	-	334,577.80	334,577.80	50,000.00	28,000.00	36,000.00	30,000.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	161,749.82	(334,077.80)	(302,662.74)	-	(21,368.26)	9,000.00	14,778.58
CASH AND INVESTMENT								
BALANCES, JANUARY 1	333,563.24	333,563.24	636,225.98	636,225.98	28,901.32	28,901.32	14,122.74	14,122.74
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	<u>\$333,563.24</u>	<u>\$495,313.06</u>	<u>\$302,148.18</u>	<u>\$333,563.24</u>	<u>\$28,901.32</u>	<u>\$ 7,533.06</u>	<u>\$23,122.74</u>	<u>\$ 28,901.32</u>

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SENIOR CITIZEN SERVICES FUND				SENATE BILL 40 FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 109,236.00	\$ 116,488.11	\$ 121,703.00	\$ 109,235.42	\$ 464,682.00	\$ 476,362.67	\$ 461,965.12	\$ 449,109.14
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	6,394.00	6,215.18	6,110.00	6,393.73	4,537.00	4,790.62	5,105.08	4,963.16
Charges for Services	-	-	-	-	712,281.00	794,903.32	638,254.08	536,042.88
Interest Income	100.00	1,169.70	100.00	385.74	-	6,682.05	-	5,443.60
Other	-	-	-	-	12,000.00	13,568.22	10,200.00	11,000.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	115,730.00	123,872.99	127,913.00	116,014.89	1,193,500.00	1,296,306.88	1,115,524.28	1,006,558.78
DISBURSEMENTS								
Wash. Co. Council on Aging	61,000.00	61,000.00	61,000.00	61,000.00	-	-	-	-
SMTS	53,000.00	53,000.00	53,000.00	53,000.00	-	-	-	-
SMTS - METHTAP	5,962.00	5,876.35	5,961.96	5,961.96	-	-	-	-
Newspaper Ad	25.00	22.00	125.00	22.00	-	-	-	-
Postage	-	-	100.00	-	-	-	-	-
Salaries and Fringe	-	-	-	-	622,284.47	617,356.07	539,368.07	513,927.18
Office Expense	-	-	-	-	101,479.63	62,457.59	70,043.70	40,745.94
Insurance	-	-	-	-	22,277.00	11,334.12	22,306.00	18,187.96
Legal and Accounting	-	-	-	-	3,375.00	3,595.00	3,007.00	3,302.00
Program Expenses	2,000.00	2,000.00	-	-	586,128.84	569,290.99	516,106.09	479,460.55
Other	-	-	72.00	72.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	121,987.00	121,898.35	120,258.96	120,055.96	1,335,544.94	1,264,033.77	1,150,830.86	1,055,623.63
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,257.00)	1,974.64	7,654.04	(4,041.07)	(142,044.94)	32,273.11	(35,306.58)	(49,064.85)
CASH AND INVESTMENT BALANCES, JANUARY 1	64,778.95	64,778.95	68,820.02	68,820.02	901,580.04	901,580.04	950,644.89	950,644.89
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 58,521.95</u>	<u>\$ 66,753.59</u>	<u>\$ 76,474.06</u>	<u>\$ 64,778.95</u>	<u>\$ 759,535.10</u>	<u>\$ 933,853.15</u>	<u>\$ 915,338.31</u>	<u>\$ 901,580.04</u>

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
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	RENTAL PROPERTY FUND				EMERGENCY FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	35,200.00	37,653.11	34,200.00	32,557.37	-	-	-	-
Interest Income	-	260.88	-	64.71	-	1,251.67	100.00	446.03
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	35,200.00	37,913.99	34,200.00	32,622.08	-	1,251.67	100.00	446.03
DISBURSEMENTS								
Fees to State	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Maintenance and Outlay	27,912.00	27,911.59	27,912.00	27,911.59	-	-	-	-
TOTAL DISBURSEMENTS	27,912.00	27,911.59	27,912.00	27,911.59	-	-	-	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	7,288.00	10,002.40	6,288.00	4,710.49	-	1,251.67	100.00	446.03
CASH AND INVESTMENT								
BALANCES, JANUARY 1	28,234.85	28,234.85	23,524.36	23,524.36	120,697.42	120,697.42	120,251.39	120,251.39
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	<u>\$ 35,522.85</u>	<u>\$ 38,237.25</u>	<u>\$ 29,812.36</u>	<u>\$ 28,234.85</u>	<u>\$ 120,697.42</u>	<u>\$ 121,949.09</u>	<u>\$ 120,351.39</u>	<u>\$ 120,697.42</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SHERIFF'S INMATE SECURITY FUND				L.E.F. RESTITUTION FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 3,000.00	\$ 4,080.50	\$ 1,400.00	\$ 3,414.50	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	30,000.00	25,789.50	35,000.00	31,270.00
Interest Income	-	61.27	-	12.96	-	226.13	-	76.19
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,000.00	4,141.77	1,400.00	3,427.46	30,000.00	26,015.63	35,000.00	31,346.19
DISBURSEMENTS								
Tech Support	3,000.00	2,288.89	2,000.00	-	-	-	-	-
Equipment	-	-	-	-	15,577.04	15,927.04	-	-
Vehicle Expense	-	-	-	-	11,000.00	11,000.00	16,000.00	18,665.00
Computer Expense	-	-	-	-	-	-	-	-
Weapons and Ammunition	-	-	-	-	5,000.00	4,320.52	4,000.00	5,380.70
Cameras	-	-	-	-	-	-	-	4,550.00
Travel Expense	-	-	-	-	1,500.00	-	-	1,215.16
Other	-	-	-	-	-	-	15,000.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	3,000.00	2,288.89	2,000.00	-	33,077.04	31,247.56	35,000.00	29,810.86
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	1,852.88	(600.00)	3,427.46	(3,077.04)	(5,231.93)	-	1,535.33
CASH AND INVESTMENT BALANCES, JANUARY 1	4,938.31	4,938.31	1,510.85	1,510.85	21,130.63	21,130.63	19,595.30	19,595.30
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 4,938.31	\$ 6,791.19	\$ 910.85	\$ 4,938.31	\$ 18,053.59	\$ 15,898.70	\$ 19,595.30	\$ 21,130.63

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	HELP AMERICA VOTE ACT FUND				NO INTEREST FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	\$ -
Charges for Services	2,000.00	2,100.01	2,400.00	2,099.98	-	-	-	-
Interest Income	-	38.19	-	5.73	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,000.00	2,138.20	2,400.00	2,105.71	-	-	500,000.00	-
DISBURSEMENTS								
Elections	2,000.00	-	2,400.00	-	-	-	-	-
Grant Expenditures	-	-	-	-	-	-	500,000.00	-
TOTAL DISBURSEMENTS	2,000.00	-	2,400.00	-	-	-	500,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	2,138.20	-	2,105.71	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	2,105.71	2,105.71	-	-	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2,105.71	\$ 4,243.91	\$ -	\$ 2,105.71	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	TAX MAINTENANCE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ 37,000.00	\$ 35,681.27	\$ 39,000.00	\$ 36,257.46
Interest Income	183.00	429.92	60.00	183.29
Other	300.00	-	300.00	300.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	37,483.00	36,111.19	39,360.00	36,740.75
DISBURSEMENTS				
Equipment	47,000.00	45,615.40	40,000.00	46,556.21
Office Supplies	-	-	4,000.00	-
Utilities	-	-	1,200.00	-
Computer Services	-	-	23,000.00	-
Professional Services	-	-	10,000.00	-
Maintenance & Outlay	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	47,000.00	45,615.40	78,200.00	46,556.21
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,517.00)	(9,504.21)	(38,840.00)	(9,815.46)
CASH AND INVESTMENT BALANCES, JANUARY 1	43,245.08	43,245.08	53,060.54	53,060.54
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 33,728.08	\$ 33,740.87	\$ 14,220.54	\$ 43,245.08

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	DRUG COURT PROGRAM	UNCLAIMED FEES	FINE MONEY	OVERPLUS	SHERIFF EVIDENCE ACCT	RECORDER
ASSETS						
Cash and Cash Equivalents	\$ 101,482.91	\$ 6,931.63	\$ 74,627.72	\$ 52,094.76	\$ 30,123.76	\$ 36.00
Investments	-	-	-	-	-	-
Due from General Fund	-	-	-	-	-	-
TOTAL ASSETS	<u>101,482.91</u>	<u>6,931.63</u>	<u>74,627.72</u>	<u>52,094.76</u>	<u>30,123.76</u>	<u>36.00</u>
LIABILITIES AND FUND BALANCES						
Bank Overdraft	-	-	-	-	-	-
Liabilities	101,482.91	6,931.63	74,627.72	52,094.76	30,123.76	36.00
TOTAL LIABILITIES	<u>101,482.91</u>	<u>6,931.63</u>	<u>74,627.72</u>	<u>52,094.76</u>	<u>30,123.76</u>	<u>36.00</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 101,482.91</u>	<u>\$ 6,931.63</u>	<u>\$ 74,627.72</u>	<u>\$ 52,094.76</u>	<u>\$ 30,123.76</u>	<u>\$ 36.00</u>
	SULLIVAN SCHOOL	COLLECTOR	SHERIFF	SHELTER	SURTAX	TOTAL AGENCY FUNDS
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 10,868,012.23	\$ 39,804.52	\$ -	\$ 6,931.63	\$ 11,180,045.16
Investments	-	-	-	-	-	-
Due from General Fund	-	-	-	-	-	-
TOTAL ASSETS	<u>-</u>	<u>10,868,012.23</u>	<u>39,804.52</u>	<u>-</u>	<u>6,931.63</u>	<u>11,180,045.16</u>
LIABILITIES AND FUND BALANCES						
Bank Overdraft	-	-	-	-	-	-
Liabilities	-	10,868,012.23	39,804.52	-	6,931.63	11,180,045.16
TOTAL LIABILITIES	<u>-</u>	<u>10,868,012.23</u>	<u>39,804.52</u>	<u>-</u>	<u>6,931.63</u>	<u>11,180,045.16</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 10,868,012.23</u>	<u>\$ 39,804.52</u>	<u>\$ -</u>	<u>\$ 6,931.63</u>	<u>\$ 11,180,045.16</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2016

	DRUG COURT PROGRAM	UNCLAIMED FEES	FINE MONEY	OVERPLUS	SHERIFF EVIDENCE ACCT	RECORDER
ASSETS						
Cash and Cash Equivalents	\$ 89,991.68	\$ 524.17	\$ 62,406.89	\$ 62,888.92	\$ 29,814.57	\$ 9.00
Investments	-	-	-	-	-	-
Due from General Fund	-	-	-	-	-	-
TOTAL ASSETS	<u>89,991.68</u>	<u>524.17</u>	<u>62,406.89</u>	<u>62,888.92</u>	<u>29,814.57</u>	<u>9.00</u>
LIABILITIES AND FUND BALANCES						
Bank Overdraft	-	-	-	-	-	-
Liabilities	89,991.68	524.17	62,406.89	62,888.92	29,814.57	9.00
TOTAL LIABILITIES	<u>89,991.68</u>	<u>524.17</u>	<u>62,406.89</u>	<u>62,888.92</u>	<u>29,814.57</u>	<u>9.00</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 89,991.68</u>	<u>\$ 524.17</u>	<u>\$ 62,406.89</u>	<u>\$ 62,888.92</u>	<u>\$ 29,814.57</u>	<u>\$ 9.00</u>

	SULLIVAN SCHOOL	COLLECTOR	SHERIFF	SHELTER	SURTAX	TOTAL AGENCY FUNDS
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 10,415,695.34	\$ 35,602.92	\$ 1,749.11	\$ 6,829.29	\$ 10,705,511.89
Investments	-	-	-	-	-	-
Due from General Fund	-	-	-	-	-	-
TOTAL ASSETS	<u>-</u>	<u>10,415,695.34</u>	<u>35,602.92</u>	<u>1,749.11</u>	<u>6,829.29</u>	<u>10,705,511.89</u>
LIABILITIES AND FUND BALANCES						
Bank Overdraft	-	-	-	-	-	-
Liabilities	-	10,415,695.34	35,602.92	1,749.11	6,829.29	10,705,511.89
TOTAL LIABILITIES	<u>-</u>	<u>10,415,695.34</u>	<u>35,602.92</u>	<u>1,749.11</u>	<u>6,829.29</u>	<u>10,705,511.89</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 10,415,695.34</u>	<u>\$ 35,602.92</u>	<u>\$ 1,749.11</u>	<u>\$ 6,829.29</u>	<u>\$ 10,705,511.89</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Washington, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1813 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eleven elected Constitutional Officers: Assessor, County Clerk, Treasurer, Collector, Circuit Clerk, Sheriff, Coroner, Surveyor, Public Administrator, Recorder and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present the County's financial accountability.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of Washington County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation, was:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 126,146,820	\$ 125,420,030
Personal Property	54,760,560	47,991,588
Railroad and Utilities	<u>77,661,741</u>	<u>77,732,288</u>
	<u>\$ 258,569,121</u>	<u>\$ 251,143,906</u>

During 2017 and 2016, the County Commission approved a \$0.6926 and \$0.6739, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for purposes of County taxation, as follows:

	<u>2017</u>	<u>2016</u>
General Revenue Fund	\$ 0.1993	\$ 0.1806
Special Road and Bridge Fund	0.2580	0.2580
Senior Citizen Services Fund	0.0470	0.0470
Senate Bill 40 Fund	<u>0.1883</u>	<u>0.1883</u>
	<u>\$ 0.6926</u>	<u>\$ 0.6739</u>

F. Cash and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017, and 2016, the carrying amount of the County's deposits and investments were \$7,769,710.60 and \$7,589,491.84, and the bank balance was \$13,349,548.64 and \$13,211,938.38, respectively. The total bank balances as of December 31, 2017, and 2016 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2017, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 7,174,215.01
Investments	595,495.59
Total Governmental Funds	\$ 7,769,710.60
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits	\$ 11,180,045.16
Investments	-
Total Agency Funds	11,180,045.16
Total Deposits and Investments as of December 31, 2017	\$ 18,949,755.76

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. CASH AND INVESTMENTS (concluded)

The carrying values of deposits and investments at December 31, 2016, are as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash and Investment Balances</u>	
Deposits and cash equivalents	\$ 6,995,914.24
Investments	593,577.60
Total Governmental Funds	\$ 7,589,491.84
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits	\$ 10,705,511.89
Investments	-
Total Agency Funds	10,705,511.89
Total Deposits and Investments as of December 31, 2016	\$ 18,295,003.73

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2017, and 2016.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2017, and 2016.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT

Capital Leases

	Balance as of	
	<u>12/31/2017</u>	<u>12/31/2016</u>
Road and Bridge District #1		
The County entered into a capital lease on January 22, 2016, for a 2001 International Dump Truck, through First State Bank in the amount of \$13,552.50 with an interest rate of 2.250%. The balance will be repaid in one annual payment. The County made interest payments in 2017 in the amounts of \$316.79.	\$ -	\$ 13,552.50
The County entered into a capital lease on February 16, 2016, for a 2013 John Deere Loader, through First State Community Bank in the amount of \$87,020.00, with an interest rate of 2.750%. The balance will be repaid through five annual payments. The County made interest payments during 2017 in the amount of \$2,432.93.	70,564.81	87,020.00
Sheriff's Office		
The County entered into a capital lease on March 12, 2014, for 4 Chevy Tahoes, and 1 Silverado through First State Community Bank in the amount of \$154,606 with an interest rate of 2.75%. The balance will be repaid through 5 annual payments. The County made interest payments during 2017 and 2016 in the amounts of \$2,657.39 and \$3,504.86.	64,409.47	95,308.58
The County entered into a capital lease on April 4, 2016, for three Silverado Pick-up Trucks, through First State Community Bank in the amount of \$99,535.00 with an interest rate of 2.750%. The balance will be repaid through 5 annual payments. The County made an interest payment in 2017 of \$2,775.22.	80,706.95	99,535.00
The County entered into a capital lease on October 21, 2016, for a 2017 Chevrolet Passenger Van, through First State Community Bank in the amount of \$32,700.00 with an interest rate of 2.750%. The balance will be repaid through 5 annual payments. The County made an interest payment in 2017 of \$899.25.	26,504.62	32,700.00
County Commission's Office		
The County entered into a lease purchase agreement on April 29, 2014, for the purchase of various property, through First State Community Bank in the amount of \$365,000 with an interest rate of 4.375%. The balance will be repaid through 20 annual payments. The County made interest payments during 2017 and 2016 in the amounts of \$15,129.54 and \$15,713.56.	<u>328,298.86</u>	<u>341,080.91</u>
Total Capital Leases	\$ <u>570,484.71</u>	\$ <u>669,196.99</u>

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT (concluded)

As of December 31, 2017, the unpaid principal balances of the capital leases were as follows:

Description	Account Balance 12/31/2016	Current year Additions	Current year Refunding & Payments	Account Balance 12/31/2017	Interest paid Fiscal Year 2017
Capital Leases	\$ 669,196.99	\$ -	\$ 98,712.28	\$ 570,484.71	\$ 24,211.12
Total	<u>\$ 669,196.99</u>	<u>\$ -</u>	<u>\$ 98,712.28</u>	<u>\$ 570,484.71</u>	<u>\$ 24,211.12</u>

The future payments for the capital lease agreements as of December 31, 2017, are as follows:

Year Ended December 31,	Principal	Interest	Total
2018	\$ 333,631.25	\$ 21,315.17	\$ 354,946.42
2019	49,013.34	9,120.11	58,133.45
2020	51,290.09	6,843.36	58,133.45
2021	52,837.76	5,295.69	58,133.45
2022	6,834.15	3,713.28	10,547.43
2023-2027	38,986.35	13,750.80	52,737.15
2028-2031	37,891.77	4,297.95	42,189.72
	<u>\$ 570,484.71</u>	<u>\$ 64,336.36</u>	<u>\$ 634,821.07</u>

As of December 31, 2016, the unpaid principal balances of the capital leases were as follows:

Description	Account Balance 12/31/2015	Current year Additions	Current year Refunding & Payments	Account Balance 12/31/2016	Interest paid Fiscal Year 2016
Capital Leases	\$ 478,639.16	\$ 232,807.50	\$ 42,249.67	\$ 669,196.99	\$ 19,218.42
Total	<u>\$ 478,639.16</u>	<u>\$ 232,807.50</u>	<u>\$ 42,249.67</u>	<u>\$ 669,196.99</u>	<u>\$ 19,218.42</u>

The future payments for the capital lease agreements as of December 31, 2016, were as follows:

Year Ended December 31,	Principal	Interest	Total
2017	\$ 98,712.28	\$ 24,211.12	\$ 122,923.40
2018	333,631.25	21,315.17	354,946.42
2019	49,013.34	9,120.11	58,133.45
2020	51,290.09	6,843.36	58,133.45
2021	52,837.76	5,295.69	58,133.45
2022-2026	37,330.46	15,406.69	52,737.15
2027-2031	46,381.81	6,355.34	52,737.15
	<u>\$ 669,196.99</u>	<u>\$ 88,547.48</u>	<u>\$ 757,744.47</u>

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IV. OPERATING LEASES

The County entered into an operating lease through Ricoh for copier equipment for the Prosecuting Attorney's office as of July 3, 2013. The lease is effective for 49 months with monthly payments of \$117.63. During the 2017 and 2016 year, the County made payments totaling \$941.04 and \$1,411.56. The lease ended in July 2017.

The County entered into an operating lease through Ricoh for copier equipment for the Prosecuting Attorney's office as of September 11, 2017. The lease is effective for 60 months with monthly payments of \$106.53. During the 2017 year, the County made payments totaling \$319.59.

The County entered into an operating lease through Ricoh for copier equipment for the County Clerk's office as of October 7, 2013. The lease is effective for 60 months with monthly payments of \$108.62. During the 2017 and 2016 year, the County made payments totaling \$1,303.44 and \$1,303.44.

The County entered into an operating lease through Ricoh for copier equipment for the County Collector's office as of May 24, 2016. The lease is effective for 60 months with monthly payments of \$65.00. During the 2017 and 2016 year, the County made payments totaling \$780.00 and \$455.00.

The County entered into an operating lease through Ricoh for copier equipment for the Assessor's office as of December 14, 2015. The lease is effective for 60 months with monthly payments of \$63.78. During the 2017 and 2016 year, the County made payments totaling \$765.36 and \$765.36.

The County entered into an operating lease through Xerox for copier equipment for the Recorder's office as of March 28, 2013. The lease is effective for 60 months with monthly payments of \$128.63. During the 2017 and 2016 year, the County made payments totaling \$1,543.56 and \$1,543.56.

The County entered into an operating lease through Total Image Management for copier equipment for the Sheriff's office as of March 14, 2013. The lease is effective for 60 months with monthly payments of \$248.47. During the 2017 and 2016 year, the County made payments totaling \$2,981.64 and \$2,981.64.

The County entered into an operating lease through Pitney Bowes for a postage meter for the Clerk's office as of June 28, 2016. The lease is effective for 48 months with quarterly payments of \$240.00. During the 2017 and 2016 year, the County made payments totaling \$960.00 and \$480.00.

The County entered into an operating lease through John Deere Financial for a Motor Grader for the Road and Bridge office as of October 13, 2014. The lease is effective for 48 months with annual payments of \$15,936.35. The County has a purchase option price of \$144,428 on October 13, 2019. During the 2017 and 2016 year, the County made payments totaling \$15,936.35 and \$15,936.35.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IV. OPERATING LEASES (concluded)

The County entered into an operating lease through John Deere Financial for a Motor Grader for the Road and Bridge office as of July 24, 2017. The lease is effective for 60 months with annual payments of \$17,162.98. The County has a purchase option price of \$154,889.21 on July 24, 2022. During the 2017 year, the County made payments totaling \$17,162.98.

2017 Future Minimum Payments for Operating Leases:

Year Ending <u>December 31,</u>	Total Minimum Payments
2018	\$ 39,100.55
2019	20,946.70
2020	20,402.92
2021	18,896.34
2022	958.77
	<u>\$ 100,305.28</u>

2016 Future Minimum Payments for Operating Leases:

Year Ending <u>December 31,</u>	Total Minimum Payments
2017	\$ 42,374.37
2018	37,822.19
2019	19,668.34
2020	19,124.56
2021	17,617.98
	<u>\$ 136,607.44</u>

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2017, and 2016, are as follows:

	2017		2016	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 150,416.52	\$ 392,765.27	\$ 472,146.80	\$ 317,582.00
Special Road and Bridge Fund	-	116,700.00	-	127,492.00
Assessment Fund	23,935.00	-	23,519.00	-
Sheriff L.E.F. Fund	298,733.00	-	294,063.00	-
Sheriff's Civil Fund	-	60,000.00	-	-
Airport Fund	-	33,716.52	-	10,077.00
Building Fund	158,097.27	-	30,000.00	334,577.80
Sheriff Revolving Fund	-	28,000.00	-	30,000.00
TOTAL	\$ 631,181.79	\$ 631,181.79	\$ 819,728.80	\$ 819,728.80

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of 11 members, 9 of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the city of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2017, and 2016 were \$217,899.08 and \$146,537.49, respectively.

VII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had 2 COBRA participants at December 31, 2017, paying premiums totaling \$1,802.36, and had 0 COBRA participants at December 31, 2016.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$11,628 and \$9,044, respectively, for the years ended December 31, 2017, and 2016.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with annual leave. Each employee earns leave based upon his or her term of service with the County earning 72 hours after the first year, 120 hours per year for 2-5 years of service, 144 hours per year for 6-10 years of service, 168 hours per year for 11-15 years of service, 192 hours per year for 16-20 years of service, 216 hours per year for 21-25 years of service, and 240 hours per year after 26 years of service. Annual leave must be used in the year it is earned. Any unused leave time will be forfeited at the end of the calendar year. Any employee with benefits, who has worked for one full year, leaving the County service due to resignation, death or termination, shall be compensated for vacation credit unused to the date of termination.

Employees in the County earn 8 days of sick leave per year and this can be accrued to an unlimited number. It is not paid to the employee upon separation of employment of the County.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

X. RISK MANAGEMENT (concluded)

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. SUBSEQUENT EVENTS

On March 16, 2018, the County entered into an operating lease for a copier. The term of the lease is 60 months with a payment due of \$102.82 per month.

On March 22, 2018, the Recorder of Deeds entered into an operating lease for a copier. The term of the lease is 60 months with a payment due of \$100.11 per month.

XII. RESTATEMENT

The Shelter Fund and Surtax Fund have been reclassified to agency funds since that is a better representation of what they are and the money that flows through them is not retained within the County. The results of this reclassification decrease the beginning cash and investment balances by \$6,642.61. Details of this difference are represented below:

Cash and Investment Balances - as previously reported	\$ 7,326,266.03
Surtax balance reclassified	(6,642.61)
Shelter balance reclassified	(-)
Cash and Investment Balances - Restated	<u><u>\$ 7,319,623.42</u></u>

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2017 AND 2016

SCHEDULE OF STATE FINDINGS

There were no state findings noted for the year ended December 31, 2017, and 2016.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Washington, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Washington ("County"), Missouri which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash and investment balances-budget and actual for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2017-001, 2017-002]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 12, 2018



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To The County Commission
The County of Washington, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Washington's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2017, and 2016. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2017, and 2016.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 12, 2018

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	CFDA Number	PASS-THROUGH ENTITY NUMBER	12/31/17 FEDERAL EXPENDITURES	12/31/17 PASSED THROUGH TO SUBRECIPIENTS	12/31/16 FEDERAL EXPENDITURES	12/31/16 PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF AGRICULTURE						
PASSED THROUGH THE STATE						
Office of Administration: School and Roads - Grants to States	10.665	N/A	\$ 152,335.12	\$ 114,251.34	\$ 337,749.56	\$ 228,973.71
<i>Total U.S. Department of Agriculture</i>			152,335.12	114,251.34	337,749.56	\$ 228,973.71
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
PASSED THROUGH THE STATE						
Missouri Department of Economic Development: Community Development Block Grant	14.228	15-PF-10	1,300.00	-	39,000.00	-
Total Community Development Block Grant			1,300.00	-	39,000.00	-
DIRECT PROGRAM						
Economic Development Commission Special Project Grant	14.251	B10SPMO0390	-	-	105,045.29	-
<i>Total U.S. Department of Housing and Urban Development</i>			1,300.00	-	144,045.29	-
U.S. DEPARTMENT OF INTERIOR						
DIRECT PROGRAM						
PILT - Payment in Lieu of Taxes	15.226	N/A	117,292.00	-	107,819.00	-
<i>Total U.S. Department of Interior</i>			117,292.00	-	107,819.00	-
U.S. DEPARTMENT OF TRANSPORTATION						
PASSED THROUGH STATE						
Missouri Department of Transportation: Airport Improvement Program	20.106	Project #16-060A-1 Project #13-060A-1 Project #14-060A-1 (3-29-SBGP-61-2014 (BE14))	23,232.00 - -	- - -	144,490.40 4,876.00 94,574.00	- - -
Total Airport Improvement Program			23,232.00	-	243,940.40	-
Missouri Highway and Transportation Commission: Highway Planning and Construction	20.205	FLAP-9901(503) FLAP-(026)	812,375.31 29,058.75	- -	228,799.20 -	- -
Total Highway Planning and Construction			841,434.06	-	228,799.20	-
PASSED THROUGH UNIVERSITY OF CENTRAL MISSOURI						
Click it or Ticket	20.600	17-OP-05-002	454.10	-	-	-
PASSED THROUGH STATE						
Missouri Department of Transportation: DWI Enforcement	20.607	14-154-AL-144	-	-	1,862.48	-
PASSED THROUGH UNIVERSITY OF CENTRAL MISSOURI						
DWI Enforcement	20.607	16-154-AL-141	-	-	493.90	-
4th of July DWI Enforcement	20.607	16-154-AL-141	-	-	362.08	-
Total DWI Enforcement Grants (20.607)			-	-	2,718.46	-
PASSED THROUGH UNIVERSITY OF CENTRAL MISSOURI						
Holiday Enforcement	20.616	17-M5HVE-03-022	184.76	-	-	-
Holiday Enforcement		17-M5HVE-03-022	429.12	-	-	-
Holiday Enforcement		17-M5HVE-03-022	409.08	-	-	-
Holiday Enforcement		17-M5HVE-03-022	497.49	-	-	-
Total DWI Enforcement Grants (20.616)			1,520.45	-	-	-
<i>Total U.S. Department of Transportation</i>			866,640.61	-	475,458.06	-
GENERAL SERVICES ADMINISTRATION						
PASSED THROUGH STATE						
Office of Administration: Election Reform Payments	39.011	N/A	-	-	5,774.00	-
<i>Total General Services Administration</i>			-	-	5,774.00	-
U.S. DEPARTMENT OF HOMELAND SECURITY						
PASSED THROUGH STATE						
State Emergency Management Agency: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4250-DR-MO FEMA-4238-DR-MO FEMA-4317-DR-MO	445.89 - 6,896.10	- - -	88,355.69 162,270.19 -	- - -
<i>Total U.S. Department of Homeland Security</i>			7,341.99	-	250,625.88	-
Total Expenditures of Federal Awards			\$ 1,144,909.72	\$ 114,251.34	\$ 1,321,471.79	\$ 228,973.71

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the County of Washington under programs of the federal government for the years ended December 31, 2017, and 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Washington, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Washington.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – SUB-RECIPIENTS

The County provided federal awards to sub-recipients during the years ended December 31, 2017, and 2016. The sub-recipients are as follows:

<u>Program Title</u>	<u>Subrecipient</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>		<u>Amount</u> <u>Provided to</u> <u>Subrecipient</u>
Schools and Roads - Grants to States	Bourbon CR-1	10.665	2017	\$ 19,205.75
			2016	38,490.69
Schools and Roads - Grants to States	Valley R-6	10.665	2017	\$ 53,640.37
			2016	107,501.87
Schools and Roads – Grants to States	Potosi R-3	10.665	2017	\$ 41,405.22
			2016	82,981.15
	Total Provided to Subrecipients			<u>\$ 343,225.05</u>

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2017 ☐ Yes ☒ No
2016 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2017 ☒ Yes ☐ None Reported
2016 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2017 ☐ Yes ☒ No
2016 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2017 ☐ Yes ☒ No
2016 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2017 ☐ Yes ☒ None Reported
2016 ☐ Yes ☒ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2017 - Unmodified
2016 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2017 ☐ Yes ☒ No
2016 ☐ Yes ☒ No

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2017/2016	20.205	Department of Transportation: Missouri Highway and Transportation Commission – Highway Planning and Construction

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

6. Auditee qualified as low-risk auditee? 2017 Yes X No

2016 Yes X No

II. FINANCIAL STATEMENT FINDINGS

2017-001 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Sheriff's office.

Condition: We noted that bank reconciliations for the Sheriff's office were not being performed on all of the accounts. If they were being reconciled for the year ended December 31, 2016, they could not be found by the current Sheriff's administration.

Context: This deficiency became apparent through our testing of the Sheriff's cash accounts and the related reconciliations during the December 31, 2016 year.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Previous Management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

Views of Responsible Officials and Planned Corrective Actions: The current Sheriff's (Zach Jacobsen) office has implemented reconciliations on all accounts and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed in early 2017. The phone number for the Sheriff's office is 573-438-5478.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

II. FINANCIAL STATEMENT FINDINGS (Concluded)

2017-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit we noted that the Sheriff's office held a debit card for some time during the audit period for the auxiliary account without internal controls in place to review these transactions. The current Sheriff has subsequently destroyed this debit card.

Context: During discussions with management, we noted there was a debit card for the Sheriff's auxiliary bank account that was not monitored by the Commission or Treasurer's office. This was a practice of the previous Sheriff, and the current Sheriff removed the debit card as soon as he was aware of its existence.

Effect: Lack of internal control systems over this account could result in fraudulent purchases and bank overdrafts.

Cause: Previous Management had not implemented an internal control system over the Sheriff's auxiliary bank account and accompanying debit card.

Recommendation: We recommend that the County switch from a debit card to a credit card and place internal controls over the purchases the Sheriff makes through this auxiliary account.

Views of responsible officials and planned corrective actions: The current Sheriff's (Zach Jacobsen) office has implemented internal controls on this account and has eliminated the debit card. The completion date of this corrective action was already completed in early 2017. The phone number for the Sheriff's office is 573-438-5478.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016

There were no federal award findings or questioned costs noted for the years ended December 31, 2017, and 2016.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the years ended December 31, 2015, and 2014.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2015-001

Reporting, Special
Tests and Provisions

Significant Deficiency Federal Grantor: U.S. Department of Agriculture
Pass-Through Grantor: Office of Administration
Federal CFDA Number: 10.665
Program Title: School and Roads – Grants to States

Information on the federal program: The reporting and special tests and provisions requirements have not been met.

Criteria: OMB Circular A-133 requires the County to submit an annual certification of Title III expenditures and unobligated funds, to publish in any publication of local record a proposal that describes the proposed use of the county's funds, and to submit the proposal to any resource advisory committee for the participating county.

Condition: Through discussions with the County Clerk and County Treasurer, the road and bridge department submits cleanup detail to the County Treasurer; however, no one is submitting the annual certification information or publishing the proposed use of the County's funds.

Questioned Costs: Not applicable

Context: Through discussions with the County Clerk and County Treasurer, we discovered that the annual certification is not being submitted nor is the County's proposal published that describes the proposed use of the County's funds.

Effect: No controls over monitoring or federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: The County was not aware of these requirements.

Recommendation: We recommend that the Commission, Clerk and Treasurer review the A-133 compliance supplement along with grant agreements to ensure compliance with federal requirements.

Views of responsible officials and planned corrective actions: On March 7, 2016, the Washington County Commission met to discuss the single audit finding related to Washington County's election to receive Forest Service Secure Rural Schools Act Title III Funding. The Commission voted to continue to receive the Title III funding and to use the 2016 Forest Service Title III Funding for wildfire mitigation to the property of rural Washington County citizens by grading roads, trimming and removing brush located on the right-of-way county roads with graders, brush hogs, and hand crews. The Commission has corrected this finding and scheduled a public hearing related to the use of these funds and will publish a Public Notice to inform Washington County citizens of the same.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Concluded)

Status: It appears the corrective action plan has been implemented. Therefore, this finding has been eliminated.

County of Washington, Missouri

Washington County Courthouse

102 N. Missouri St.

Potosi, Missouri 63664

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR YEARS ENDED 12/31/2017 AND 12/31/2016

Finding: SA 2015-001

Status: Corrected.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

July 12, 2018

To the County Commissioners
The County of Washington, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Washington (the "County") as of and for the years ended December 31, 2017, and 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards
- III. Management Comments

The County's management has provided a written response to the findings in this report that were identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2017-001 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Sheriff's office.

Condition: We noted that bank reconciliations for the Sheriff's office were not being performed on all of the accounts. If they were being reconciled for the year ended December 31, 2016, they could not be found by the current Sheriff's administration.

Context: This deficiency became apparent through our testing of the Sheriff's cash accounts and the related reconciliations during the December 31, 2016 year.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Previous Management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

Views of Responsible Officials and Planned Corrective Actions: The current Sheriff's (Zach Jacobsen) office has implemented reconciliations on all accounts and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed in early 2017. The phone number for the Sheriff's office is 573-438-5478.

2017-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit we noted that the Sheriff's office held a debit card for some time during the audit period for the auxiliary account without internal controls in place to review these transactions. The current Sheriff has subsequently destroyed this debit card.

Context: During discussions with management, we noted there was a debit card for the Sheriff's auxiliary bank account that was not monitored by the Commission or Treasurer's office. This was a practice of the previous Sheriff and the current Sheriff removed the debit card as soon as he was aware of its existence.

Effect: Lack of internal control systems over this account could result in fraudulent purchases and bank overdrafts.

Cause: Previous Management had not implemented an internal control system over the Sheriff's auxiliary bank account and accompanying debit card.

Recommendation: We recommend that the County switch from a debit card to a credit card and place internal controls over the purchases the Sheriff makes through this auxiliary account.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2017-002 Views of responsible officials and planned corrective actions: The current Sheriff's (Zach Jacobsen) office has implemented internal controls on this account and has eliminated the debit card. The completion date of this corrective action was already completed in early 2017. The phone number for the Sheriff's office is 573-438-5478.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 30, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2017 fiscal year. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 12, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Crime Victims' Compensation System
Data Security**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Audit of Crime Victims' Compensation System Data Security

Data Governance	The Department of Public Safety (DPS) has not established a comprehensive data governance program for the Crime Victims' Compensation (CVC) system. The DPS has not (1) formally established an information technology steering committee to oversee the operations of the CVC system; (2) documented certain existing policies and procedures; (3) fully established a security plan on which department-wide security policies, standards, and procedures can be formulated, implemented, or monitored; (4) completed and documented a formal risk assessment for the CVC system, and (5) established a formal security and privacy awareness training program specifically designed for the CVC system. In addition, the DPS does not have sufficient controls in place to ensure integrity of data and information within the CVC system and to prevent multiple users from editing a single record concurrently.
User Account Management	DPS management has not fully established controls for the creation and maintenance of user accounts for accessing the CVC system. The DPS has not formally documented policies and procedures for requesting, establishing, and maintaining user access to data and other system resources. As of January 2018, one active system account used to convert data from legacy systems into the CVC system remained active when access was no longer required. DPS management has not adequately segregated incompatible functions within the CVC system and has not established controls to limit or detect concurrent access to the CVC system.
System Controls	The DPS does not have adequate controls and procedures to ensure all program activity is properly recorded in the CVC system. The CVC system does not have sufficient logging functionality. The DPS has not established effective controls to ensure system output is complete, accurate, and distributed properly.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Crime Victims' Compensation System Data Security

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Charles A. (Drew) Juden, Director
Department of Public Safety
Jefferson City, Missouri

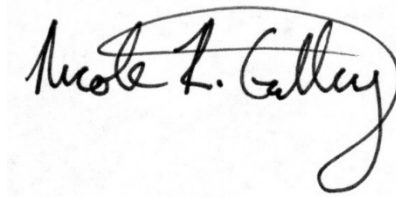
We have audited certain internal controls, including security controls, designed to protect data and information maintained by the Department of Public Safety, Crime Victims' Compensation system. This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

1. Evaluate the system's internal controls over significant management and financial functions.
2. Evaluate compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and information system control activities.
4. Evaluate the security and privacy controls designed to ensure the confidentiality, integrity, and availability of data and information maintained in the system.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, (3) the need for improvement in management practices and information control activities, and (4) the need to fully establish certain security and privacy controls. The accompanying Management Advisory Report presents our findings arising from our audit of Crime Victims' Compensation System Data Security.

An additional audit of Crime Victims' Compensation System Data Analytics is still in process, and any additional findings and recommendations will be included in that report.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written in a smaller, more compact script between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Jeffrey Thelen, CPA, CISA
In-Charge Auditor:	Patrick M. Pullins, M.Acct., CISA
Audit Staff:	Kent Aaron Dauderman, M.Acct., CPA

Crime Victims' Compensation System Data Security

Introduction

Background

The Missouri Crime Victims' Compensation (CVC) Program is designed to financially assist victims who have sustained bodily or psychological injury in paying for reasonable medical expenses, counseling expenses, funeral expenses, and lost wages or loss of support incurred as a result of being a victim of a crime. The CVC Program is a payor of last resort that pays for financial losses not covered by other sources, such as insurance, worker's compensation, or restitution from the offender.

The CVC Program was established in 1981 under the administration of the Department of Labor and Industrial Relations, Division of Worker's Compensation. By Executive Order 07-07, the program was transferred to the control of the Department of Public Safety (DPS), effective August 28, 2007. The CVC Program is in the DPS Office of the Director.

The current CVC computer system was custom-developed for the state by a third-party contractor and replaced legacy computer systems supporting the program. The department placed the current system into operation in April 2016. Ongoing technical support for the CVC system, including security guidance, the operating environment, and other services is provided by the Office of Administration - Information Technology Services Division (ITSD). In addition to the CVC Program, the computer system also supports the operations of the Sexual Assault Forensic Examination (SAFE) Program and the Child Physical Abuse Forensic Examination (CPAFE) Program.

The Government Accountability Office (GAO) has included the security of information systems, including the protection of Personally Identifiable Information (PII), in the office's High-Risk List since 1997.¹ Technological advances, such as lower data storage costs and increasing interconnectivity, have allowed both government and private sector agencies to collect and process extensive amounts of PII more effectively. Risks to PII can originate from unintentional and intentional threats. These risks include insider threats from careless, disgruntled, or improperly trained employees and contractors; the ease of obtaining and using hacking tools; and the emergence of more destructive attacks and data thefts.

Technology advances, combined with the increasing sophistication of individuals or groups with malicious intent, have increased the risk of PII being compromised and exposed. Correspondingly, the number of reported security incidents involving PII in both the private and public sectors has increased dramatically in recent years. At the same time, state agencies are increasingly reliant on technology and information sharing to interact with

¹ Report GAO-17-317 *Report to Congressional Committees, High Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, February 2017, is available at <<http://www.gao.gov/assets/690/682765.pdf>>.



Crime Victims' Compensation System Data Security Introduction

citizens and to deliver essential services. As a result, the need to protect information, including PII, against cybersecurity attacks is increasingly important.

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information. Effective privacy controls depend on the safeguards employed within the information system that is processing, storing, and transmitting PII and the environment in which the system operates. Organizations cannot have effective privacy without a basic foundation of information security. Without proper safeguards and controls, information systems and confidential data are vulnerable to individuals with malicious intentions who can use access to obtain sensitive data or disrupt operations.

The National Institute of Standards and Technology (NIST) defines cybersecurity as the process of protecting information by preventing, detecting, and responding to attacks² while ISACA³ states cybersecurity encompasses all that protects enterprises and individuals from intentional attacks, breaches, and incidents as well as the consequences.⁴ Cybersecurity should be aligned with all other aspects of information security, including governance, management, and assurance. The state of being secure requires maintenance and continuous improvement to meet the needs of stakeholders and the demands of emerging cyber threats.

Program funding

The CVC system processes claims for program expenditures from the following funds:

- The Crime Victims' Compensation Federal Fund was established to account for federal monies maintained in the state treasury for the use of the CVC Program. These funds may be received in advance, when related expenditures are made, or after related expenditures are made. Appropriations from this fund authorize disbursements for crime victims' payments.

² National Institute of Standards and Technology, *Framework for Improving Critical Infrastructure Cybersecurity*, Version 1.1, April 2018, is available at <https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.04162018.pdf>, page 45.

³ Previously known as the Information Systems Audit and Control Association.

⁴ ISACA, *Transforming Cybersecurity: Using COBIT 5*, 2013, page 11.



Crime Victims' Compensation System Data Security Introduction

- The Crime Victims' Compensation Fund was established to award compensation to, or on behalf of, victims of crimes. Appropriations from this fund authorize payments directly to the provider of services for medical or funeral expenses, or expenses for other services as allowed as a payor of last resort for the victim. Other appropriations from this fund pay expenses of the SAFE Program, the statewide crime victim notification system, court automation, and the Office for Victims of Crime. These appropriations are not part of the CVC Program.
- The General Revenue Fund is used for expenditures of the CPAFE Program and other expenditures of the SAFE Program.

Victims may file a claim for payment from the CVC Program for up to 2 years after the date of the crime. The CVC Program reimburses a maximum of \$25,000 per claim for crime-related expenses. Some benefit categories have lower limits, which are also included in the \$25,000 maximum payout,⁵ as follows:

- \$400 per week for lost wages
- \$5,000 for funeral expenses
- \$2,500 for counseling expenses
- \$250 for personal property (such as clothing or bedding) seized by law enforcement as evidence of the crime
- Attorney's fees, up to 15 percent of the total award

The primary funding source for the CVC Program is a surcharge of \$7.50 assessed as costs on all criminal cases. For all courts, except municipal courts, the fee is collected and the entire amount is remitted to the Department of Revenue (DOR). The first \$250,000 collected each fiscal year is deposited to the State Forensic Laboratory Fund. Next, funds are allocated for payments associated with the administrative and operational costs of the Office for Victims of Crime and for the operation of the statewide automated crime victim notification system. Remaining funds are deposited equally to the Crime Victims' Compensation Fund and the Services to Victims Fund. Only the funds deposited to the Crime Victims' Compensation Fund are available to pay the expenses of the CVC Program. Receipts deposited to other funds are used for the purposes of the respective funds.

For surcharges assessed against municipal court cases, the municipality is allowed to retain 5 percent of the collections. The remaining 95 percent of collections is remitted to the DOR, where it is deposited equally between the Crime Victims' Compensation Fund and the Services to Victims Fund.⁶

⁵ Sections 595.025 and 595.030, RSMo.

⁶ Section 595.045, RSMo.



Crime Victims' Compensation System Data Security Introduction

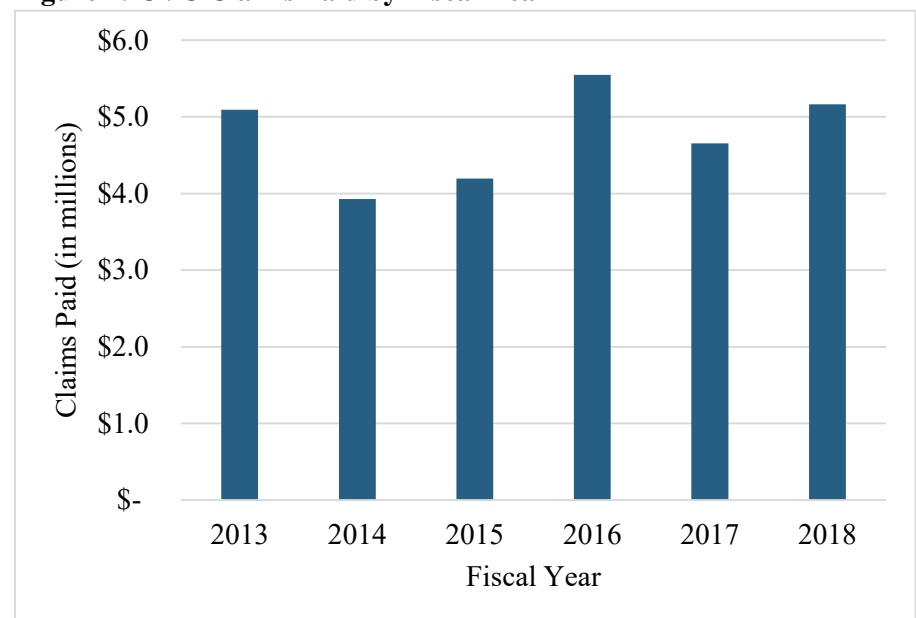
In addition, except in cases of certain specified crimes, each case in which a plea of guilty or a finding of guilt is made, a judgement must be entered against the defendant in the amount of \$68 (for a class A or B felony), \$46 (for a class C or D felony), or \$10 (for a misdemeanor), to be deposited into the Crime Victims' Compensation Fund.

The Crime Victims' Compensation Fund is also allowed to retain interest earnings on the monies in the fund and to receive gifts and contributions for the benefit of victims.

Program payments

Total claims processed through the CVC computer system from the Crime Victims' Compensation Federal Fund and the Crime Victims' Compensation Fund related to the CVC Program during state fiscal years 2013 through 2018 are presented in Figure 1.

Figure 1: CVC Claims Paid by Fiscal Year



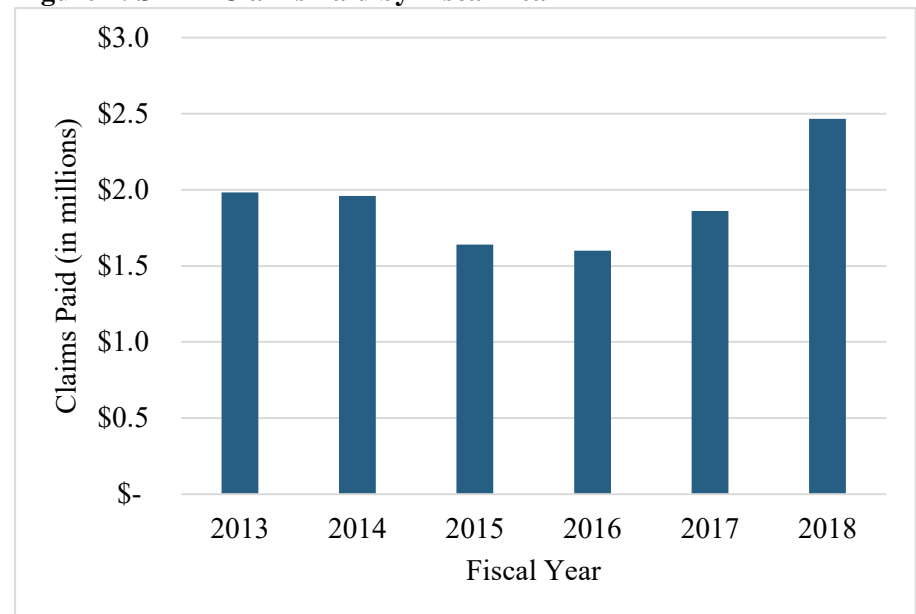
Source: Data from the state's accounting system (SAM II).



Crime Victims' Compensation System Data Security Introduction

Total claims processed through the CVC computer system from the Crime Victims' Compensation Federal Fund and the General Revenue Fund related to the SAFE Program during state fiscal years 2013 through 2018 are presented in Figure 2.

Figure 2: SAFE Claims Paid by Fiscal Year



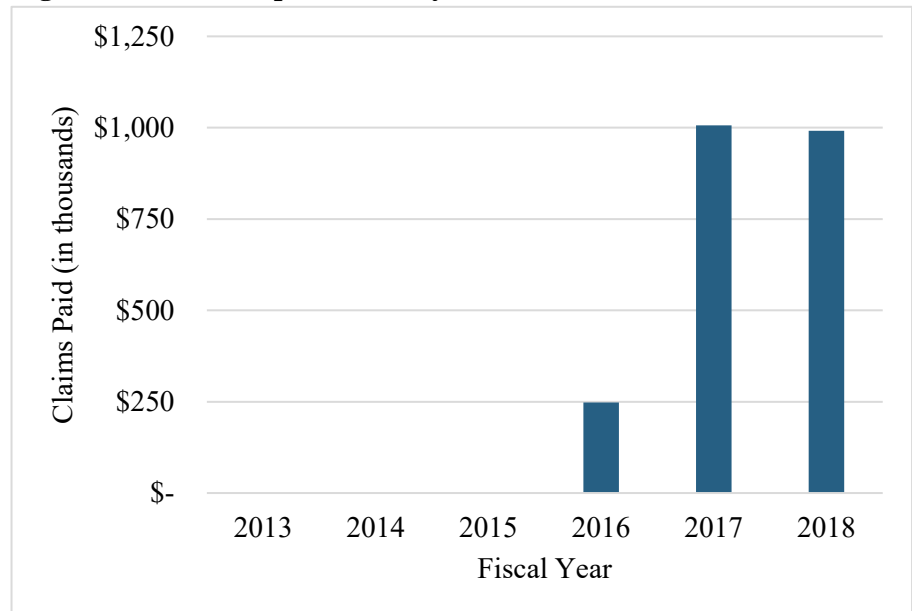
Source: Data from the state's accounting system (SAM II).



Crime Victims' Compensation System Data Security Introduction

Total claims processed through the CVC computer system from the General Revenue Fund related to the CPAFE Program during state fiscal years 2013 through 2018 are presented in Figure 3. The CPAFE Program was created in fiscal year 2015, with the first expenditures occurring in fiscal year 2016.

Figure 3: CPAFE Expenditures by Fiscal Year



Source: Data from the state's accounting system (SAM II).

Scope and Methodology

The scope of our audit included DPS management's approach to and management of the CVC system, including information security, privacy, and other relevant internal controls; policies and procedures; and other management functions and compliance issues in place during the period April 2016 (when the system was implemented) to June 2018.

Our methodology included reviewing written policies and procedures, and interviewing various DPS personnel. We obtained an understanding of the data governance approach and applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.



Crime Victims' Compensation System Data Security Introduction

We obtained the employment records of all state employees for fiscal years 2001 to 2018 from the statewide accounting system for human resources. We matched these records to the CVC user account records to determine if any terminated employees had active accounts. We identified no terminated state employees with active accounts. Although we used computer-processed data from the human resources system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security and privacy controls from the following sources:

- Office of Administration - Information Technology Services Division (ITSD)
- National Institute of Standards and Technology (NIST)
- U. S. Government Accountability Office (GAO)
- ISACA (previously known as the Information Systems Audit and Control Association)

Crime Victims' Compensation System Data Security

Management Advisory Report

State Auditor's Findings

1. Data Governance

The Department of Public Safety (DPS) has not established a comprehensive data governance program for the Crime Victims' Compensation (CVC) system. As a result, there is less assurance the data management and protection procedures in place are effective in reducing data privacy and security risks due to unauthorized access or misuse of data.

Data governance is defined as an organizational approach to data and information management that is formalized as a set of policies and procedures encompassing the full life cycle of data, from acquisition to use to disposal. It includes establishing policies, procedures, and standards regarding data security and privacy protection, data inventories, content and records management, data quality control, data access, data security and risk management, and data sharing and dissemination, as well as ongoing compliance monitoring of all the above-mentioned activities. By clearly establishing policies, standard procedures, responsibilities, and controls for data activities, a data governance program helps ensure the confidentiality, integrity, and availability of the CVC system.

The responsibility for data governance is shared between the DPS, the system owner; and the Office of Administration - Information Technology Services Division (ITSD), who provides technical support. As system owner, the DPS is responsible for ensuring the system is operating in a secure manner.

1.1 Steering committee

The DPS has not formally established an information technology (IT) steering committee to oversee the operations of the CVC system.

According to the National Institute of Standards and Technology (NIST), it is imperative that leaders and managers at all levels understand their responsibilities and are held accountable for managing information security risk—that is, the risk associated with the operation and use of information systems that support the missions and business functions of their organizations.

In order to carry out this objective, entities should establish an IT steering committee composed of executive, business, and IT management to determine prioritization of IT related projects in line with the enterprise's business strategy and priorities; track status of projects and resolve resource conflicts; and monitor service levels and service improvements, according to accepted standards.

An IT steering committee would take on responsibility for many of the additional tasks discussed throughout this finding. According to management, the DPS has relied on an informal group of CVC system users to fulfill limited steering committee responsibilities.



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

Without an effective IT steering committee, there is decreased assurance DPS management is effectively designing, implementing, and monitoring controls over the CVC system.

1.2 Policies and procedures

The DPS has not documented certain existing policies and procedures, including those to:

- Formalize ownership of and responsibility for the CVC system.
- Ensure claims are input and processed by the CVC system completely and correctly, including corrections to data as necessary, and that system output accurately reflects such processing.
- Formally establish frameworks necessary to guide and support system security, such as data definitions and classifications, control architecture, periodic reviews of controls, and monitoring procedures.
- Describe procedures to grant, monitor, and remove user accounts, including system, super-user, and emergency accounts.
- Ensure department personnel are aware of expectations and system requirements and that personnel are adequately trained and supervised.

We confirmed the existence of these informal policies and procedures through discussions held with DPS management, who indicated they did not realize the need to formalize these items.

According to accepted standards, documentation of all aspects of computer support and operations is important to ensure continuity and consistency. Formalizing operational practices and procedures with sufficient detail helps to eliminate security lapses and oversights, gives new personnel sufficiently detailed instructions, and provides a quality assurance function to help ensure that operations will be performed correctly and efficiently.

Without documented and approved policies and procedures, management may not have assurance that control activities are appropriate and properly applied.

1.3 Security plan

The DPS had not fully established a security plan on which department-wide security policies, standards, and procedures can be formulated, implemented, or monitored.

An entity-wide information security plan is the foundation of a security control structure and a reflection of senior management's commitment to addressing security risks. The security plan should establish a framework and continuous cycle of activity for assessing risk, developing and implementing effective security procedures, and monitoring the effectiveness of these procedures. Implementing an information security plan is essential to ensuring controls over information and information systems work effectively



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

on a continuing basis, according to the Government Accountability Office (GAO).

DPS management indicated they were unaware of the need to complete a security plan and thought the ITSD was responsible for this task. While the ITSD has made available the Missouri Adaptive Enterprise Architecture (MAEA) for consolidated agencies to use as guidance when developing a security plan, the MAEA does not constitute an actual plan for agencies to implement.

Specific plan components missing from the informal CVC security plan include:

- The formal designation of a security administrator responsible for the CVC system with adequate independence, expertise, and authority to define and communicate security procedures and rules of behavior.
- Designation of a framework to be used to formulate, implement, and monitor security policies and procedures.
- Procedures to periodically review and update security practices.

Other components that should be included in the security plan include risk assessments (see section 1.4), security training (see section 1.5), user account management (see Management Advisory Report (MAR) finding number 2), and security logging (see MAR finding number 3).

Until DPS management fully implements a security plan and takes steps to fully develop the necessary policies and controls to correct or mitigate information security control weaknesses, the DPS will have limited assurance that sensitive information and systems are adequately protected.

1.4 Risk assessment

The DPS has not completed and documented a formal risk assessment for the CVC system.

Accepted standards state organizations should develop, document, and implement an information security program that includes periodic assessments of the risk and magnitude of harm that could result from the unauthorized access, use, disclosure, disruption, modification, or destruction of information or information systems. A risk assessment is necessary to identify potential threats, identify vulnerabilities in systems, determine the likelihood that a particular threat may exploit vulnerabilities, and assess the resulting impact on the organization's mission, including the effect on sensitive and critical systems and data, according to accepted standards. Risk assessments should include essential elements such as discussion of threats, vulnerabilities, impact, risk model, and likelihood of occurrence, and be updated using the results from ongoing monitoring of risk factors. Only after a risk assessment has been performed can an entity take actions to mitigate



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

the risks identified, including performance of a cost-benefit analysis and development of an action plan to address risks, according to the MAEA.

While DPS personnel have performed informal risk assessment procedures, a comprehensive risk assessment has not been performed. They indicated a comprehensive risk assessment has not been performed for the CVC system because department management was unaware of the need to perform such an assessment. As such, risk assessment procedures that have been completed have been ad-hoc rather than a comprehensive plan to address risks inherent to the system. Consequently, the department has been unable to formally develop a plan to evaluate, prioritize, and remediate risks to an acceptable level.

Since risks and threats change over time, the results of risk assessments should be documented to ensure an appropriate action plan is developed to limit vulnerabilities and to reduce risk to an acceptable level. The risk assessment should also be performed periodically and revised as necessary whenever there is a change in the entity's operations, according to the GAO.

Without a risk assessment program, DPS management does not have assurance appropriate controls are in place to reduce risks of threats and vulnerabilities to an acceptable level.

1.5 Continuing training

The DPS has not established a formal security and privacy awareness training program specifically designed for the CVC system. As organizations implement more powerful information systems and become more reliant on electronic data, proactive security awareness programs become a priority. Uninformed users are a major threat to data security in organizations.

According to accepted standards, the purpose of security awareness, training, and education is to enhance security by (1) raising awareness of the need to protect system resources; (2) developing skills and knowledge so system users can perform their jobs more securely; and (3) building in-depth knowledge as needed to design, implement, or operate security programs for organizations and systems.

Making computer system users aware of their security responsibilities and teaching them correct practices helps users change their behavior. Awareness training also supports individual accountability, which is one of the most important ways to improve information security. With proper security and privacy awareness training and clear communication of data and device use policies, employees can become the first line of defense against cybersecurity incidents. However, without adequate training, users may not understand system security risks and their role in implementing related policies and controls to mitigate those risks.



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

DPS management indicated employees participate in the ITSD's statewide information security awareness program. However, the ITSD program only covers general security and privacy controls and is not specific to the CVC system. As such, additional training is needed for DPS staff regarding specific security requirements of the CVC system and program.

1.6 Data integrity

The DPS does not have sufficient controls in place to ensure integrity of data and information within the CVC system and to prevent multiple users from editing a single record concurrently.

Data integrity exists when data agrees with its source and has not been accidentally or maliciously modified, altered or destroyed, according to accepted standards. Integrity is lost if unauthorized changes are made to the data or system by either intentional or accidental acts. If the loss of system or data integrity is not corrected, continued use of the contaminated system or corrupted data could result in inaccurate data, fraud, or erroneous decisions. DPS staff indicated they monitored data integrity during the conversion from the legacy CVC systems to the current system; however, that control has not continued and procedures to ensure the continued integrity of data have not been established.

In addition, a record-locking control to prevent two users from simultaneously editing the same record in the CVC system is not in place. A record-locking control allows only one user to modify a record at any given time in order to prevent incompatible edits and preserve data integrity. If a record-locking control is not in place, a user is not restricted from making changes to a record while another user is accessing the same record, which increases the risk of inaccurate transaction records as well as any associated reports. According to DPS management, concurrent updating had not been considered until we discussed the issue with them. Establishing a record-locking control requires working in conjunction with the ITSD to develop a system enhancement.

According to accepted standards, data integrity management requires an organization to define and document policies and procedures to ensure integrity and consistency of data. This process improves the quality of management decision-making by helping to ensure reliable and secure information is provided.

Conclusion

Without fully establishing a data governance program in coordination with all responsible entities, management faces an increased risk that security and privacy controls will not be effective or operate as designed, leaving the CVC system more vulnerable to threats and impacting the confidentiality, integrity, and availability of CVC Program data.



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

Recommendations

The DPS:

- 1.1 Form an IT steering committee to oversee the management and operation of the CVC system.
- 1.2 Fully document and periodically review policies and procedures.
- 1.3 Fully develop and document a formal security plan for the CVC system.
- 1.4 Design and implement a formal risk assessment process that includes policies, standards, and procedures for performing periodic risk assessments and for reducing risk to an acceptable level.
- 1.5 Establish a formal security and privacy awareness training program for the CVC system.
- 1.6 Develop and document formal procedures for monitoring and maintaining the integrity of data stored in the CVC system. In addition, work with the ITSD to establish a record-locking control for preventing concurrent editing.

Auditee's Response

- 1.1 *The DPS has maintained an informal committee regarding management and operations of the CVC computer system since the system launched in 2016. During this audit, the DPS formulated a plan to formalize a steering committee for the CVC system. This plan also creates an Information Technology Systems Analyst (ITSA) position, which the DPS filled in April 2018. The ITSA will lead the creation of written processes and lead quarterly committee meetings. The DPS will establish a formal steering committee by October 1, 2018.*
- 1.2 *The DPS has recognized the need to better document its policies and procedures. It began revamping its policies and procedures manual in the spring of 2018, and this process is ongoing. After completion, the document will be reviewed periodically for compliance with changes in regulations and practice. Additionally system specific policies and procedures are scheduled to be developed in conjunction with the security plan.*
- 1.3 *The DPS recognizes the value of a formal security plan for the CVC system. The ITSA along with the ITSD, has been directed to create a security plan following completion of the CVC system risk assessment. This plan will designate the ITSA as the security administrator. The security plan will include a periodic review timetable and a framework to monitor security procedures.*



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

- 1.4 *The DPS has maintained informal risk assessment procedures since launching the current CVC computer system in 2016. During this audit, the DPS created a plan to formalize these risk assessment procedures in order to evaluate, prioritize, and remediate risks inherent to the CVC system. As noted above, the DPS hired an ITSA in April 2018, who will lead the creation of written risk assessments and the mitigation of threats.*
- 1.5 *The DPS is eager to further educate our staff on general security and privacy controls provided by the ITSD, including security and privacy controls specific to the CVC system. Upon completion of the policy manual revision, the DPS will implement a training program that includes risk assessment security, user account management, PII safeguard, and other appropriate subjects.*
- 1.6 *The DPS recognizes the value of formally reviewing data integrity through controls of the CVC system. Your rigorous testing has helped the DPS identify areas for potential improvement. The ITSA, DPS, and ITSD are partnering to improve and limit the risk of modifications to the CVC system. The DPS has requested the ITSD's assistance on improving the CVC system's data integrity, including potentially implementing the suggested record locking capabilities.*

2. User Account Management

DPS management has not fully established controls for the creation and maintenance of user accounts for accessing the CVC system. Existing procedures for granting user access to the CVC system need to be strengthened and documented. Accounts used for support purposes were not removed once no longer required, and inactive accounts were allowed to remain in the user listing. In addition, security roles available to users are not restricted to only those functions necessary to do assigned jobs; roles with super-user capabilities were assigned to system support staff; and controls have not been established to restrict users from accessing the system from multiple locations concurrently.

2.1 Account requests

The DPS has not formally documented policies and procedures for requesting, establishing, and maintaining user access to data and other system resources. Additionally, a standard user access request form is not used to document the request and approval process.

User account control activities include requesting, establishing, issuing, suspending, modifying, closing, and periodically reviewing user accounts and related user privileges, according to accepted standards. To adequately control accounts, an organization should establish policies and procedures for authorizing and maintaining all user accounts, including system administrators. These policies and procedures should cover user access needed for routine operations, emergency access, and the sharing and



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

disposition of data with individuals or groups outside the organization. DPS management indicated they were unsure why such policies and procedures had not been established.

Accepted standards also require access authorizations to be documented on standard forms and approved by resource owners, and listings of authorized users to be maintained. A formal process for transmitting these authorizations should be established to reduce the risk of mishandling, alterations, and misunderstandings.

Without appropriate account access policies and procedures, users may be granted inappropriate or unauthorized access, which can provide opportunities for misuse or inappropriate disclosure of sensitive data.

2.2 User account issues

As of January 2018, one active system account used to convert data from the legacy systems into the CVC system remained active when access was no longer required. We discussed this account with DPS management in April 2018, and the account was disabled in May 2018. DPS management indicated this error went undetected because their review of users focused only on DPS employees, and not system accounts.

As of January 2018, 69 inactive user accounts existed in the CVC system user listing. These accounts are assigned to users who no longer need access to the CVC system as part of their job duties or who had left employment. DPS management indicated these accounts are assigned to inactive status rather than being deleted to preserve the integrity of system logs. However, these accounts could accidentally or maliciously be reactivated, allowing users to regain their access to the CVC system. This weakness is especially critical given that most of these accounts belong to ITSD employees who, although no longer working on the CVC system, are still state employees working on other projects. If one of these user account was reactivated, the user could inappropriately regain access to the CVC system.

After we discussed this issue with DPS management, they created a new role within the system that is not assigned any actual access rights. All inactive user accounts were assigned to this role, meaning that even if the accounts were to be accidentally reactivated, users could not access any information in the system without also changing the role.

Without effective procedures to remove access, terminated employees and system accounts that are no longer required could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets, according to the GAO.

2.3 Segregation of duties

DPS management has not adequately segregated incompatible functions within the CVC system.



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

We found certain access roles allowed users to perform incompatible functions. For example, four different access roles allow user accounts the ability to create, update, and approve claims; approve or deny the payment of a claim; delete a claim; edit reference tables; and modify system reference tables. One of these four roles was assigned to multiple ITSD support personnel, who had complete access to every portion of the CVC system. Additionally, we found two roles with identical access rights to the system, which can cause additional administrative burden. DPS management could not explain why the roles were assigned in this manner.

Inadequately segregated duties increase the risk that erroneous or fraudulent transactions could be processed, that improper program changes could be implemented, and that computer resources could be damaged or destroyed, according to the GAO.

2.4 Concurrent access

The DPS has not established controls to limit or detect concurrent access to the CVC system.

Concurrent session controls prevent a single user from accessing an information system from more than a specified number of locations at any given time. These controls help prevent unauthorized users from accessing the system by masquerading as an authorized user. DPS management was unaware of the need to limit concurrent access.

According to accepted standards, the number of concurrent sessions for a user should be limited. Without limiting or detecting access from multiple locations at the same time, management may not be able to ensure the confidentiality, integrity, and availability of data and the system.

Recommendations

The DPS:

- 2.1 Fully establish and document formal policies and procedures, including requiring standard forms, for requesting, approving, and maintaining access to the CVC system.
- 2.2 Periodically review user accounts to ensure access that is no longer necessary is removed timely.
- 2.3 Perform a comprehensive review of the CVC user access roles to ensure incompatible functions are identified and properly segregated.
- 2.4 Manage and monitor the number of concurrent sessions for a single user.

Auditee's Response

- 2.1 *The DPS has maintained an informal process for requesting and removing user access in the CVC system. This system required*



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

supervisor approval for changes in user access status, and used ITSD records as documentation of these changes. Following this audit, the DPS will formalize the process as described in this recommendation. The ITSA will lead these changes, which will be included in the DPS's written policies and procedures.

- 2.2 *The DPS concurs in the need for periodic review of user accounts, including a formal process and timetable. The ITSA has been tasked with developing new procedures to ensure that the right level of access is provided to user accounts, including a biannual review of roles access to minimize user privileges.*
- 2.3 *The DPS concurs in this recommendation. The ITSA will initiate development of a formal process and timetable to accomplish this recommendation. This will include development of user- and role-based access to CVC systems, and a biannual review of roles access to minimize user privileges. After development, these processes will be included in the DPS's written policies and procedures.*
- 2.4 *The DPS recognizes the concerns regarding concurrent access of the CVC system. These concerns are limited as the CVC system is only accessible within the state network with state credentials monitored by ITSD. The ITSA, DPS, and ITSD will meet to discuss limiting the risk of concurrent sessions in the CVC system and the feasibility of implementing this recommendation.*

3. System Controls

The DPS does not have adequate controls and procedures to ensure all program activity is properly recorded in the CVC system. The system does not sufficiently log certain events and does not provide appropriate reports or data to account for system output.

3.1 System logs

The CVC system does not have sufficient logging functionality. In addition, the current logging functionality does not record all necessary details for monitoring certain document processing and security-related activities.

The CVC system is accessed via the state's internal computer network. Access to the system is controlled via the ITSD's consolidated network security application. Accordingly, many security events, such as network logon are recorded in the logs maintained by the ITSD and are not subject to logging within the CVC application itself.

The CVC system contains event logging functionality within the claim processing component of the application. However, this log only writes records when documents are uploaded to the application and when the system generates documents to be sent to the claimant. If a user were to delete an uploaded document or modify the underlying claim, that activity is not



Crime Victims' Compensation System Data Security Management Advisory Report - State Auditor's Findings

logged. Additional items not logged include system-specific security functionality such as changes in what roles a user is assigned to, changes in what system functionality a role grants access to, or modifications to the logs themselves. This enhanced logging functionality is not currently available in the CVC system. DPS management indicated they relied on the ITSD for logging and were not aware of the limited CVC system logging functionality. They agreed the logging functions should be reviewed and improved if they added value.

Without an effective method to identify, log, and monitor significant security-relevant events, management faces an increased risk that unauthorized or inappropriate system activity may not be detected.

3.2 Output controls

The DPS has not established effective controls to ensure system output is complete, accurate, and distributed properly.

When a claim is approved for payment in the CVC system, several steps must be completed to distribute the payment to the claimant. An automated interface sends a check request to the state's accounting system, which causes a check to be printed and returned to the department. The CVC system also generates printed letters to the claimant and produces various electronic reports available to authorized users. This daily activity is summarized into various monthly, quarterly, and annual reports.

The DPS currently relies on manual controls to ensure output is complete and accurate. For instance, staff manually match checks generated by the accounting system to letters generated by the CVC system. However, this procedure would fail to detect instances where both a check and a letter were not created, or where the documents may have been intercepted or tampered with.

DPS management told us they believe the manual controls currently in place are sufficient to control system output. The manual procedures used by DPS staff to reconcile various reports at the end of each month would detect if the reports were out of balance. However this procedure could be enhanced by making it an automated alert that compares data daily, detecting errors or issues more timely.

Without effective output controls, the DPS is at increased risk that inaccurate payments, whether caused by system errors or malfeasance, could occur and not be detected timely.



Crime Victims' Compensation System Data Security
Management Advisory Report - State Auditor's Findings

Recommendations

The DPS:

- 3.1 Work with the ITSD to determine what application-level security events and incidents should be logged and monitored and develop such functionality.
- 3.2 Implement more effective controls over CVC system outputs.

Auditee's Response

- 3.1 *The DPS concurs that there is value in reviewing the logging functions to determine if there is an opportunity to add value through change in functionality. Testing has discovered some areas of improvement. The DPS will work with the ITSD to enhance the CVC system's logging capabilities.*
- 3.2 *At this time, the manual controls currently in place for the CVC system are sufficient for the needs of the program. Physical checks issued by the state's SAM II payment system are matched with letters prepared by the CVC computer system. These independent systems provide safeguards that guard against waste, fraud, and abuse.*



Office of Missouri State Auditor
Nicole Galloway, CPA

Scott County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Scott County

Election Services Fund Transactions	County officials made disbursements from the Election Services Fund that are questionable or improper based on the statutorily intended purpose of the fund.
Sheriff's Controls and Procedures	The Sheriff does not have proper controls and procedures in place to ensure collection and transmittal of amounts billed and received for boarding of prisoners. The Sheriff has not entered into written agreements with the surrounding counties and cities for the boarding of prisoners. The Sheriff does not have adequate procedures to ensure all inmate monies are refunded upon release.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney does not prepare monthly lists of liabilities for the office's 2 bank accounts and consequently, liabilities are not agreed to the reconciled bank balances. The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks for the 2 restitution accounts.
Passwords	The County Collector, County Treasurer, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data as required by the county's personnel policy.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Scott County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Scott County

We have audited certain operations of Scott County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Scott County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

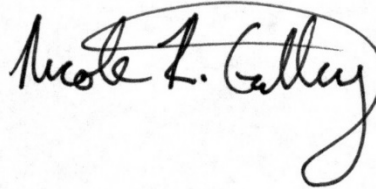
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Scott County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE
In-Charge Auditor:	David Olson
Audit Staff:	Jennifer Anderson
	Emily Warren, CPA
	Wanda S. Rice, MBA

Scott County Management Advisory Report State Auditor's Findings

1. Election Services Fund Transactions

County officials made disbursements from the Election Services Fund (ESF) that are questionable or improper based on the statutorily intended purpose of the fund.

The statutory purpose of the ESF is to provide funding for training programs and the purchase of supplies or equipment to improve the conduct of elections. Fund revenue includes a 5 percent fee assessed on election billings and certain reimbursements from the Missouri Secretary of State's Office. We reviewed the use of the ESF in 2016 and 2017 and identified the following questionable disbursements.

- Missouri Association of Counties conference fees and related expenses totaling \$1,641 for meals, lodging, and mileage reimbursements during 2016 and 2017. For the 4 conferences attended, the conference agendas provided by the County Clerk indicated only one hour of training was related to conducting elections.

We also identified several unallowable disbursements.

- The purchase of 200 solar eclipse sunglasses costing \$400 in 2017. The County Clerk indicated the sunglasses were for use by election workers and county employees. The solar eclipse event occurred on August 21, 2017, but no elections were held on this date.
- An appreciation banquet for election workers costing \$2,021 in 2016. The costs included food, a banquet hall rental, and supplies.
- A disbursement of \$250 to an organization to display 6 American flags in front of the county courthouse on select holidays during 2017.

Section 115.065.4, RSMo, states "The election services fund shall be used by the election authority for training programs and purchase of additional supplies or equipment to improve the conduct of elections, including anything necessarily pertaining thereto."

Costs paid by the fund should be clearly related to the uses allowed by state law and documentation should be retained to demonstrate the disbursements comply with statutory restrictions.

Recommendation

The County Clerk and County Commission ensure the Election Services Fund is used for purposes intended by state law, and retain documentation showing compliance with state law. In addition, the Election Services Fund should be reimbursed for the questionable and unallowable disbursements.



Scott County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Clerk provided the following response:

Missouri Association of Counties conference fees and related expenses totaling \$1,641 for meals, lodging and mileage during 2016 and 2017: I attend these meetings to listen to speakers discuss election issues. County Clerks/Election Authorities meet and discuss the changes in the laws concerning elections. Plus vendors are there demonstrating the latest election equipment available.

The purchase of 200 solar eclipse sunglasses costing \$400 in 2017 for use by election workers and county employees. The solar eclipse event occurred on August 21, 2017, but no elections were held on this date: I purchased the glasses because they were sold out everywhere around the county and various judges and employees asked if I could find some. I purchased them because I felt the safety of the election judges and employees was very important.

An appreciation banquet for election workers costing \$2,021 in 2016. The costs included food, a banquet hall rental, and supplies: I wanted to thank the men and women for their hard work they do for the elections in Scott County. The banquet was held after all of the elections in 2016 so everyone could enjoy each other's company, visit and get to know each other in a more relaxed atmosphere than on election day. Election Judges are moved to other precincts sometimes, so this banquet also gave them a chance to meet others that they may work with on Election Day. Elections could not be held if it wasn't for these men and women working these long hard days. This is definitely 100% election related because they discussed working at the polls on Election Day.

A disbursement of \$250 for the display of 6 American Flags in front of the County Courthouse on select holidays during 2017: I paid from the Election Services Fund because I believe the flags stand out and remind people of their freedom to vote.

I paid for the above items from the Election Services Fund because I feel the expenditures were election related. In 2016, \$8,083 was receipted in the Election Services Fund and in 2017, \$5,873.95. This money came from the state, interest earned and the General Revenue Fund. I stand behind my decisions of purchases and believe they are all election related.

As stated in the above paragraphs, I feel the disbursements do follow the law and with the revenues already received in this fund, why transfer more? In the future just like in the past, all expenditures paid from the Election Services Fund will be election related and the invoices will show that. I respect the State Auditor's Office and have always followed their recommendations and will continue to do so if necessary.



Scott County
Management Advisory Report - State Auditor's Findings

The County Commission provided the following response:

Missouri Association of Counties conference voting issues are always an agenda item, plus latest equipment and possible upgrades to our current equipment are displayed and operated.

Solar Eclipse was a once in a lifetime phenomenon. Election workers and employees alike were going to view just like all Missourians. For the safety of all, glasses were purchased.

Appreciation Luncheon is a small act of appreciation from Scott County for a long day of service to the voting public.

Flags purchased are a symbol of voter freedom.

We will continue to ensure the Election Services Fund is used for purposes intended by state law, and retain documentation showing compliance with state law. We will not transfer money to the Election Services Fund at this time, due to our above responses and General Revenue Fund has already transferred the required 5 percent into the fund.

Auditor's Comment

The disbursements indicated above were not related to conducting elections, and as a result, these costs should be reimbursed to the Election Services Fund.

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office collected monies for civil paper service, bonds, transporting prisoners, inmate monies, and other miscellaneous receipts totaling approximately \$467,000 during the year ended December 31, 2017.

2.1 Prisoner boarding

The Sheriff does not have proper controls and procedures in place to ensure collection and transmittal of amounts billed and received for boarding of prisoners. During 2017, the Sheriff's office did not track all board bills sent or payments received. As a result, the Sheriff's office is unable to monitor billed amounts to ensure payments are received and transmitted to the County Treasurer. County records indicate amounts transmitted to the County Treasurer for board bills totaled approximately \$39,400 in 2017. In addition, the Sheriff has not entered into written agreements with the surrounding counties and cities for the boarding of prisoners detailing the housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations.

Procedures such as independent reconciliations of billing records to jail records and payments received should be established to ensure prisoner housing is properly billed, collected, recorded, and transmitted to the County Treasurer. Proper records and follow-up procedures are also necessary to safeguard against possible loss, theft, or misuse of funds going undetected.



Scott County Management Advisory Report - State Auditor's Findings

Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

2.2 Inactive inmate account balances

The Sheriff does not have adequate procedures to ensure all inmate monies are refunded upon release. As of May 31, 2018, the Sheriff's office was holding \$2,074 for 397 former inmates in the commissary bank account. These inmates were released from the county justice center but did not claim their commissary account balance.

Follow up on inactive accounts is necessary to ensure monies are appropriately disbursed to the former inmates or as otherwise provided by state law. In addition, establishing procedures to refund all inmate monies upon release will allow the Sheriff to more adequately safeguard any monies being held and reduce the risk of loss, theft, or misuse of monies.

A similar condition was noted in our prior audit report.

Recommendations

The Sheriff:

- 2.1 Develop procedures to ensure collections of costs for boarding prisoners and the proper recording and transmittal of payments received. In addition, the Sheriff should work with the County Commission to obtain written agreements with other counties and cities for the boarding of prisoners.
- 2.2 Refund all inmate monies to inmates upon release. In addition, the Sheriff should attempt to return unclaimed balances to the former inmates. If the payee cannot be located, the amount should be disbursed in accordance with state law.

Auditee's Response

- 2.1 *We have read, understand, and will comply. We have begun working on this, and since the audit we have written agreements with agencies that we hold prisoners for in our surrounding cities and counties. We are also developing procedures to ensure collection of costs for boarding prisoners and the proper recording and transmittal of payments received.*
- 2.2 *We have read, understand, and will comply. We are currently switching to debit cards for all inmates released with funds. We used to issue checks Monday through Friday to inmates released with money on their accounts. The new debit card should eliminate this problem in the future. We are currently working on returning the*



Scott County
Management Advisory Report - State Auditor's Findings

unclaimed balances to the proper owners. If the payee cannot be located, the amount will be disbursed in accordance with state law.

3. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately \$142,000 in bad checks, restitution, delinquent taxes, and related fees during the year ended December 31, 2017.

3.1 Liabilities

The Prosecuting Attorney does not prepare monthly lists of liabilities for the office's 2 bank accounts and consequently, liabilities are not agreed to the reconciled bank balances. At our request, a list of liabilities was prepared for each account. For the current restitution account, identified liabilities totaled \$3,105 at May 31, 2018. The reconciled bank balance was \$4,158, leaving an unidentified balance of \$1,053. For the old restitution account, identified liabilities totaled \$88 at May 31, 2018. The reconciled bank balance was \$24,204, leaving an unidentified balance of \$24,116. After preparing the list, the Prosecuting Attorney's office disbursed \$24,000 of the unidentified balance to the State Treasurer's Office Unclaimed Property Division on June 20, 2018.

Monthly lists of liabilities should be prepared and reconciled to the available cash balance to ensure sufficient cash is available for the payments of amounts due and all monies in the bank can be identified. Prompt follow up on discrepancies is necessary to resolve errors. Further, various statutory provisions provide for the disposition of unidentified monies.

3.2 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks for the 2 restitution accounts. As of May 31, 2018, 18 checks totaling \$2,439 had been outstanding for over a year, with one check dating back to 2011.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Similar conditions previously reported Recommendations

A similar condition to section 2.1 was noted in our 5 prior audit reports and a similar condition to section 2.2 was noted in our 4 prior audit reports.

The Prosecuting Attorney:

- 3.1 Prepare monthly lists of liabilities and reconcile the list to the reconciled bank balance monthly. Any differences should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.



Scott County
Management Advisory Report - State Auditor's Findings

- 3.2 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

Auditee's Response

- 3.1 *I agree with the recommendation and it is being implemented.*
- 3.2 *I agree with the recommendation and it is being implemented. We have already disbursed 8 of the 18 checks totaling \$1,038.12 to the State Treasurer's Office Unclaimed Property Division.*

4. Passwords

The County Collector, County Treasurer, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data as required by the county's personnel policy. Employees in these offices share passwords.

The county's personnel policy states unique and confidential passwords that are changed periodically are required for county computers. Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords are shared in these offices, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our 3 prior audit reports.

Recommendation

The County Collector, County Treasurer, and Recorder of Deeds require confidential passwords for each employee as required by the county's personnel policy.

Auditee's Response

The County Collector provided the following response:

I disagree with the recommendation and feel that it is not practical to implement with the limited staff we have in the office.

The County Treasurer provided the following response:

I will consult with the Information Technology Administrator and implement the recommendation if feasible.

The Recorder of Deeds provided the following response:



Scott County
Management Advisory Report - State Auditor's Findings

This has been implemented. We recently purchased new computers that require unique passwords for each employee. Passwords will be kept confidential.

Scott County

Organization and Statistical Information

Scott County is a county-organized, third-class county. The county seat is Benton.

Scott County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 110 full-time employees and 11 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Jamie Burger, Presiding Commissioner	\$	43,020
Dennis Ziegenhorn, Associate Commissioner		40,308
Donnie Kiefer, Associate Commissioner		40,308
Tara L. Mason, Recorder of Deeds		61,071
Rita Milam, County Clerk		61,071
Paul R. Boyd, Prosecuting Attorney		137,077
Wes Drury, Sheriff		67,863
Glenda Enderle, County Treasurer		61,071
Scott C. Amick, County Coroner		21,726
Julia C. Dolan, Public Administrator		61,071
Mark Hensley, County Collector (1), year ended February 28,	70,336	
Teresa Houchin, County Assessor, year ended August 31,		60,101

(1) Includes \$9,163 of commissions earned for collecting city property taxes.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Board of Public Service

Report No. 2018-062
August 2018

auditor.mo.gov

City of St. Louis - Board of Public Service

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
President of the Board of Public Service
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2008-61, *City of St. Louis, Board of Public Service*, issued in September 2008, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our ongoing audit of the Board of Public Service. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Board of Public Service that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Board of Public Service

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: City Vehicle Policies

Finding Number: 1.A.

Finding: The city's revised code for motor vehicle policies was outdated, and a new ordinance was needed to clarify which official, board, or department should have overall rulemaking and policy enforcement authority. St. Louis City Revised Code Section 3.54.060 gave the city's Comptroller the authority to establish rules for motor vehicles; however, the Comptroller no longer established rules under this code.

Recommendation: The Board of Public Service (BPS) work with the Board of Estimate and Apportionment to revise the city code to clarify and establish clear authority over policymaking and policy enforcement for city vehicles.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

This issue has not yet been addressed. Current ordinance (3.54.060) must be changed to reassign responsibility to oversee the BPS Equipment Services Division (ESD) from the Comptroller to the Mayor or the Board of Estimate and Apportionment. Initiating an ordinance change must come from the Mayor's office. We discussed this issue at the first City Vehicle Policy Revision Committee meeting. Meetings were held which resulted in other policy revisions in 2008 and 2010. Ultimately, because the Comptroller is a member of the Board of Estimate and Apportionment, the city is in compliance with the ordinance as it exists now because that board approves the City Vehicle Policy.

Contact Person: Christopher Amos
Contact Phone Number: (314) 768-2891



City of St. Louis - Board of Public Service
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: City Vehicle Policies

Finding Number: 1.B.

Finding: The ESD had not been able to complete annual vehicle assignment reports because most city departments were not providing the required information.

Recommendation: The BPS work with the Board of Estimate and Apportionment to ensure the vehicle assignment report is completed annually as required by the Vehicle Policy Manual.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The last complete Annual Vehicle Survey was in fiscal year 2016, which included all departments and a commuting study, and was reported in March rather than the previous October. The fiscal year 2017 survey was incomplete because it was missing the St. Louis Metropolitan Police Department. No survey was attempted in fiscal year 2018. The fiscal year 2019 survey will commence in August 2018.

It remains impossible for the ESD to complete the report and have it posted to the city website until full compliance is achieved. Neither the ESD nor the BPS has the authority to compel compliance.

Contact Person: Christopher Amos

Contact Phone Number: (314) 768-2891



City of St. Louis - Board of Public Service
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: City Vehicle Policies

Finding Number: 1.C.

Finding: The Vehicle Policy Manual allowed for the purchase of new full-sized sedans for newly-elected city officials but did not address restrictions on how the new vehicles could be equipped.

Recommendation: The BPS work with the Board of Estimate and Apportionment to amend the Vehicle Policy Manual to prohibit or limit options on new vehicle purchases considered a luxury or unnecessary.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Upon completion of the prior audit, the BPS attempted to work with the Board of Estimate and Apportionment but, according to the then Director of Operations, those members and the Board of Aldermen declined to change the policy or ordinance at that time. The BPS does not have the power to change this policy without cooperation from other boards and departments.

No elected officials covered by the policy have a city car for personal use. The Comptroller and President of the Board of Aldermen discontinued driving a city vehicle for commuting and other personal use. The Mayor has never driven a city vehicle for commuting or personal use. The police officers who protect the Mayor have unmarked, assigned cars and drive the Mayor.

The current Director of Operations has for the past two years intended to update the City Vehicle Policy, but this has been delayed due to the need to include the St. Louis Metropolitan Police Department. When the timing is right, we will convene a working group of stakeholders to revise the vehicle policy for approval at the Director of Operations' request. At that time, the policy may also be changed with regard to the elected officials' vehicles.

Contact Person: Christopher Amos

Contact Phone Number: (314) 768-2891



City of St. Louis - Board of Public Service
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: City Vehicle Policies

Finding Number: 1.D.

Finding: The city had not established a policy requiring vehicle mileage logs for all city vehicles.

Recommendation: The BPS work with the Board of Estimate and Apportionment to amend the Vehicle Policy Manual to establish a policy requiring complete and detailed mileage logs be maintained for all city-owned vehicles.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The requirement for maintenance of vehicle logs was added to the City Vehicle Policy making appointing authorities responsible for monitoring compliance. No compliance audit has been completed to the ESD's knowledge but we suspect that most departments will not be in compliance over time, except for those using technology to automatically log. The ESD maintains that manual logs are easily doctored to hide misuse even with time-consuming monitoring.

Contact Person: Christopher Amos

Contact Phone Number: (314) 768-2891



City of St. Louis - Board of Public Service
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Equipment Services Division's Accounting System

Finding Number: 2.A.

Finding: The ESD provided fuel and vehicle maintenance services to most other city departments but was not accounted for as an internal service fund on the city's financial statements.

Recommendation: The BPS work with applicable city officials to establish the ESD as an internal service fund on the city's financial statements in which all applicable costs are billed to and paid by the various city departments.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The ESD has repeatedly and consistently requested to be made an internal service fund and includes it in its goals. This change requires action by the Comptroller and Budget Division which have previously refused to make it.

Contact Person: Christopher Amos

Contact Phone Number: (314) 768-2891



City of St. Louis - Board of Public Service
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Equipment Services Division's Accounting System

Finding Number: 2.B.

Finding: The ESD was using an internal pricing system that had not been updated since it was approved in 2003.

Recommendation: The BPS ensure the ESD reviews and updates the internal pricing system on a regular basis to ensure it reflects actual costs of goods and services provided to other city departments.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The ESD updated its rates in fiscal year 2008 and held them flat through fiscal year 2010 because minor labor cost increases were offset by elimination of overhead costs. The fiscal year 2011 rate evaluation likewise resulted in no changes as reduced overhead costs offset labor increases. Another update is planned for late fiscal year 2019 to adjust for management changes, increased technician pay rates, and garage consolidation.

Contact Person: Christopher Amos

Contact Phone Number: (314) 768-2891



City of St. Louis - Board of Public Service
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Equipment Services Division's Controls and Procedures

Finding Number: 3.A.

Finding: The ESD did not reconcile diesel fuel purchased to fuel used. The ESD had procedures to monitor that the amount of fuel purchased was delivered in the proper quantity; however, the ESD did not reconcile the amount purchased to usage because of anticipated discrepancies.

Recommendation: The BPS ESD reconcile diesel fuel purchased to fuel used, and perform and document follow-up procedures on significant differences.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The ESD now has tank monitoring hardware on all large bulk tanks and central management software. Reconciliations are occurring regularly.

Contact Person: Christopher Amos

Contact Phone Number: (314) 768-2891



City of St. Louis - Board of Public Service
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Equipment Services Division's Controls and Procedures

Finding Number: 3.B.

Finding: The ESD did not have adequate controls over the usage and inventory of automotive lubricants and liquids. Unlike the parts inventories, the liquid inventory (referred to as PM racks inventory) was not secured from unauthorized use, and some authorized use was not recorded.

Recommendation: The BPS ESD implement better security over PM rack inventory items in the maintenance garages and maintain accurate inventory records for these items. The division should continue to monitor inventory variances and take necessary steps to minimize the variances.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The ESD has already implemented physical controls to the maximum extent possible but is unable to accurately control the dispensing and use of bulk oil and other fluids. An electronic system has been installed at the new Central Garage which will be configured by August 2018 to allocate bulk fluid dispensed from large tanks within the shop and by drivers. This system will not control smaller quantity containers like 55-gallon drums. After a successful implementation at Central Garage, the ESD will request funds to add this system to other garages.

Contact Person: Christopher Amos

Contact Phone Number: (314) 768-2891



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Department of Personnel

Report No. 2018-061
August 2018

auditor.mo.gov

City of St. Louis - Department of Personnel

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Director of Personnel
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2008-59, *City of St. Louis, Department of Personnel*, issued in September 2008, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Department of Personnel. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Department of Personnel that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Department of Personnel

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Incentive Payments

Finding Number: 1.

Finding: Incentive payments paid to employees were not supported by adequate documentation showing additional work was performed. In addition, the city's granting of payments appeared inconsistent.

Recommendation: The Department of Personnel ensure incentive payments are in compliance with the Missouri Constitution, applied consistently throughout the city, and adequately supported with documentation.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

We responded to the recommendation and implemented the recommendation back in 2008. The Department of Personnel does not permit any bonuses pursuant to Article III, Section 39 of the Missouri Constitution (accordingly, none have been granted since the audit).

However, incentive programs are allowed (insofar as it is not retroactive pay), and are authorized under the compensation ordinance 70285, Section 2(n) and 2(o).

Contact Person: Linda Thomas

Contact Phone Number: (314) 622-4316



City of St. Louis - Department of Personnel
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Wellness Program

Finding Number: 2.A.

Finding: The Department of Personnel did not have a written policy concerning paid time off for participation in the wellness program. It was up to each appointing authority to decide if employees should use personal time or paid time off to participate in the program. City departments were not consistent in allowing paid time off for wellness program activities.

Recommendation: The Department of Personnel establish a written policy which addresses participation by employees in the wellness program.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The wellness program is authorized under Administrative Regulation 148. The Department of Personnel established a written policy which addresses participation by employees in the wellness program.

Contact Person: Linda Thomas

Contact Phone Number: (314) 622-4316



City of St. Louis - Department of Personnel
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Wellness Program

Finding Number: 2.B.

Finding: The city did not adequately track the total cost of the wellness program. The departments which allowed paid time off to participate in wellness programs did not track this information on timesheets submitted to the Comptroller's office. As a result of not tracking these costs, the Department of Personnel could not analyze the benefits of such a program such as decreased sick leave use or insurance savings versus the total costs associated with the program.

Recommendation: The Department of Personnel require documentation be maintained of the amount of paid time off used by employees participating in the wellness program to determine the total costs of the program. The department should perform a cost analysis of the wellness program to determine if it is beneficial to the city.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city does maintain records of paid time off used by employees to participate in the wellness program (BeeFit). Initially, employees must request authorization to participate in a wellness program activity for which he/she will use paid time off. That request must be approved by his/her supervisor and appointing authority. Thereafter, employees are required to submit a weekly BeeFit Wellness timesheet to their supervisor for review and approval. The Department of Personnel does not require that said timesheets be submitted to it. Industry practice has, over the past decade since the original audit was conducted, recognized the complexity of attempting to analyze the effectiveness of individual wellness components. The department does not believe that an effective cost analysis can be performed simply by tracking how many employees use up to three hours of paid leave; it is, however, a de-minimis amount compared to the overall size of the city's wellness program. Due to Health Insurance Portability and Accountability Act and privacy concerns, the department cannot analyze any specific health benefits or cost savings on claims for those relatively few individual employees who do choose to participate in the program, and such a narrowly focused return on investment simply is not practicable.

More importantly, as a part of the wellness program, biometric screenings are conducted (nearly 3,000 employees participated in 2017 and 2018). The employee receives information regarding health risks identified in the screening and can discuss said information with a registered nurse at the screening site. Further, there is a medical doctor at the screening site to provide more in depth information to the employee regarding the health risks that are identified. The value of early identification of health risks and the opportunity to discuss with a doctor/nurse needed follow up care is immeasurable (e.g., preventing one employee from entering a diabetic state can save over \$350,000 for an episode of care).

Further, the merit and cost savings attributable to the Wellness Program may be evidenced, in part, by the fact that the city's per employee/retiree health costs continue to trend well below benchmarks based on our consultant's book of business. During contract negotiations, our health care vendors have stated explicitly that they have looked more



City of St. Louis - Department of Personnel
Follow-Up Report on Audit Findings
Status of Findings

favorably at the city's aging population based on said wellness programs, hence more complete insurance coverage and better renewal rates.

Contact Person: Linda Thomas
Contact Phone Number: (314) 622-4316



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Barry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Barry County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2018
Report No. 2018-060

ANNUAL FINANCIAL REPORT

BARRY COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

BARRY COUNTY, MISSOURI

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INTRODUCTORY SECTION

BARRY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Cherry Warren

Northern Commissioner – Gary Schad

Southern Commissioner – Wayne Hendrix

Other Elected Officials

Assessor – Sherry Smith

Circuit Clerk / Ex-Officio Recorder – Craig Williams

Collector – Janice Varner

Coroner – Jim Fohn

County Clerk – Gary Youngblood

Prosecuting Attorney – Amy Boxx

Public Administrator – Keith Daniels

Sheriff – Gary Davis

Treasurer – Lois Lowe

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Barry County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Barry County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Barry County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Barry County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position, or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Barry County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 11, 2018, on our consideration of Barry County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 11, 2018

BARRY COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Investments January 1, 2016	Receipts 2016	Disbursements 2016	Cash and Investments December 31, 2016	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017
General Revenue	\$ 1,187,533	\$ 4,025,172	\$ 4,025,284	\$ 1,187,421	\$ 4,063,535	\$ 4,369,020	\$ 881,936
Special Road & Bridge	1,145,680	460,422	245,257	1,360,845	398,275	681,898	1,077,222
Assessment	471,521	411,454	404,306	478,669	425,484	502,815	401,338
Prosecuting Attorney Training	149	813	600	362	798	868	292
Law Enforcement Training	1,186	3,190	3,763	613	3,089	2,609	1,093
Prosecuting Attorney Administrative Handling Cost	3,978	14,122	15,352	2,748	14,204	14,321	2,631
Recorder's Microfilm	55,019	27,996	19,001	64,014	31,875	12,000	83,889
Sheriff Special Enforcement	2,298	702	2,299	701	208	308	601
Sheriff Inmate Security	9,771	38,803	33,744	14,830	24,611	38,097	1,344
Forest Reserve	30,529	13,443	-	43,972	-	-	43,972
Law Enforcement Restitution	47,569	49,417	45,286	51,700	36,784	45,036	43,448
Sheriff Revolving	36,594	59,636	49,451	46,779	7,036	36,123	17,692
Local Emergency Planning Commission	16,417	9,357	891	24,883	4,558	545	28,896
Prosecuting Attorney Delinquent Tax	3,837	3,944	2,264	5,517	5,860	3,531	7,846
Deputy Sheriff Salary Supplementation	22,436	73,569	76,617	19,388	82,990	82,103	20,275
Sheriff's	6,438	41,110	44,797	2,751	33,414	35,233	932
Peace Officers' Standards and Training	1,861	1,518	3,358	21	1,462	1,200	283
Election	7,128	6,196	3,394	9,930	4,948	3,890	10,988
Liberty Common Road	14,189	13,309	11,015	16,483	13,869	5,704	24,648
Drug Court	68,236	32,042	13,587	86,691	22,061	10,998	97,754
Emergency Reserve	434,470	566,000	-	1,000,470	600,000	-	1,600,470
Collector's Tax Maintenance	37,829	49,008	37,742	49,095	49,789	38,562	60,322
Senate Bill 40 Board	1,054,585	326,447	359,938	1,021,094	359,165	342,575	1,037,684
Senior Citizens Service Board	43,359	240,462	226,702	57,119	252,219	233,389	75,949
LLE Block Grant	-	4,304	4,300	4	7,958	7,950	12
Total	<u>\$ 4,702,612</u>	<u>\$ 6,472,436</u>	<u>\$ 5,628,948</u>	<u>\$ 5,546,100</u>	<u>\$ 6,444,192</u>	<u>\$ 6,468,775</u>	<u>\$ 5,521,517</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 49,000	\$ 49,374	\$ 49,000	\$ 53,030
Sales taxes	2,422,216	2,570,684	2,505,000	2,664,954
Intergovernmental	543,364	580,676	575,800	420,340
Charges for services	649,000	683,375	640,150	674,102
Interest	5,000	12,299	12,000	27,925
Other	76,000	99,764	88,000	191,184
Transfers in	21,000	29,000	22,500	32,000
Total Receipts	<u>\$ 3,765,580</u>	<u>\$ 4,025,172</u>	<u>\$ 3,892,450</u>	<u>\$ 4,063,535</u>
DISBURSEMENTS				
County Commission	\$ 247,520	\$ 229,734	\$ 239,470	\$ 260,696
County Clerk	70,130	68,982	70,000	69,456
Elections	86,398	81,054	54,723	52,943
Buildings and grounds	197,479	204,489	212,678	210,160
Employee fringe benefits	612,111	559,003	605,475	563,343
Treasurer	47,225	47,112	47,230	47,047
Collector	115,000	114,798	116,407	114,205
Recorder of Deeds	46,049	45,949	47,368	47,168
Circuit Clerk	34,200	21,744	31,300	22,965
Court administration	8,422	6,922	7,622	7,121
Public Administrator	20,620	20,739	20,739	21,504
Sheriff	769,245	741,655	794,449	874,067
Jail	441,525	439,069	470,406	504,051
Prosecuting Attorney	373,654	360,157	416,345	393,087
Juvenile Officer	123,753	113,821	123,522	114,015
Coroner	31,300	23,641	31,600	31,745
Emergency management	12,940	12,723	12,940	12,091
Office supplies	120,100	102,015	71,300	52,986
Capital projects	281,000	-	280,000	72,551
Other County government	313,337	265,677	327,165	297,819
Transfers out	566,000	566,000	600,000	600,000
Total Disbursements	<u>\$ 4,518,008</u>	<u>\$ 4,025,284</u>	<u>\$ 4,580,739</u>	<u>\$ 4,369,020</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (752,428)	\$ (112)	\$ (688,289)	\$ (305,485)
CASH AND INVESTMENTS, JANUARY 1	<u>1,187,533</u>	<u>1,187,533</u>	<u>1,187,421</u>	<u>1,187,421</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 435,105</u>	<u>\$ 1,187,421</u>	<u>\$ 499,132</u>	<u>\$ 881,936</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 161,400	\$ 167,647	\$ 171,100	\$ 177,480	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	235,000	274,879	535,000	208,987	382,763	407,155	404,226	420,088
Charges for services	-	-	-	-	-	1,200	1,200	104
Interest	4,500	7,726	6,800	11,574	2,000	3,099	3,000	5,292
Other	100,000	10,170	60,000	234	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 500,900</u>	<u>\$ 460,422</u>	<u>\$ 772,900</u>	<u>\$ 398,275</u>	<u>\$ 384,763</u>	<u>\$ 411,454</u>	<u>\$ 408,426</u>	<u>\$ 425,484</u>
DISBURSEMENTS								
Salaries	\$ 10,000	\$ -	\$ 3,000	\$ 875	\$ 274,284	\$ 260,027	\$ 273,341	\$ 271,714
Employee fringe benefits	2,000	-	250	67	83,820	78,500	85,000	90,006
Materials and supplies	-	-	-	-	13,200	9,250	13,200	14,823
Services and other	215,200	9,557	198,300	25,606	105,400	43,035	183,100	120,012
Capital outlay	-	110,558	-	1,021	47,700	13,494	47,700	6,260
Construction	1,300,000	125,142	1,500,000	654,329	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,527,200</u>	<u>\$ 245,257</u>	<u>\$ 1,701,550</u>	<u>\$ 681,898</u>	<u>\$ 524,404</u>	<u>\$ 404,306</u>	<u>\$ 602,341</u>	<u>\$ 502,815</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,026,300)	\$ 215,165	\$ (928,650)	\$ (283,623)	\$ (139,641)	\$ 7,148	\$ (193,915)	\$ (77,331)
CASH AND INVESTMENTS, JANUARY 1	<u>1,145,680</u>	<u>1,145,680</u>	<u>1,360,845</u>	<u>1,360,845</u>	<u>471,521</u>	<u>471,521</u>	<u>478,669</u>	<u>478,669</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 119,380</u>	<u>\$ 1,360,845</u>	<u>\$ 432,195</u>	<u>\$ 1,077,222</u>	<u>\$ 331,880</u>	<u>\$ 478,669</u>	<u>\$ 284,754</u>	<u>\$ 401,338</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,275	813	800	798	3,800	3,190	3,300	3,089
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,275</u>	<u>\$ 813</u>	<u>\$ 800</u>	<u>\$ 798</u>	<u>\$ 3,800</u>	<u>\$ 3,190</u>	<u>\$ 3,300</u>	<u>\$ 3,089</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,400	600	1,160	868	4,400	3,763	3,900	2,609
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,400</u>	<u>\$ 600</u>	<u>\$ 1,160</u>	<u>\$ 868</u>	<u>\$ 4,400</u>	<u>\$ 3,763</u>	<u>\$ 3,900</u>	<u>\$ 2,609</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (125)	\$ 213	\$ (360)	\$ (70)	\$ (600)	\$ (573)	\$ (600)	\$ 480
CASH AND INVESTMENTS, JANUARY 1	<u>149</u>	<u>149</u>	<u>362</u>	<u>362</u>	<u>1,186</u>	<u>1,186</u>	<u>613</u>	<u>613</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 24</u>	<u>\$ 362</u>	<u>\$ 2</u>	<u>\$ 292</u>	<u>\$ 586</u>	<u>\$ 613</u>	<u>\$ 13</u>	<u>\$ 1,093</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING COST FUND				RECORDER'S MICROFILM FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	17,500	14,059	14,000	14,101	25,000	27,652	27,500	29,877
Interest	25	63	-	103	-	344	300	816
Other	-	-	-	-	-	-	-	1,182
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 17,525</u>	<u>\$ 14,122</u>	<u>\$ 14,000</u>	<u>\$ 14,204</u>	<u>\$ 25,000</u>	<u>\$ 27,996</u>	<u>\$ 27,800</u>	<u>\$ 31,875</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	24,000	5,357	40,000	3,473
Services and other	4,950	1,352	3,600	1,321	-	-	-	-
Capital outlay	-	-	-	-	46,000	13,644	51,000	8,527
Construction	-	-	-	-	-	-	-	-
Transfers out	16,000	14,000	13,000	13,000	-	-	-	-
Total Disbursements	<u>\$ 20,950</u>	<u>\$ 15,352</u>	<u>\$ 16,600</u>	<u>\$ 14,321</u>	<u>\$ 70,000</u>	<u>\$ 19,001</u>	<u>\$ 91,000</u>	<u>\$ 12,000</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,425)	\$ (1,230)	\$ (2,600)	\$ (117)	\$ (45,000)	\$ 8,995	\$ (63,200)	\$ 19,875
CASH AND INVESTMENTS, JANUARY 1	<u>3,978</u>	<u>3,978</u>	<u>2,748</u>	<u>2,748</u>	<u>55,019</u>	<u>55,019</u>	<u>64,014</u>	<u>64,014</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 553</u>	<u>\$ 2,748</u>	<u>\$ 148</u>	<u>\$ 2,631</u>	<u>\$ 10,019</u>	<u>\$ 64,014</u>	<u>\$ 814</u>	<u>\$ 83,889</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF SPECIAL ENFORCEMENT FUND				SHERIFF INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	6	2	2	5	40	84	75	80
Other	1,000	700	850	203	35,960	38,719	37,000	24,531
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,006</u>	<u>\$ 702</u>	<u>\$ 852</u>	<u>\$ 208</u>	<u>\$ 36,000</u>	<u>\$ 38,803</u>	<u>\$ 37,075</u>	<u>\$ 24,611</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	25,000	22,601	31,000	24,183
Services and other	3,200	2,299	1,550	308	20,000	11,143	20,000	13,914
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,200</u>	<u>\$ 2,299</u>	<u>\$ 1,550</u>	<u>\$ 308</u>	<u>\$ 45,000</u>	<u>\$ 33,744</u>	<u>\$ 51,000</u>	<u>\$ 38,097</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,194)	\$ (1,597)	\$ (698)	\$ (100)	\$ (9,000)	\$ 5,059	\$ (13,925)	\$ (13,486)
CASH AND INVESTMENTS, JANUARY 1	<u>2,298</u>	<u>2,298</u>	<u>701</u>	<u>701</u>	<u>9,771</u>	<u>9,771</u>	<u>14,830</u>	<u>14,830</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 104</u>	<u>\$ 701</u>	<u>\$ 3</u>	<u>\$ 601</u>	<u>\$ 771</u>	<u>\$ 14,830</u>	<u>\$ 905</u>	<u>\$ 1,344</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FOREST RESERVE FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	14,000	13,344	13,500	-	-	-	-	-
Charges for services	-	-	-	-	58,000	49,085	49,000	36,305
Interest	95	99	95	-	200	332	300	479
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 14,095</u>	<u>\$ 13,443</u>	<u>\$ 13,595</u>	<u>\$ -</u>	<u>\$ 58,200</u>	<u>\$ 49,417</u>	<u>\$ 49,300</u>	<u>\$ 36,784</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	44,600	-	57,500	-	105,000	45,286	100,000	45,036
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 44,600</u>	<u>\$ -</u>	<u>\$ 57,500</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 45,286</u>	<u>\$ 100,000</u>	<u>\$ 45,036</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (30,505)	\$ 13,443	\$ (43,905)	\$ -	\$ (46,800)	\$ 4,131	\$ (50,700)	\$ (8,252)
CASH AND INVESTMENTS, JANUARY 1	<u>30,529</u>	<u>30,529</u>	<u>43,972</u>	<u>43,972</u>	<u>47,569</u>	<u>47,569</u>	<u>51,700</u>	<u>51,700</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 24</u>	<u>\$ 43,972</u>	<u>\$ 67</u>	<u>\$ 43,972</u>	<u>\$ 769</u>	<u>\$ 51,700</u>	<u>\$ 1,000</u>	<u>\$ 43,448</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF REVOLVING FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	9,200	9,239	4,000	4,264
Charges for services	39,000	59,338	50,000	6,684	-	-	-	-
Interest	150	298	250	352	55	118	115	294
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 39,150</u>	<u>\$ 59,636</u>	<u>\$ 50,250</u>	<u>\$ 7,036</u>	<u>\$ 9,255</u>	<u>\$ 9,357</u>	<u>\$ 4,115</u>	<u>\$ 4,558</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	5,500	93	8,500	-
Services and other	68,000	40,451	88,000	27,123	14,700	798	18,700	545
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	9,000	9,000	9,000	-	-	-	-
Total Disbursements	<u>\$ 68,000</u>	<u>\$ 49,451</u>	<u>\$ 97,000</u>	<u>\$ 36,123</u>	<u>\$ 20,200</u>	<u>\$ 891</u>	<u>\$ 27,200</u>	<u>\$ 545</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (28,850)	\$ 10,185	\$ (46,750)	\$ (29,087)	\$ (10,945)	\$ 8,466	\$ (23,085)	\$ 4,013
CASH AND INVESTMENTS, JANUARY 1	<u>36,594</u>	<u>36,594</u>	<u>46,779</u>	<u>46,779</u>	<u>16,417</u>	<u>16,417</u>	<u>24,883</u>	<u>24,883</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 7,744</u>	<u>\$ 46,779</u>	<u>\$ 29</u>	<u>\$ 17,692</u>	<u>\$ 5,472</u>	<u>\$ 24,883</u>	<u>\$ 1,798</u>	<u>\$ 28,896</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				DEPUTY SHERIFF SALARY SUPPLEMENTATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	70,000	62,889	65,000	74,090
Charges for services	-	-	-	-	15,000	10,680	10,000	8,900
Interest	20	28	25	79	-	-	-	-
Other	3,800	3,916	3,900	5,781	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,820</u>	<u>\$ 3,944</u>	<u>\$ 3,925</u>	<u>\$ 5,860</u>	<u>\$ 85,000</u>	<u>\$ 73,569</u>	<u>\$ 75,000</u>	<u>\$ 82,990</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 82,000	\$ 61,396	\$ 66,000	\$ 68,186
Employee fringe benefits	-	-	-	-	7,000	4,541	5,000	5,017
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	7,600	2,264	9,400	3,531	15,000	10,680	14,000	8,900
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,600</u>	<u>\$ 2,264</u>	<u>\$ 9,400</u>	<u>\$ 3,531</u>	<u>\$ 104,000</u>	<u>\$ 76,617</u>	<u>\$ 85,000</u>	<u>\$ 82,103</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,780)	\$ 1,680	\$ (5,475)	\$ 2,329	\$ (19,000)	\$ (3,048)	\$ (10,000)	\$ 887
CASH AND INVESTMENTS, JANUARY 1	<u>3,837</u>	<u>3,837</u>	<u>5,517</u>	<u>5,517</u>	<u>22,436</u>	<u>22,436</u>	<u>19,388</u>	<u>19,388</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 57</u>	<u>\$ 5,517</u>	<u>\$ 42</u>	<u>\$ 7,846</u>	<u>\$ 3,436</u>	<u>\$ 19,388</u>	<u>\$ 9,388</u>	<u>\$ 20,275</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S FUND				PEACE OFFICERS' STANDARDS AND TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	50,000	41,073	50,000	33,344	-	-	-	-
Interest	20	37	-	70	7	6	6	3
Other	-	-	-	-	2,000	1,512	1,600	1,459
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 50,020</u>	<u>\$ 41,110</u>	<u>\$ 50,000</u>	<u>\$ 33,414</u>	<u>\$ 2,007</u>	<u>\$ 1,518</u>	<u>\$ 1,606</u>	<u>\$ 1,462</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	56,400	44,797	52,000	35,233	3,800	3,358	1,600	1,200
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 56,400</u>	<u>\$ 44,797</u>	<u>\$ 52,000</u>	<u>\$ 35,233</u>	<u>\$ 3,800</u>	<u>\$ 3,358</u>	<u>\$ 1,600</u>	<u>\$ 1,200</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,380)	\$ (3,687)	\$ (2,000)	\$ (1,819)	\$ (1,793)	\$ (1,840)	\$ 6	\$ 262
CASH AND INVESTMENTS, JANUARY 1	<u>6,438</u>	<u>6,438</u>	<u>2,751</u>	<u>2,751</u>	<u>1,861</u>	<u>1,861</u>	<u>21</u>	<u>21</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 58</u>	<u>\$ 2,751</u>	<u>\$ 751</u>	<u>\$ 932</u>	<u>\$ 68</u>	<u>\$ 21</u>	<u>\$ 27</u>	<u>\$ 283</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION FUND				LIBERTY COMMON ROAD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ 691	\$ 700	\$ 700
Sales taxes	-	-	-	-	7,500	7,985	8,000	8,295
Intergovernmental	5,800	6,141	4,800	4,820	4,557	4,552	4,600	4,640
Charges for services	-	-	-	-	-	-	-	-
Interest	35	55	45	128	71	81	85	234
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,835</u>	<u>\$ 6,196</u>	<u>\$ 4,845</u>	<u>\$ 4,948</u>	<u>\$ 12,728</u>	<u>\$ 13,309</u>	<u>\$ 13,385</u>	<u>\$ 13,869</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,000	2,200	4,500	1,667	-	195	-	209
Capital outlay	8,500	1,194	9,000	2,223	26,900	10,820	29,000	5,495
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 12,500</u>	<u>\$ 3,394</u>	<u>\$ 13,500</u>	<u>\$ 3,890</u>	<u>\$ 26,900</u>	<u>\$ 11,015</u>	<u>\$ 29,000</u>	<u>\$ 5,704</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,665)	\$ 2,802	\$ (8,655)	\$ 1,058	\$ (14,172)	\$ 2,294	\$ (15,615)	\$ 8,165
CASH AND INVESTMENTS, JANUARY 1	<u>7,128</u>	<u>7,128</u>	<u>9,930</u>	<u>9,930</u>	<u>14,189</u>	<u>14,189</u>	<u>16,483</u>	<u>16,483</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 463</u>	<u>\$ 9,930</u>	<u>\$ 1,275</u>	<u>\$ 10,988</u>	<u>\$ 17</u>	<u>\$ 16,483</u>	<u>\$ 868</u>	<u>\$ 24,648</u>

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BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRUG COURT FUND				EMERGENCY RESERVE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	30,000	31,575	32,000	21,022	-	-	-	-
Interest	220	467	450	1,039	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	250,000	566,000	600,000	600,000
Total Receipts	<u>\$ 30,220</u>	<u>\$ 32,042</u>	<u>\$ 32,450</u>	<u>\$ 22,061</u>	<u>\$ 250,000</u>	<u>\$ 566,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	97,000	13,587	119,000	10,998	434,470	-	1,566,000	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 97,000</u>	<u>\$ 13,587</u>	<u>\$ 119,000</u>	<u>\$ 10,998</u>	<u>\$ 434,470</u>	<u>\$ -</u>	<u>\$ 1,566,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (66,780)	\$ 18,455	\$ (86,550)	\$ 11,063	\$ (184,470)	\$ 566,000	\$ (966,000)	\$ 600,000
CASH AND INVESTMENTS, JANUARY 1	<u>68,236</u>	<u>68,236</u>	<u>86,691</u>	<u>86,691</u>	<u>434,470</u>	<u>434,470</u>	<u>1,000,470</u>	<u>1,000,470</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,456</u>	<u>\$ 86,691</u>	<u>\$ 141</u>	<u>\$ 97,754</u>	<u>\$ 250,000</u>	<u>\$ 1,000,470</u>	<u>\$ 34,470</u>	<u>\$ 1,600,470</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR'S TAX MAINTENANCE FUND				SENATE BILL 40 BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 292,752	\$ 308,595	\$ 325,515	\$ 334,146
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	48,000	48,964	48,000	49,727	-	-	-	-
Interest	45	44	45	62	9,000	6,795	7,000	6,545
Other	-	-	-	-	30,000	11,057	10,000	18,474
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 48,045</u>	<u>\$ 49,008</u>	<u>\$ 48,045</u>	<u>\$ 49,789</u>	<u>\$ 331,752</u>	<u>\$ 326,447</u>	<u>\$ 342,515</u>	<u>\$ 359,165</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	40,000	29,527	50,000	25,720	-	-	-	-
Services and other	39,874	2,215	37,140	2,842	728,794	359,938	778,794	342,575
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	6,000	6,000	10,000	10,000	-	-	-	-
Total Disbursements	<u>\$ 85,874</u>	<u>\$ 37,742</u>	<u>\$ 97,140</u>	<u>\$ 38,562</u>	<u>\$ 728,794</u>	<u>\$ 359,938</u>	<u>\$ 778,794</u>	<u>\$ 342,575</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (37,829)	\$ 11,266	\$ (49,095)	\$ 11,227	\$ (397,042)	\$ (33,491)	\$ (436,279)	\$ 16,590
CASH AND INVESTMENTS, JANUARY 1	<u>37,829</u>	<u>37,829</u>	<u>49,095</u>	<u>49,095</u>	<u>1,054,585</u>	<u>1,054,585</u>	<u>1,021,094</u>	<u>1,021,094</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 49,095</u>	<u>\$ -</u>	<u>\$ 60,322</u>	<u>\$ 657,543</u>	<u>\$ 1,021,094</u>	<u>\$ 584,815</u>	<u>\$ 1,037,684</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZENS SERVICE BOARD FUND				LLE BLOCK GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 226,300	\$ 240,240	\$ 230,000	\$ 251,938	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	4,300	4,300	7,950	7,950
Charges for services	-	-	-	-	-	-	-	-
Interest	200	222	200	281	-	4	4	8
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 226,500</u>	<u>\$ 240,462</u>	<u>\$ 230,200</u>	<u>\$ 252,219</u>	<u>\$ 4,300</u>	<u>\$ 4,304</u>	<u>\$ 7,954</u>	<u>\$ 7,958</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	229,700	226,702	234,775	233,389	4,300	4,300	7,954	7,950
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 229,700</u>	<u>\$ 226,702</u>	<u>\$ 234,775</u>	<u>\$ 233,389</u>	<u>\$ 4,300</u>	<u>\$ 4,300</u>	<u>\$ 7,954</u>	<u>\$ 7,950</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (3,200)	\$ 13,760	\$ (4,575)	\$ 18,830	\$ -	\$ 4	\$ -	\$ 8
CASH AND INVESTMENTS, JANUARY 1	<u>43,359</u>	<u>43,359</u>	<u>57,119</u>	<u>57,119</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 40,159</u>	<u>\$ 57,119</u>	<u>\$ 52,544</u>	<u>\$ 75,949</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 12</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARRY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Barry County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk/Ex-Officio Recorder, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Barry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

Certain elected County officials, particularly the Collector and Treasurer, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
 2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
 3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
 4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
 5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
 6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
 7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
 8. Budgets are prepared and adopted on the cash basis of accounting.
 9. Adoption of a formal budget is required by law.
 10. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets.
- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	2017	2016
Real Estate	\$ 365,813,551	\$ 338,958,863
Personal Property	133,774,405	129,044,382
Railroad and Utilities	16,390,486	17,297,019
Total	<u>\$ 515,978,442</u>	<u>\$ 485,300,264</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2017	2016
Senate Bill 40 Board	\$ 0.0638	\$ 0.0650
Senior Citizens Service Board	0.0491	0.0500
Liberty Common Road	0.1244	0.1244

The Liberty Common Road levy is assessed on properties only within the common road district. The property tax revenues in the General Revenue Fund are from a surtax on commercial real estate and private car tax collections. The Special Road & Bridge Fund receives one-fifth of the basic taxes levied and collected by each Road District in the County.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$5,521,517 and \$5,546,100, respectively, and the bank balances were \$5,890,930 and \$6,025,579, respectively. Of the bank balances, \$727,493 for December 31, 2017 and \$924,829 for December 31, 2016, were covered by federal depository insurance. The remainder of the County's balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$12,058,352 and \$12,317,646 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2017 and 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2017 and 2016, the County collected and remitted to CERF employee withholding and fees collected of \$187,114 and \$180,722, respectively, for the years then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 and \$9,044, respectively, for the years ended December 31, 2017 and 2016.

C. Other Retirement Plan

Barry County has a voluntary 401(a) plan administered by Empower Retirement which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2017 and 2016 were \$14,310 and \$12,760, respectively.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are

fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with up to 90 days of sick time, to accrue at one day per complete calendar month of employment. Upon retirement, employees are compensated for up to 15 days of accrued sick time. Accrued sick leave will be forfeited upon termination other than retirement. Vacation time is accrued for every full-time employee, and accrues at the rate of zero days per year up to fifteen days per year depending on length of employment. Employees may not carry over any unused vacation time beyond the year earned. Unused vacation will be forfeited at the end of the calendar year. Employees are compensated for unused vacation time at termination.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 11, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Barry County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Barry County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Barry County, Missouri's basic financial statements and have issued our report thereon dated July 11, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Barry County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Barry County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Barry County, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barry County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 2017-001.

Barry County, Missouri's Response to Findings

Barry County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. Barry County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 11, 2018

FINDINGS AND RECOMMENDATIONS

BARRY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2017-001: Monthly Turnover of Funds

Criteria: RSMo 50.370 states that “every county officer who receives any fees or other remuneration for official services which is payable to the county shall at the end of each month...pay over to the county treasurer all fees and other moneys collected by him which belong to the county.”

Condition: There were four instances of the Sheriff’s office not turning over fees collected to the county Treasurer in a timely manner. The month the funds were collected for, the amount of fees collected, and the date the fees were paid over to the Treasurer are detailed as follows:

<u>Month</u>	<u>Amount</u>	<u>Date Paid</u>
December 2016	\$ 8,849	2/22/2017
August 2017	11,041	10/6/2017
November 2017	8,630	2/15/2018
December 2017	9,992	2/15/2018

Cause: Per the Sheriff’s office, the funds were paid over late due to a lack of staffing.

Effect: Delays in paying over fees at the end of each month increase the likelihood that a misappropriation of funds would not be detected in a timely manner.

Recommendation: We recommend the County require the Sheriff’s office to adopt policies to ensure the office is in compliance with RSMo 50.370.

County’s Response: We discussed with the Barry County Sheriff the delay in paying over fees at the end of the month. The Sheriff said the Jail Administrator and other staff members had either quit or been replaced. We will make every effort to pay fees in a timely manner.

Auditor’s Response: The response is appropriate to correct the concern.

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Comparative Schedules of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, we considered Barry County’s internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated July 11, 2018. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Procurement Procedures

There was one instance of the assessor’s office not properly procuring equipment in excess of \$6,000. Out of forty transactions tested, there was one purchase, for \$6,800 in December 2016 in which a bid was not solicited or sole source documentation included within the Commission minutes. RSMo 50.660 states that, “All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition, including advertising the proposed letting in a newspaper in the county or township with a circulation of at least five hundred copies per issue, if there is one, except that the advertising is not required in case of contracts or purchases involving an expenditure of less than six thousand dollars. It is not necessary to obtain bids on any purchase in the amount of four thousand five hundred dollars or less made from any one person, firm or corporation during any period of ninety days....” RSMo 50.783.1 states that, “The county commission may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies.” Per the assessor, the vendor guaranteed the best price in the market. Therefore, the assessor did not advertise the purchase.

Not following competitive bidding procedures increases the likelihood that the County could purchase an item from a vendor that is not the lowest and best bid.

We recommend the County solicit bids in accordance with Missouri state law, maintain bid documentation in conjunction with associated disbursement records, and include pertinent bid information in the Commission minutes.

Budgetary Procedures

The County’s estimated expenditures for the funds included in our audit report (excluding the Senate Bill 40 and Senior Citizens Service Boards) exceeded actual expenditures by \$3,419,324 (37%) and \$2,742,895 (35%) for the years ended December 31, 2017 and 2016, respectively. The estimated expenditures of the Senate Bill 40 Board exceeded actual by \$436,219 (56%) and \$368,856 (51%) for the years ended December 31, 2017 and 2016, respectively. The explanations for these variances indicated that the County and Senate Bill 40 Board budget excess amounts for unforeseen expenditures that might occur throughout the year. In order for the budgeting process to be effective, the budgets should reflect a realistic estimate of the actual planned expenditures of the County for the year and that budget amendments be made as necessary if there are significant changes in expectations throughout the year. We recommend that the County and Senate Bill 40 Board ensure that future budgets accurately reflect planned expenditures.

BARRY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Barry County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2013 and 2012.

1. The County did not exercise adequate budgetary control over funds which incurred expenditures in excess of the authorized budgeted levels.

Status: Resolved.

2. The County did not have prepared documentation of internal controls.

Status: Resolved.

3. The County did not have a formal fraud risk assessment in place.

Status: Resolved.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Holt County Collector and
Property Tax System**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Holt County Collector and Property Tax System

Background

The County Collector bills and collects property taxes for the county and most local governments. Donna Cotton served as County Collector until May 16, 2018. Samantha Timothy was appointed the Holt County Collector and sworn into office on May 30, 2018. The former County Collector received compensation of \$9,460 for the period March 1, 2018, to May 16, 2018, including \$571 of commissions earned for collecting city, levee district, and drainage district property taxes. During the year ended February 28, 2018, the former County Collector received compensation of \$77,437 including \$37,722 of commission earned for collecting city, levee district, and drainage district property taxes.

Findings

The audit identified no significant deficiencies in internal controls, and no significant noncompliance with legal provisions. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Holt County Collector and Property Tax System

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
County Collector
Holt County, Missouri

We have audited the County Collector and Property Tax System of Holt County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On May 16, 2018, a vacancy occurred in the office of the County Collector of Holt County. A successor was appointed and sworn into office effective May 30, 2018. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2018, to May 16, 2018, and the year ended February 28, 2018. The objectives of our audit were to:

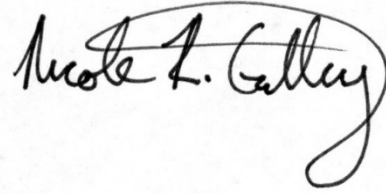
1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owed to the county or the former County Collector. For the areas audited, we identified (1) no significant deficiencies in internal controls, and (2) no significant noncompliance with legal provisions. No findings resulted from our audit of the County Collector and Property Tax System of Holt County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. It is positioned above the printed name of the State Auditor.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Alex Bruner, MBA, CFE

Holt County Collector and Property Tax System

Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Donna Cotton served as County Collector until May 16, 2018. Samantha Timothy was appointed the Holt County Collector and sworn into office on May 30, 2018.

The former County Collector received compensation of \$9,460 for the period March 1, 2018, to May 16, 2018, including \$571 of commissions earned for collecting city, levee district, and drainage district property taxes. During the year ended February 28, 2018, the former County Collector received compensation of \$77,437 including \$37,722 of commissions earned for collecting city, levee district, and drainage district property taxes. Compensation was in accordance with statutory provisions.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Reynolds County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Reynolds County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2018
Report No. 2018-058

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017 AND 2016

**THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
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FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Reynolds, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Reynolds ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2017, and 2016, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2017, and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Reynolds’ basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018, on our consideration of the County of Reynolds' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Reynolds' internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 27, 2018

FINANCIAL STATEMENTS

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH DECEMBER 31, 2017
General Revenue Fund	\$ 588,419.85	\$ 1,498,263.08	\$ 1,553,274.40	\$ 533,408.53
Special Road and Bridge Fund	1,033,919.77	1,483,223.03	1,654,203.39	862,939.41
Assessment Fund	70,729.34	224,063.78	245,972.83	48,820.29
Sheriff's Training Fund	1,759.96	742.00	750.00	1,751.96
Prosecuting Attorney Fund	1,339.47	185.76	-	1,525.23
Inmate Security Fund	22,223.73	27,734.16	27,857.07	22,100.82
Recorder User Fee Fund	21,243.51	18,649.21	13,101.29	26,791.43
Children's Trust Fund	231.00	284.00	-	515.00
Senior Services Fund	6,979.77	41,001.56	43,599.55	4,381.78
Sheriff's Civil Fee Fund	11,029.13	7,022.02	546.00	17,505.15
Senate Bill 40 Fund	1,075.94	136,578.71	135,170.35	2,484.30
Sound Recording Fund	1,332.34	14.30	-	1,346.64
FEMA Fund	-	1,000.00	-	1,000.00
Sheriff's Revolving Fund	9,347.82	672.32	1,672.53	8,347.61
County Law Enforcement Restitution Fund	26,853.42	18,882.09	24,948.11	20,787.40
Administrative Handling Costs Fund	6,526.36	935.89	80.00	7,382.25
Election Services Fund	5,523.80	1,425.83	322.83	6,626.80
Tax Maintenance Fund	28,207.24	9,965.52	6,800.00	31,372.76
Title III Fund	2,212.77	-	396.00	1,816.77
LEPC Fund	31,797.88	-	-	31,797.88
TOTAL	\$ 1,870,753.10	\$ 3,470,643.26	\$ 3,708,694.35	\$ 1,632,702.01

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

FUND	CASH JANUARY 1, 2016	RECEIPTS 2016	DISBURSEMENTS 2016	CASH DECEMBER 31, 2016
General Revenue Fund	\$ 684,334.51	\$ 1,516,627.72	\$ 1,612,542.38	\$ 588,419.85
Special Road and Bridge Fund	632,077.72	2,009,507.15	1,607,665.10	1,033,919.77
Assessment Fund	102,715.30	216,981.72	248,967.68	70,729.34
Sheriff's Training Fund	1,567.96	1,242.00	1,050.00	1,759.96
Prosecuting Attorney Fund	1,153.55	185.92	-	1,339.47
Inmate Security Fund	16,846.61	26,789.19	21,412.07	22,223.73
Recorder User Fee Fund	17,799.03	15,803.80	12,359.32	21,243.51
Children's Trust Fund	204.00	277.00	250.00	231.00
Senior Services Fund	8,183.28	42,377.99	43,581.50	6,979.77
Sheriff's Civil Fee Fund	7,772.24	6,305.37	3,048.48	11,029.13
Senate Bill 40 Fund	5,820.82	141,166.58	145,911.46	1,075.94
Sound Recording Fund	1,318.17	14.17	-	1,332.34
FEMA Fund	-	-	-	-
Sheriff's Revolving Fund	13,785.25	11,584.07	16,021.50	9,347.82
County Law Enforcement Restitution Fund	29,601.40	18,487.80	21,235.78	26,853.42
Administrative Handling Costs Fund	4,987.86	1,788.50	250.00	6,526.36
Election Services Fund	7,979.77	3,440.38	5,896.35	5,523.80
Tax Maintenance Fund	28,939.59	9,141.35	9,873.70	28,207.24
Title III Fund	30,231.90	33,121.69	61,140.82	2,212.77
LEPC Fund	31,797.88	-	-	31,797.88
TOTAL	\$ 1,627,116.84	\$ 4,054,842.40	\$ 3,811,206.14	\$ 1,870,753.10

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	GENERAL REVENUE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 505,000.00	\$ 500,698.06	\$ 546,000.00	\$ 504,529.88
Sales Taxes	320,000.00	298,447.08	300,000.00	330,441.26
Intergovernmental	570,703.45	613,653.15	663,036.06	626,515.91
Charges for Services	53,090.00	61,544.18	52,100.00	39,685.19
Interest	15,000.00	15,560.64	15,000.00	15,455.48
Other	5,000.00	8,359.97	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,468,793.45	1,498,263.08	1,576,136.06	1,516,627.72
DISBURSEMENTS				
County Commission	98,880.00	96,461.47	97,040.00	98,280.23
County Clerk	99,338.56	98,213.44	99,481.20	99,597.97
Elections	17,500.00	16,934.45	64,720.00	70,404.34
Buildings and Grounds	83,955.00	92,521.56	79,055.00	78,107.19
Employee Fringe Benefits	194,245.64	206,907.36	148,000.00	162,725.57
County Treasurer	43,430.00	42,878.10	43,430.00	43,004.27
Collector	84,600.00	77,551.98	84,400.00	81,305.64
Recorder of Deeds	48,600.00	47,109.62	48,000.00	47,487.59
Circuit Clerk	10,000.00	4,760.90	11,500.00	4,466.16
Associate Circuit Court	-	-	-	-
Court Administration	3,200.50	1,247.91	3,290.50	1,736.90
Public Administrator	27,825.00	26,810.97	27,825.00	26,288.10
Sheriff	454,127.20	427,007.61	454,898.49	450,400.54
Jail	41,050.00	35,327.18	41,050.00	42,474.96
Patrol Cars	96,551.00	93,116.91	85,847.00	74,129.80
Prosecuting Attorney	114,224.00	109,152.86	113,524.00	108,829.90
Juvenile Officer	23,494.23	23,602.68	23,602.68	23,602.68
Coroner	27,700.00	32,698.60	28,200.00	26,379.85
Other	71,342.60	120,970.80	138,871.70	173,320.69
Health and Welfare	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	50,000.00	-	50,000.00	-
TOTAL DISBURSEMENTS	1,590,063.73	1,553,274.40	1,642,735.57	1,612,542.38
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(121,270.28)	(55,011.32)	(66,599.51)	(95,914.66)
CASH				
BALANCES, JANUARY 1	588,419.85	588,419.85	684,334.51	684,334.51
CASH				
BALANCES, DECEMBER 31	\$ 467,149.57	\$ 533,408.53	\$ 617,735.00	\$ 588,419.85

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SPECIAL ROAD AND BRIDGE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 1,196,500.00	\$ 1,214,159.93	\$ 1,259,000.00	\$ 1,212,333.06
Sales Taxes	-	-	-	-
Intergovernmental	120,000.00	168,469.66	107,400.00	538,955.87
Charges for Services	83,350.00	83,969.35	91,000.00	244,390.22
Interest	12,000.00	16,624.09	12,000.00	13,828.00
Other	140,000.00	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,551,850.00	1,483,223.03	1,469,400.00	2,009,507.15
DISBURSEMENTS				
Salaries	515,000.00	560,375.95	515,000.00	522,108.09
Employee Fringe Benefits	185,200.00	187,106.33	166,500.00	166,882.41
Supplies	65,000.00	44,419.43	60,500.00	49,680.48
Insurance	30,000.00	31,079.45	30,000.00	29,125.15
Road & Bridge Materials	227,600.00	121,410.89	220,000.00	179,702.15
Equipment Repairs	139,000.00	155,708.31	159,000.00	148,355.27
Fuel and Lubricants	130,000.00	140,983.84	150,000.00	118,215.50
Equipment Purchases	450,000.00	197,024.13	294,517.00	294,773.63
R&B Construction	105,000.00	203,606.87	37,600.00	81,690.11
Other	13,000.00	12,488.19	13,000.00	17,132.31
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,859,800.00	1,654,203.39	1,646,117.00	1,607,665.10
RECEIPTS OVER (UNDER) DISBURSEMENTS	(307,950.00)	(170,980.36)	(176,717.00)	401,842.05
CASH BALANCES, JANUARY 1	1,033,919.77	1,033,919.77	632,077.72	632,077.72
CASH BALANCES, DECEMBER 31	\$ 725,969.77	\$ 862,939.41	\$ 455,360.72	\$ 1,033,919.77

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ASSESSMENT FUND				SHERIFF'S TRAINING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 279,000.00	\$ 218,019.15	\$ 325,035.71	\$ 208,223.47	\$ -	\$ -	\$ -	\$ -
Charges for Services	6,400.00	4,810.00	8,500.00	7,459.57	1,200.00	742.00	1,000.00	1,242.00
Interest	1,300.00	1,171.66	-	1,298.68	-	-	-	-
Other	-	62.97	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	286,700.00	224,063.78	333,535.71	216,981.72	1,200.00	742.00	1,000.00	1,242.00
DISBURSEMENTS								
Assesor Salaries	114,618.93	98,772.55	111,332.79	94,520.82	-	-	-	-
Employee Fringe Benefits	16,323.56	16,093.12	14,520.00	14,415.52	-	-	-	-
Consultants	150,000.00	94,885.42	175,000.00	125,541.42	-	-	-	-
Supplies	39,250.00	36,221.74	38,015.00	14,489.92	-	-	-	-
Sheriff Training	-	-	-	-	1,050.00	750.00	2,000.00	1,050.00
TOTAL DISBURSEMENTS	320,192.49	245,972.83	338,867.79	248,967.68	1,050.00	750.00	2,000.00	1,050.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(33,492.49)	(21,909.05)	(5,332.08)	(31,985.96)	150.00	(8.00)	(1,000.00)	192.00
CASH BALANCES, JANUARY 1	70,729.34	70,729.34	102,715.30	102,715.30	1,759.96	1,759.96	1,567.96	1,567.96
CASH BALANCES, DECEMBER 31	\$ 37,236.85	\$ 48,820.29	\$ 97,383.22	\$ 70,729.34	\$ 1,909.96	\$ 1,751.96	\$ 567.96	\$ 1,759.96

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	PROSECUTING ATTORNEY FUND				INMATE SECURITY FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 200.00	\$ 185.76	\$ 200.00	\$ 185.92	\$ 26,000.00	\$ 27,734.16	\$ 25,000.00	\$ 26,786.19
Charges for Services	-	-	-	-	-	-	-	3.00
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	200.00	185.76	200.00	185.92	26,000.00	27,734.16	25,000.00	26,789.19
DISBURSEMENTS								
Training	400.00	-	200.00	-	-	-	-	-
Inmate Security Fund Expenses	-	-	-	-	20,500.00	27,857.07	30,000.00	21,412.07
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	400.00	-	200.00	-	20,500.00	27,857.07	30,000.00	21,412.07
RECEIPTS OVER (UNDER) DISBURSEMENTS	(200.00)	185.76	-	185.92	5,500.00	(122.91)	(5,000.00)	5,377.12
CASH BALANCES, JANUARY 1	1,339.47	1,339.47	1,153.55	1,153.55	22,223.73	22,223.73	16,846.61	16,846.61
CASH BALANCES, DECEMBER 31	\$ 1,139.47	\$ 1,525.23	\$ 1,153.55	\$ 1,339.47	\$ 27,723.73	\$ 22,100.82	\$ 11,846.61	\$ 22,223.73

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	RECORDER USER FEE FUND				CHILDREN'S TRUST FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 250.00	\$ 284.00	\$ 250.00	\$ 277.00
Technology Fees	2,500.00	15,086.50	2,500.00	12,276.55	-	-	-	-
Charges for Services	2,900.00	3,562.71	2,900.00	3,527.25	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,400.00	18,649.21	5,400.00	15,803.80	250.00	284.00	250.00	277.00
DISBURSEMENTS								
Recorder Supplies	19,650.00	13,101.29	12,350.00	12,359.32	-	-	-	-
Whole Health Outreach	-	-	-	-	250.00	-	250.00	250.00
TOTAL DISBURSEMENTS	19,650.00	13,101.29	12,350.00	12,359.32	250.00	-	250.00	250.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,250.00)	5,547.92	(6,950.00)	3,444.48	-	284.00	-	27.00
CASH BALANCES, JANUARY 1	21,243.51	21,243.51	17,799.03	17,799.03	231.00	231.00	204.00	204.00
CASH BALANCES, DECEMBER 31	\$ 6,993.51	\$ 26,791.43	\$ 10,849.03	\$ 21,243.51	\$ 231.00	\$ 515.00	\$ 204.00	\$ 231.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SENIOR SERVICES FUND				SHERIFF'S CIVIL FEE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 43,020.00	\$ 41,001.56	\$ 44,020.00	\$ 42,377.99	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	6,000.00	7,022.02	8,000.00	6,305.37
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	43,020.00	41,001.56	44,020.00	42,377.99	6,000.00	7,022.02	8,000.00	6,305.37
DISBURSEMENTS								
Senior Services Activities	45,426.00	43,599.55	45,626.00	43,581.50	-	-	-	-
Sheriff Equipment and Supplies	-	-	-	-	4,000.00	546.00	6,500.00	3,048.48
TOTAL DISBURSEMENTS	45,426.00	43,599.55	45,626.00	43,581.50	4,000.00	546.00	6,500.00	3,048.48
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,406.00)	(2,597.99)	(1,606.00)	(1,203.51)	2,000.00	6,476.02	1,500.00	3,256.89
CASH BALANCES, JANUARY 1	6,979.77	6,979.77	8,183.28	8,183.28	11,029.13	11,029.13	7,772.24	7,772.24
CASH BALANCES, DECEMBER 31	<u>\$ 4,573.77</u>	<u>\$ 4,381.78</u>	<u>\$ 6,577.28</u>	<u>\$ 6,979.77</u>	<u>\$ 13,029.13</u>	<u>\$ 17,505.15</u>	<u>\$ 9,272.24</u>	<u>\$ 11,029.13</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SENATE BILL 40 FUND				SOUND RECORDING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 141,000.00	\$ 136,578.71	\$163,000.00	\$ 141,166.58	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	14.17	14.30	13.86	14.17
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	141,000.00	136,578.71	163,000.00	141,166.58	14.17	14.30	13.86	14.17
DISBURSEMENTS								
Sheltered Workshop Expenses	141,000.00	135,170.35	163,000.00	145,911.46	-	-	-	-
Sound Recording Expenses	-	-	-	-	500.00	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	141,000.00	135,170.35	163,000.00	145,911.46	500.00	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	1,408.36	-	(4,744.88)	(485.83)	14.30	13.86	14.17
CASH BALANCES, JANUARY 1	1,075.94	1,075.94	5,820.82	5,820.82	1,332.34	1,332.34	1,318.17	1,318.17
CASH BALANCES, DECEMBER 31	\$ 1,075.94	\$ 2,484.30	\$ 5,820.82	\$ 1,075.94	\$ 846.51	\$ 1,346.64	\$ 1,332.03	\$ 1,332.34

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	FEMA FUND				SHERIFF'S REVOLVING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	3,000.00	672.32	7,500.00	11,584.07
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	1,000.00	-	-	3,000.00	672.32	7,500.00	11,584.07
DISBURSEMENTS								
Office Expenses	-	-	-	-	4,000.00	1,672.53	15,000.00	16,021.50
TOTAL DISBURSEMENTS	-	-	-	-	4,000.00	1,672.53	15,000.00	16,021.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	1,000.00	-	-	(1,000.00)	(1,000.21)	(7,500.00)	(4,437.43)
CASH BALANCES, JANUARY 1	-	-	-	-	9,347.82	9,347.82	13,785.25	13,785.25
CASH BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ 1,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,347.82</u>	<u>\$ 8,347.61</u>	<u>\$ 6,285.25</u>	<u>\$ 9,347.82</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				ADMINISTRATIVE HANDLING COSTS			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	18,000.00	18,882.09	23,000.00	18,487.80	-	-	-	-
Charges for Services	-	-	-	-	1,500.00	935.89	1,500.00	1,788.50
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	18,000.00	18,882.09	23,000.00	18,487.80	1,500.00	935.89	1,500.00	1,788.50
DISBURSEMENTS								
Sheriff Expenses	18,000.00	11,408.59	-	10,478.46	-	-	-	-
Patrol Car Expenses	-	13,539.52	21,200.00	10,757.32	-	-	-	-
Supplies	-	-	-	-	250.00	80.00	1,500.00	250.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	18,000.00	24,948.11	21,200.00	21,235.78	250.00	80.00	1,500.00	250.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	(6,066.02)	1,800.00	(2,747.98)	1,250.00	855.89	-	1,538.50
CASH								
BALANCES, JANUARY 1	26,853.42	26,853.42	29,601.40	29,601.40	6,526.36	6,526.36	4,987.86	4,987.86
CASH								
BALANCES, DECEMBER 31	<u>\$ 26,853.42</u>	<u>\$ 20,787.40</u>	<u>\$ 31,401.40</u>	<u>\$ 26,853.42</u>	<u>\$ 7,776.36</u>	<u>\$ 7,382.25</u>	<u>\$ 4,987.86</u>	<u>\$ 6,526.36</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ELECTION SERVICES FUND				TAX MAINTENANCE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 2,099.00	\$ 1,425.83	\$ 1,800.00	\$ 3,440.38	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	9,200.00	9,965.52	11,815.83	9,141.35
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,099.00	1,425.83	1,800.00	3,440.38	9,200.00	9,965.52	11,815.83	9,141.35
DISBURSEMENTS								
Supplies	2,000.00	322.83	3,000.00	5,896.35	18,000.00	6,800.00	9,000.00	9,873.70
Equipment	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,000.00	322.83	3,000.00	5,896.35	18,000.00	6,800.00	9,000.00	9,873.70
RECEIPTS OVER (UNDER) DISBURSEMENTS	99.00	1,103.00	(1,200.00)	(2,455.97)	(8,800.00)	3,165.52	2,815.83	(732.35)
CASH BALANCES, JANUARY 1	5,523.80	5,523.80	7,979.77	7,979.77	28,207.24	28,207.24	28,939.59	28,939.59
CASH BALANCES, DECEMBER 31	<u>\$ 5,622.80</u>	<u>\$ 6,626.80</u>	<u>\$ 6,779.77</u>	<u>\$ 5,523.80</u>	<u>\$ 19,407.24</u>	<u>\$ 31,372.76</u>	<u>\$ 31,755.42</u>	<u>\$ 28,207.24</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	TITLE III FUND				LEPC FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 30,000.00	\$ -	\$ 30,000.00	\$ 33,121.69	\$ 300.00	\$ -	\$ 500.00	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	30,000.00	-	30,000.00	33,121.69	300.00	-	500.00	-
DISBURSEMENTS								
Title III to Subrecipient	10,000.00	396.00	60,231.90	61,140.82	-	-	-	-
Supplies	-	-	-	-	300.00	-	500.00	-
TOTAL DISBURSEMENTS	10,000.00	396.00	60,231.90	61,140.82	300.00	-	500.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	20,000.00	(396.00)	(30,231.90)	(28,019.13)	-	-	-	-
CASH BALANCES, JANUARY 1	2,212.77	2,212.77	30,231.90	30,231.90	31,797.88	31,797.88	31,797.88	31,797.88
CASH BALANCES, DECEMBER 31	\$ 22,212.77	\$ 1,816.77	\$ -	\$ 2,212.77	\$ 31,797.88	\$ 31,797.88	\$ 31,797.88	\$ 31,797.88

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

2017									
	Collector Accounts	Sheriff Accounts	Law Library	Prosecuting Attorney	Overplus Fund	Capital School Fund	Ambulance Fund	Fire Districts Fund	Unclaimed Fees Fund
ASSETS									
Cash and Cash Equivalents	\$ 12,526,870.29	\$ 3,879.41	\$ 217.16	\$ 100.01	\$ 18,494.57	\$ 1,638.06	\$ -	\$ -	\$ 1,304.00
Total Assets	12,526,870.29	3,879.41	217.16	100.01	18,494.57	1,638.06	-	-	1,304.00
LIABILITIES AND FUND BALANCES									
TOTAL LIABILITIES	12,526,870.29	3,879.41	217.16	100.01	18,494.57	1,638.06	-	-	1,304.00
UNRESERVED FUND BALANCES	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,526,870.29	\$ 3,879.41	\$ 217.16	\$ 100.01	\$ 18,494.57	\$ 1,638.06	\$ -	\$ -	\$ 1,304.00
	Recorder Account	Healthcenter Fund	Sweetwater Cemetery	County Retirement Fund	Library Fund	Sheltered Workshop	Senior Services	Total Agency Funds	
ASSETS									
Cash and Cash Equivalents	\$ 516.00	\$ -	\$ 3,532.54	\$ 5,528.28	\$ -	\$ -	\$ -	\$ 12,562,080.32	
Total Assets	516.00	-	3,532.54	5,528.28	-	-	-	12,562,080.32	
LIABILITIES AND FUND BALANCES									
TOTAL LIABILITIES	516.00	-	3,532.54	5,528.28	-	-	-	12,562,080.32	
UNRESERVED FUND BALANCES	-	-	-	-	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	\$ 516.00	\$ -	\$ 3,532.54	\$ 5,528.28	\$ -	\$ -	\$ -	\$ 12,562,080.32	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2016

	2016								
	Collector Accounts	Sheriff Accounts	Law Library	Prosecuting Attorney	Overplus Fund	Capital School Fund	Ambulance Fund	North Reynolds Co Fire	Unclaimed Fees Fund
ASSETS									
Cash and Cash Equivalents	\$ 9,316,092.33	\$ 2,006.63	\$ 1,241.03	\$ 100.01	\$ 11,921.52	\$ 4,461.15	\$ 1.40	\$ 0.37	\$ 1,254.61
Total Assets	9,316,092.33	2,006.63	1,241.03	100.01	11,921.52	4,461.15	1.40	0.37	1,254.61
LIABILITIES AND FUND BALANCES									
TOTAL LIABILITIES	9,316,092.33	2,006.63	1,241.03	100.01	11,921.52	4,461.15	1.40	0.37	1,254.61
UNRESERVED FUND BALANCES	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,316,092.33	\$ 2,006.63	\$ 1,241.03	\$ 100.01	\$ 11,921.52	\$ 4,461.15	\$ 1.40	\$ 0.37	\$ 1,254.61

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Reynolds, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector, Coroner, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Prosecuting Attorney and Public Administrator.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the county of Reynolds County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation, was:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 96,631,440	\$ 104,276,022
Personal Property	30,023,383	31,733,643
Railroad and Utilities	<u>46,966,717</u>	<u>47,018,424</u>
	<u>\$ 173,621,540</u>	<u>\$ 183,028,089</u>

During 2017 and 2016, the County Commission approved a \$0.8700 and \$0.8222, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2017</u>	<u>2016</u>
General Revenue Fund	\$ 0.3900	\$ 0.3600
Special Road and Bridge Fund	0.3500	0.3322
Senior Services Fund	0.0300	0.0300
Senate Bill 40 Fund	<u>0.1000</u>	<u>0.1000</u>
	<u>\$ 0.8700</u>	<u>\$ 0.8222</u>

F. Cash and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. CASH AND INVESTMENTS

The County maintains a cash investment pool that is available for all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash is separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017, and 2016, the carrying amount of the County's deposits was \$1,632,702.01 and \$1,870,753.10, and the bank balances were \$8,787,959.79 and \$7,369,651.59, respectively. The total bank balances as of December 31, 2017 and December 31, 2016, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances

Deposits and cash equivalents	\$ 1,632,702.01
Total Deposits as of December 31, 2017	<u>1,632,702.01</u>

Statement of Assets and Liabilities Arising from Cash
Transactions – Agency Funds:

Deposits and cash equivalents	<u>12,562,080.32</u>
Total Agency Funds	<u>12,562,080.32</u>
Total Deposits and cash equivalents	\$ <u>14,194,782.33</u>

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. CASH AND INVESTMENTS (concluded)

The carrying values of deposits shown above are included in the financial statements at December 31, 2016, as follows:

Included in the following fund financial statement captions:

<u>Statement of Receipts, Disbursements and Changes in Cash Balances</u>	
Deposits and cash equivalents	\$ 1,870,753.10
Total Deposits as of December 31, 2016	1,870,753.10
<u>Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:</u>	
Deposits and cash equivalents	9,346,723.05
Total Agency Funds	9,346,723.05
Total Deposits and cash equivalents	\$ <u>11,217,476.15</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2017, and December 31, 2016.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2017, and 2016.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. CAPITAL LEASES

On April 22, 2015, the County entered into a lease purchase with Ford Motor Credit to finance the purchase of two Ford Police Explorer Interceptors in the amount of \$60,099. The lease agreement called for three equal payments of \$21,114.64 with the first payment starting on April 22, 2015. The rate of interest on this lease purchase is 5.5%. On June 18, 2016, the County refinanced the balance of \$20,186.09 with Great Southern Bank.

On April 12, 2016, the County entered into a lease purchase with Ford Motor Credit to finance the purchase of two Ford F-150 Pickup trucks in the amount of \$42,815. The lease agreement called for three equal payments of \$15,179.24 with the first payment starting on April 12, 2016. The rate of interest on this lease purchase is 6.5%. On June 18, 2016, the County refinanced the balance of \$27,966.09 with Great Southern Bank.

On June 18, 2016, the County entered into a lease purchase with Great Southern Bank to payoff the Ford Motor Credit lease purchases and refinance the purchase of two Ford F-150 Pickup trucks in the amount of \$48,152.18. In September 2016, one of the Ford Police Explorer Interceptors was totaled out and \$10,100 was applied to the lease purchase. The current lease agreement calls for three equal payments of \$13,539 with first payment starting on June 16, 2017. The rate of interest on this lease purchase is 3.29%.

As of December 31, 2017, the payment for the capital lease of the County is as follows:

	Balance at December 31, 2016	Amount Borrowed	Amount Repaid	Balance at December 31, 2017	Interest Paid During Year
Great Southern Bank Lease Purchase	\$ 38,391.02	\$ -	(\$12,529.07)	\$ 25,861.95	\$ 1,010.45
Totals	<u>\$ 38,391.02</u>	<u>\$ -</u>	<u>(\$12,529.07)</u>	<u>\$ 25,861.95</u>	<u>\$ 1,010.45</u>

As of December 31, 2016, the payment for the capital leases of the County are as follows:

	Balance at December 31, 2015	Amount Borrowed	Amount Repaid	Balance at December 31, 2016	Interest Paid During Year
Ford Explorer Lease Purchase	\$ 38,984.36	\$ -	(\$38,984.36)	\$ -	\$ 2,316.37
Ford F-150 Lease Purchase	\$ -	\$ 42,815.00	(\$42,815.00)	\$ -	\$ 330.33
Great Southern Bank Lease Purchase	\$ -	\$ 48,152.18	(\$ 9,761.16)	\$ 38,391.02	\$ 338.84
Totals	<u>\$ 38,984.36</u>	<u>\$ 90,967.18</u>	<u>(\$91,560.52)</u>	<u>\$ 38,391.02</u>	<u>\$ 2,985.54</u>

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. CAPITAL LEASES (Concluded)

The future payments for the lease purchase as of December 31, 2017, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 12,688.66	\$ 850.86	\$ 13,539.52
2019	13,173.29	433.41	13,606.70
	<u>\$ 25,861.95</u>	<u>\$ 1,284.27</u>	<u>\$ 27,146.22</u>

The future payments for the lease purchases as of December 31, 2016, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 12,529.07	\$ 1,010.45	\$ 13,539.52
2018	12,688.66	850.86	13,539.52
2019	13,173.29	433.41	13,606.70
	<u>\$ 38,391.02</u>	<u>\$ 2,294.72</u>	<u>\$ 40,685.74</u>

IV. INTERFUND TRANSFERS

There were no transfers made for the years ended December 31, 2017, and 2016.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (Concluded)

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2017, and 2016 were \$110,844.98 and \$111,384.36, respectively.

VI. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County did not have any COBRA participants at December 31, 2017, and December 31, 2016.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366.00 and \$2,711.50, respectively, for the years ended December 31, 2017, and 2016.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was involved in pending litigation as of the audit report date. The County's attorneys are vigorously defending the County in these matters. County management believes that such litigation and claims will ultimately be resolved without material financial liability, if any, to the County.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. This ranges from getting one week after the first year of service, and four weeks after fifteen years of service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. County employees receive two personal days when they start, after one year they get six days. An employee is not reimbursed for unused personal time upon termination of employment. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IX. RISK MANAGEMENT (Concluded)

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. SUBSEQUENT EVENTS

There were no subsequent events to report as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2017 AND 2016

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2017, expenditures exceeded those budgeted for the following funds: Inmate Security Fund, and County Law Enforcement Restitution Fund.
- B. For the year ended December 31, 2016, expenditures exceeded those budgeted for the following funds: Recorder User Fee Fund, Sheriff's Revolving Fund, County Law Enforcement Restitution Fund, Election Services Fund, Tax Maintenance Fund and Title III Fund.
- C. For the year ended December 31, 2017, the FEMA Fund did not have a budget. This was mandated by FEMA to have a non-interest bearing account to receive FEMA funds late in the year, this money was however budgeted under the Special Road and Bridge Fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Reynolds, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Reynolds ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 27, 2018



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To The County Commission
The County of Reynolds, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Reynolds' ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2017, and 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2017, and 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 27, 2018

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	Federal CFDA Number	PASS-THROUGH ENTITY NUMBER	12/31/2017 FEDERAL EXPENDITURES	12/31/2017 PASSED THROUGH TO SUBRECIPIENTS	12/31/2016 FEDERAL EXPENDITURES	12/31/2016 PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
US DEPARTMENT OF AGRICULTURE							
PASSED THROUGH THE STATE							
Office of Administration:							
School and Roads - Grants to States	10.665	Schools	\$ 124,515.90	\$ 124,515.90	\$ 240,129.45	\$ 240,129.45	\$ 364,645.35
School and Roads - Grants to States	10.665	Road & Bridge	41,505.29	-	80,043.15	-	121,548.44
School and Roads - Grants to States	10.665	Title III Project	-	-	33,121.69	-	33,121.69
Forest Service:							
Forest Service Meth Contract	10.U01	13-LE-11090507-009	2,050.00	-	1,700.00	-	3,750.00
Total U.S. Department of Agriculture			<u>168,071.19</u>	<u>124,515.90</u>	<u>354,994.29</u>	<u>240,129.45</u>	<u>\$ 523,065.48</u>
US DEPARTMENT OF DEFENSE							
DIRECT PROGRAM							
Clearwater Lake Program	12.U01	W9127S-16-2-0038	-	-	13,440.00	-	13,440.00
		W9127S-17-P-0105	15,984.00	-	-	-	15,984.00
Total U.S. Department of Defense			<u>15,984.00</u>	<u>-</u>	<u>13,440.00</u>	<u>-</u>	<u>29,424.00</u>
DEPARTMENT OF INTERIOR							
DIRECT PROGRAM							
PILT - Payment in Lieu of Taxes	15.226		177,374.00	-	168,090.00	-	345,464.00
Total U.S. Department of Interior			<u>177,374.00</u>	<u>-</u>	<u>168,090.00</u>	<u>-</u>	<u>345,464.00</u>
US DEPARTMENT OF JUSTICE							
PASSED THROUGH THE STATE							
Department of Public Safety:							
Crime Victim Assistance Grant	16.575	2011-VOCA-075-SE	-	-	5,463.66	-	5,463.66
		2016-VOCA-040-SE	25,560.00	-	29,550.00	-	55,110.00
		2017-VOCA-001	9,540.00	-	-	-	9,540.00
Total U.S. Department of Justice			<u>35,100.00</u>	<u>-</u>	<u>35,013.66</u>	<u>-</u>	<u>70,113.66</u>
GENERAL SERVICES ADMINISTRATION							
PASSED THROUGH:							
Office of the Secretary of State:							
Election Reform Payments	39.011		-	-	2,528.62	-	2,528.62
Total General Services Administration			<u>-</u>	<u>-</u>	<u>2,528.62</u>	<u>-</u>	<u>2,528.62</u>
US DEPARTMENT OF TRANSPORTATION							
PASSED THROUGH:							
Department of Transportation:							
DWI Enforcement Grants	20.607	16-154-AL-141	-	-	3,100.00	-	3,100.00
		17-M5HVE-03-022	2,810.00	-	-	-	2,810.00
Total U.S. Department of Transportation			<u>2,810.00</u>	<u>-</u>	<u>3,100.00</u>	<u>-</u>	<u>5,910.00</u>
ELECTION ASSISTANCE COMMISSION							
PASSED THROUGH STATE							
Office of the Secretary of State:							
Help America Vote Act Requirements Payments	90.401		-	-	925.42	-	925.42
Total Election Assistance Commission			<u>-</u>	<u>-</u>	<u>925.42</u>	<u>-</u>	<u>925.42</u>
U.S. DEPARTMENT OF HOMELAND SECURITY							
PASSED THROUGH STATE							
State Emergency Management Agency:							
Disaster Grants - Public Assistance Grants	97.036	FEMA-4250-DR-MO	76,536.23	-	432,361.99	-	508,898.22
Total U.S. Department of Homeland Security			<u>76,536.23</u>	<u>-</u>	<u>432,361.99</u>	<u>-</u>	<u>508,898.22</u>
Total Expenditures of Federal Awards			<u><u>\$ 475,875.42</u></u>	<u><u>\$ 124,515.90</u></u>	<u><u>\$ 1,010,453.98</u></u>	<u><u>\$ 240,129.45</u></u>	<u><u>\$ 1,486,329.40</u></u>

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the County of Reynolds under programs of the federal government for the years ended December 31, 2017, and 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Reynolds, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Reynolds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – SUB-RECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>Sub-Recipients</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-Recipients</u>
Schools and Roads – Grants to States	Centerville R-1 School District	10.665	2017
			2016
			\$30,196.58
			\$58,014.38
Schools and Roads – Grants to States	Bunker R-III School District	10.665	2017
			2016
			\$52,037.04
			\$100,474.95
Schools and Roads – Grants to States	Lesterville R-IV School District	10.665	2017
			2016
			\$42,282.28
			\$81,640.12

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2017 ☐ Yes ☒ No
2016 ☐ Yes ☒ No
 - b. Significant deficiency (ies) identified? 2017 ☐ Yes ☒ None Reported
2016 ☐ Yes ☒ None Reported
3. Noncompliance material to financial statements noted? 2017 ☐ Yes ☒ No
2016 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2017 ☐ Yes ☒ No
2016 ☐ Yes ☒ No
 - b. Significant deficiency (ies) identified? 2017 ☒ Yes ☐ None Reported
2016 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major programs: 2017 - Unmodified
2016 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516(a)? 2017 ☒ Yes ☐ No
2016 ☒ Yes ☐ No

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016

2017-001	Federal Grantor:	All
	Pass-Through Grantor:	All
	Federal CFDA Number:	All
	Program Title:	All
	Pass- Through Entity	
	Identification Number:	All
	Award Year:	2016 and 2017
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal control over federal awards. The County was not in compliance with 2 CFR Section 200.303.

Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program. The County must be in compliance with 2 CFR Section 200.303, which requires the County to establish and maintain effective internal controls over federal awards.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*, and 2 CFR Section 200.303.

Views of responsible officials and planned corrective actions: The County Clerk (Mike Harper) is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (573) 648-2494.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

The last audit performed was for the fiscal years ended December 31, 2013, and December 31, 2012. Pursuant to the guidelines in Uniform Guidance Section 200.511 *Audit findings follow-up*, the County has determined the prior year findings meet the requirements set forth in this section for determining a finding to not warrant further action. The following conditions were met to determine the treatment of these prior year audit findings:

- i.) Two years have passed since the audit report in which the finding occurred was submitted to the Federal Audit Clearinghouse.
- ii.) The Federal agency or pass-through entity is not currently following up with the auditee on the audit finding; and
- iii.) A management decision was not issued.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The last audit performed under OMB Circular A-133 was for the fiscal years ended December 31, 2013, and December 31, 2012. Pursuant to the guidelines in Uniform Guidance Section 200.511 *Audit findings follow-up*, the County has determined the prior year findings meet the requirements set forth in this section for determining a finding to not warrant further action. The following conditions were met to determine the treatment of these prior year audit findings:

- i.) Two years have passed since the audit report in which the finding occurred was submitted to the Federal Audit Clearinghouse.
- ii.) The Federal agency or pass-through entity is not currently following up with the auditee on the audit finding; and
- iii.) A management decision was not issued.



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CERTIFIED PUBLIC ACCOUNTANTS

June 27, 2018

To the County Commissioners
The County of Reynolds, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Reynolds (the "County") as of and for the years ended December 31, 2017, and 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the following deficiency in the County's internal control to be a significant deficiency as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards
- III. Management Comments

The County's management has provided a written response to the finding in this report that were identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

SA 2017-001 Federal Grantor: All
Pass-Through Grantor: All
Federal CFDA Number: All
Program Title: All
Pass- Through Entity
Identification Number: All
Award Year: 2016 and 2017
Type of Finding: Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal control over federal awards. The County was not in compliance with 2 CFR Section 200.303.

Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program. The County must be in compliance with 2 CFR Section 200.303, which requires the County to establish and maintain effective internal controls over federal awards.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*, and 2 CFR Section 200.303.

Views of responsible officials and planned corrective actions: The County Clerk (Mike Harper) is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (573) 648-2494.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the *Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 9, 2018. Professional standards also require that we communicate to you the following information related to our audit.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Continued)

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2017 fiscal year. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 27, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Other Matters

We were engaged to report the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.

During our testing of federal programs, we noted that the County's Certification of Title III Expenditures and Unobligated Funds were reported, just not in a timely manner. We recommend filing the required reports by their due dates each year, when applicable.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Audrain County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Audrain County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2018
Report No. 2018-057

ANNUAL FINANCIAL REPORT

AUDRAIN COUNTY, MISSOURI

For the Years Ended
December 31, 2017 and 2016

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

AUDRAIN COUNTY, MISSOURI

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INTRODUCTORY SECTION

AUDRAIN COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Steve Hobbs

Eastern Commissioner – Alan Winders

Western Commissioner – Tracy Graham

Other Elected Officials

Assessor – Melissa Maupin

Circuit Clerk – Penny Creed-Craghead

Collector – Kate Becker

County Clerk – Shelley Harvey

Recorder – Janis Deimeke

Coroner – Todd Yager

Prosecuting Attorney – Jacob Shellabarger

Public Administrator – Connie Hagan

Sheriff – Matt Oller

Treasurer – Patty Meyers

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Audrain County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Audrain County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory basis and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Audrain County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Audrain County, Missouri, as of December 31, 2017 and 2016, or the changes in financial position, or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Audrain County, Missouri, as of December 31, 2017 and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Audrain County, Missouri’s basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 6, 2018, on our consideration of Audrain County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 6, 2018

AUDRAIN COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2016 AND 2017

Fund	Cash and Investments	Receipts	Disbursements	Cash and Investments	Receipts	Disbursements	Cash and Investments
	January 1, 2016			December 31, 2016			December 31, 2017
General Revenue	\$ 5,102,858	\$ 4,665,913	\$ 4,905,099	\$ 4,863,672	\$ 4,617,747	\$ 4,049,426	\$ 5,431,993
Special Road & Bridge	854,524	2,780,191	3,233,397	401,318	3,406,722	3,107,106	700,934
Assessment	592,500	410,917	322,041	681,376	388,620	300,723	769,273
Bridge Trust	27,917	-	27,917	-	-	-	-
Small Structure Tax	-	49,858	-	49,858	650,112	174,196	525,774
Law Enforcement Sales Tax	5,134	3,223,666	3,205,096	23,704	2,964,210	2,982,726	5,188
Law Enforcement Training	182	3,468	3,056	594	3,695	2,311	1,978
Sheriff Civil Fees	8,816	24,518	20,897	12,437	37,782	45,660	4,559
Prosecuting Attorney Training	2,171	583	-	2,754	679	-	3,433
Prosecuting Attorney Administrative	3,660	17,251	18,026	2,885	21,039	19,264	4,660
Prosecuting Attorney Delinquent Tax	25,264	2,047	9,019	18,292	3,529	8,299	13,522
Law Enforcement Bond	281	439,512	439,240	553	244,801	245,354	-
Election Services	23,180	15,292	19,351	19,121	4,253	1,238	22,136
Recorder User Fee	18,921	7,282	323	25,880	7,286	-	33,166
Recorder Technology	21,440	6,193	-	27,633	6,356	1,137	32,852
Collector's Maintenance	8,130	32,086	18,595	21,621	30,285	13,638	38,268
Local Emergency Planning Commission	2,575	4,842	1,810	5,607	9,695	2,665	12,637
Victims of Domestic Violence	3,196	3,345	3,769	2,772	3,813	3,344	3,241
Sheriff Revolving	24,442	32,519	48,789	8,172	4,974	8,238	4,908
Inmate Security	6,213	47,908	34,242	19,879	80,296	77,510	22,665
Law Enforcement Restitution	30,396	28,264	47,543	11,117	25,536	21,918	14,735
Federal Forfeiture	29,237	21	2,696	26,562	123,188	20,167	129,583
Project	-	-	-	-	5,489,828	1,816,150	3,673,678
Total	<u>\$ 6,791,037</u>	<u>\$ 11,795,676</u>	<u>\$ 12,360,906</u>	<u>\$ 6,225,807</u>	<u>\$ 18,124,446</u>	<u>\$ 12,901,070</u>	<u>\$ 11,449,183</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2016		2017	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 955,000	\$ 955,575	\$ 955,000	\$ 963,382
Sales taxes	2,500,000	2,617,524	2,640,000	2,608,572
Intergovernmental	435,300	423,668	429,100	406,025
Charges for services	600,000	603,023	596,500	533,452
Interest	5,000	13,105	15,000	24,662
Other	295,900	53,018	85,500	81,654
Transfers in	-	-	-	-
Total Receipts	<u>\$ 4,791,200</u>	<u>\$ 4,665,913</u>	<u>\$ 4,721,100</u>	<u>\$ 4,617,747</u>
DISBURSEMENTS				
County Commission	\$ 134,145	\$ 132,189	\$ 136,525	\$ 135,969
County Clerk	160,310	156,355	164,545	161,623
Elections	117,000	69,848	44,350	12,789
Buildings and grounds	1,086,500	730,196	655,000	196,728
Employee fringe benefits	362,500	297,488	382,000	352,512
Treasurer	70,770	63,893	71,945	65,372
Collector	136,820	111,007	139,495	114,818
Recorder of Deeds	122,020	113,647	126,230	112,451
Circuit Clerk	45,320	27,422	49,400	32,409
Court administration	54,200	18,037	53,700	6,546
Public Administrator	64,970	62,075	78,145	63,140
Prosecuting Attorney	565,455	537,934	563,837	551,792
Juvenile Officer	342,600	335,876	342,600	300,168
Coroner	40,070	36,793	41,495	32,808
Other County government	1,704,870	859,435	1,493,640	951,950
Health and welfare	5,100	2,904	5,100	3,351
Debt services	-	-	-	-
Transfers out	1,695,000	1,350,000	1,795,000	955,000
Emergency fund	143,650	-	142,000	-
Total Disbursements	<u>\$ 6,851,300</u>	<u>\$ 4,905,099</u>	<u>\$ 6,285,007</u>	<u>\$ 4,049,426</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (2,060,100)	\$ (239,186)	\$ (1,563,907)	\$ 568,321
CASH AND INVESTMENTS, JANUARY 1	<u>5,102,858</u>	<u>5,102,858</u>	<u>4,863,672</u>	<u>4,863,672</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 3,042,758</u>	<u>\$ 4,863,672</u>	<u>\$ 3,299,765</u>	<u>\$ 5,431,993</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 1,505,000	\$ 1,660,093	\$ 1,645,000	\$ 1,576,649	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	188	-	-	-	-	-	-
Intergovernmental	1,442,450	1,065,270	2,876,500	1,782,827	295,715	402,682	447,850	380,366
Charges for services	-	-	-	-	-	-	-	-
Interest	1,000	2,357	2,000	6,290	500	1,921	500	3,810
Other	175,000	32,375	16,000	40,956	7,750	6,314	900	4,444
Transfers in	27,900	19,908	-	-	-	-	-	-
Total Receipts	<u>\$ 3,151,350</u>	<u>\$ 2,780,191</u>	<u>\$ 4,539,500</u>	<u>\$ 3,406,722</u>	<u>\$ 303,965</u>	<u>\$ 410,917</u>	<u>\$ 449,250</u>	<u>\$ 388,620</u>
DISBURSEMENTS								
Salaries	\$ 490,000	\$ 463,032	\$ 490,350	\$ 447,653	\$ 209,070	\$ 188,833	\$ 232,350	\$ 191,293
Employee fringe benefits	212,000	176,917	222,500	193,443	73,000	60,628	82,000	70,369
Materials and supplies	383,500	300,519	313,500	198,057	20,300	14,683	20,300	12,891
Services and other	1,165,500	985,531	1,116,320	880,442	42,800	19,731	54,300	21,954
Capital outlay	465,000	226,057	555,000	262,163	42,000	38,166	40,000	4,216
Construction	1,195,000	1,081,341	2,200,000	1,125,348	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,911,000</u>	<u>\$ 3,233,397</u>	<u>\$ 4,897,670</u>	<u>\$ 3,107,106</u>	<u>\$ 387,170</u>	<u>\$ 322,041</u>	<u>\$ 428,950</u>	<u>\$ 300,723</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (759,650)	\$ (453,206)	\$ (358,170)	\$ 299,616	\$ (83,205)	\$ 88,876	\$ 20,300	\$ 87,897
CASH AND INVESTMENTS, JANUARY 1	<u>854,524</u>	<u>854,524</u>	<u>401,318</u>	<u>401,318</u>	<u>592,500</u>	<u>592,500</u>	<u>681,376</u>	<u>681,376</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 94,874</u>	<u>\$ 401,318</u>	<u>\$ 43,148</u>	<u>\$ 700,934</u>	<u>\$ 509,295</u>	<u>\$ 681,376</u>	<u>\$ 701,676</u>	<u>\$ 769,273</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	BRIDGE TRUST FUND				SMALL STRUCTURE TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	49,846	650,000	648,271
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	12	200	1,841
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,858</u>	<u>\$ 650,200</u>	<u>\$ 650,112</u>
DISBURSEMENTS								
Salaries	\$ -	\$ 5,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	2,139	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	600,000	174,196
Transfers out	27,917	19,908	-	-	-	-	-	-
Total Disbursements	<u>\$ 27,917</u>	<u>\$ 27,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 174,196</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (27,917)	\$ (27,917)	\$ -	\$ -	\$ -	\$ 49,858	\$ 50,200	\$ 475,916
CASH AND INVESTMENTS, JANUARY 1	<u>27,917</u>	<u>27,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,858</u>	<u>49,858</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,858</u>	<u>\$ 100,058</u>	<u>\$ 525,774</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,250,000	1,308,678	1,320,000	1,304,246	-	-	-	-
Intergovernmental	325,000	427,025	330,000	571,651	1,500	-	-	1,114
Charges for services	90,500	92,543	90,000	81,223	3,000	2,264	3,000	2,581
Interest	15	167	100	144	-	-	-	-
Other	25,000	45,253	40,000	51,946	-	1,204	1,500	-
Transfers in	1,695,000	1,350,000	1,795,000	955,000	-	-	-	-
Total Receipts	<u>\$ 3,385,515</u>	<u>\$ 3,223,666</u>	<u>\$ 3,575,100</u>	<u>\$ 2,964,210</u>	<u>\$ 4,500</u>	<u>\$ 3,468</u>	<u>\$ 4,500</u>	<u>\$ 3,695</u>
DISBURSEMENTS								
Salaries	\$ 1,282,595	\$ 1,440,174	\$ 1,379,170	\$ 1,489,323	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	474,000	424,624	532,500	457,400	-	-	-	-
Materials and supplies	69,000	64,271	65,500	44,550	-	-	-	-
Services and other	889,500	685,217	914,000	637,841	4,500	3,056	5,000	2,311
Capital outlay	227,400	151,310	138,500	108,814	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	443,000	439,500	475,000	244,798	-	-	-	-
Total Disbursements	<u>\$ 3,385,495</u>	<u>\$ 3,205,096</u>	<u>\$ 3,504,670</u>	<u>\$ 2,982,726</u>	<u>\$ 4,500</u>	<u>\$ 3,056</u>	<u>\$ 5,000</u>	<u>\$ 2,311</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 20	\$ 18,570	\$ 70,430	\$ (18,516)	\$ -	\$ 412	\$ (500)	\$ 1,384
CASH AND INVESTMENTS, JANUARY 1	<u>5,134</u>	<u>5,134</u>	<u>23,704</u>	<u>23,704</u>	<u>182</u>	<u>182</u>	<u>594</u>	<u>594</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 5,154</u>	<u>\$ 23,704</u>	<u>\$ 94,134</u>	<u>\$ 5,188</u>	<u>\$ 182</u>	<u>\$ 594</u>	<u>\$ 94</u>	<u>\$ 1,978</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF CIVIL FEES FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	26,000	24,390	36,000	35,586	1,000	583	1,000	679
Interest	10	16	15	16	-	-	-	-
Other	-	112	-	2,180	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 26,010</u>	<u>\$ 24,518</u>	<u>\$ 36,015</u>	<u>\$ 37,782</u>	<u>\$ 1,000</u>	<u>\$ 583</u>	<u>\$ 1,000</u>	<u>\$ 679</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	473	-	-	-	-
Services and other	34,500	20,897	48,415	37,676	3,000	-	3,700	-
Capital outlay	-	-	-	7,511	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 34,500</u>	<u>\$ 20,897</u>	<u>\$ 48,415</u>	<u>\$ 45,660</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,700</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (8,490)	\$ 3,621	\$ (12,400)	\$ (7,878)	\$ (2,000)	\$ 583	\$ (2,700)	\$ 679
CASH AND INVESTMENTS, JANUARY 1	<u>8,816</u>	<u>8,816</u>	<u>12,437</u>	<u>12,437</u>	<u>2,171</u>	<u>2,171</u>	<u>2,754</u>	<u>2,754</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 326</u>	<u>\$ 12,437</u>	<u>\$ 37</u>	<u>\$ 4,559</u>	<u>\$ 171</u>	<u>\$ 2,754</u>	<u>\$ 54</u>	<u>\$ 3,433</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY ADMINISTRATIVE FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,600	2,030	4,000	3,662	-	-	-	-
Interest	5	4	5	12	-	-	-	-
Other	8,000	15,217	20,000	17,365	5,000	2,047	5,000	3,529
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 11,605</u>	<u>\$ 17,251</u>	<u>\$ 24,005</u>	<u>\$ 21,039</u>	<u>\$ 5,000</u>	<u>\$ 2,047</u>	<u>\$ 5,000</u>	<u>\$ 3,529</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	848	-	1,167	30,000	8,479	23,250	8,299
Services and other	15,200	17,178	26,800	18,097	-	540	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 15,200</u>	<u>\$ 18,026</u>	<u>\$ 26,800</u>	<u>\$ 19,264</u>	<u>\$ 30,000</u>	<u>\$ 9,019</u>	<u>\$ 23,250</u>	<u>\$ 8,299</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (3,595)	\$ (775)	\$ (2,795)	\$ 1,775	\$ (25,000)	\$ (6,972)	\$ (18,250)	\$ (4,770)
CASH AND INVESTMENTS, JANUARY 1	<u>3,660</u>	<u>3,660</u>	<u>2,885</u>	<u>2,885</u>	<u>25,264</u>	<u>25,264</u>	<u>18,292</u>	<u>18,292</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 65</u>	<u>\$ 2,885</u>	<u>\$ 90</u>	<u>\$ 4,660</u>	<u>\$ 264</u>	<u>\$ 18,292</u>	<u>\$ 42</u>	<u>\$ 13,522</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT BOND FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,000	2,061	3,000	2,678
Charges for services	-	-	-	-	6,200	5,551	2,000	1,488
Interest	10	12	-	3	10	27	25	65
Other	-	-	-	-	-	7,653	8,000	22
Transfers in	443,000	439,500	475,000	244,798	-	-	-	-
Total Receipts	<u>\$ 443,010</u>	<u>\$ 439,512</u>	<u>\$ 475,000</u>	<u>\$ 244,801</u>	<u>\$ 11,210</u>	<u>\$ 15,292</u>	<u>\$ 13,025</u>	<u>\$ 4,253</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	443,000	439,240	475,000	245,354	34,000	19,351	31,800	1,238
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 443,000</u>	<u>\$ 439,240</u>	<u>\$ 475,000</u>	<u>\$ 245,354</u>	<u>\$ 34,000</u>	<u>\$ 19,351</u>	<u>\$ 31,800</u>	<u>\$ 1,238</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 10	\$ 272	\$ -	\$ (553)	\$ (22,790)	\$ (4,059)	\$ (18,775)	\$ 3,015
CASH AND INVESTMENTS, JANUARY 1	<u>281</u>	<u>281</u>	<u>553</u>	<u>553</u>	<u>23,180</u>	<u>23,180</u>	<u>19,121</u>	<u>19,121</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 291</u>	<u>\$ 553</u>	<u>\$ 553</u>	<u>\$ -</u>	<u>\$ 390</u>	<u>\$ 19,121</u>	<u>\$ 346</u>	<u>\$ 22,136</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FEE FUND				RECORDER TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	8,000	7,250	8,500	7,194	7,000	6,158	7,000	6,263
Interest	20	32	25	92	20	35	25	93
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,020</u>	<u>\$ 7,282</u>	<u>\$ 8,525</u>	<u>\$ 7,286</u>	<u>\$ 7,020</u>	<u>\$ 6,193</u>	<u>\$ 7,025</u>	<u>\$ 6,356</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	26,000	323	33,500	-	-	-	-	-
Capital outlay	-	-	-	-	28,000	-	34,200	1,137
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 26,000</u>	<u>\$ 323</u>	<u>\$ 33,500</u>	<u>\$ -</u>	<u>\$ 28,000</u>	<u>\$ -</u>	<u>\$ 34,200</u>	<u>\$ 1,137</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (17,980)	\$ 6,959	\$ (24,975)	\$ 7,286	\$ (20,980)	\$ 6,193	\$ (27,175)	\$ 5,219
CASH AND INVESTMENTS, JANUARY 1	<u>18,921</u>	<u>18,921</u>	<u>25,880</u>	<u>25,880</u>	<u>21,440</u>	<u>21,440</u>	<u>27,633</u>	<u>27,633</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 941</u>	<u>\$ 25,880</u>	<u>\$ 905</u>	<u>\$ 33,166</u>	<u>\$ 460</u>	<u>\$ 27,633</u>	<u>\$ 458</u>	<u>\$ 32,852</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR'S MAINTENANCE FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	32,000	29,175	35,000	29,281	-	-	-	-
Interest	20	28	25	104	5	9	5	28
Other	-	2,883	2,500	900	5,000	4,833	5,000	9,667
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 32,020</u>	<u>\$ 32,086</u>	<u>\$ 37,525</u>	<u>\$ 30,285</u>	<u>\$ 5,005</u>	<u>\$ 4,842</u>	<u>\$ 5,005</u>	<u>\$ 9,695</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	40,000	9,346	59,100	7,044	-	109	-	463
Services and other	-	3,020	-	4,054	7,500	1,199	10,500	1,968
Capital outlay	-	6,229	-	2,540	-	502	-	234
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 40,000</u>	<u>\$ 18,595</u>	<u>\$ 59,100</u>	<u>\$ 13,638</u>	<u>\$ 7,500</u>	<u>\$ 1,810</u>	<u>\$ 10,500</u>	<u>\$ 2,665</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,980)	\$ 13,491	\$ (21,575)	\$ 16,647	\$ (2,495)	\$ 3,032	\$ (5,495)	\$ 7,030
CASH AND INVESTMENTS, JANUARY 1	<u>8,130</u>	<u>8,130</u>	<u>21,621</u>	<u>21,621</u>	<u>2,575</u>	<u>2,575</u>	<u>5,607</u>	<u>5,607</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 150</u>	<u>\$ 21,621</u>	<u>\$ 46</u>	<u>\$ 38,268</u>	<u>\$ 80</u>	<u>\$ 5,607</u>	<u>\$ 112</u>	<u>\$ 12,637</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VICTIMS OF DOMESTIC VIOLENCE FUND				SHERIFF REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,000	3,341	5,000	3,804	26,000	32,519	40,000	4,974
Interest	5	4	5	9	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,005</u>	<u>\$ 3,345</u>	<u>\$ 5,005</u>	<u>\$ 3,813</u>	<u>\$ 26,000</u>	<u>\$ 32,519</u>	<u>\$ 40,000</u>	<u>\$ 4,974</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	332	-	288
Services and other	7,000	3,769	7,500	3,344	50,000	19,625	48,100	6,012
Capital outlay	-	-	-	-	-	28,832	-	1,938
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,000</u>	<u>\$ 3,769</u>	<u>\$ 7,500</u>	<u>\$ 3,344</u>	<u>\$ 50,000</u>	<u>\$ 48,789</u>	<u>\$ 48,100</u>	<u>\$ 8,238</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,995)	\$ (424)	\$ (2,495)	\$ 469	\$ (24,000)	\$ (16,270)	\$ (8,100)	\$ (3,264)
CASH AND INVESTMENTS, JANUARY 1	<u>3,196</u>	<u>3,196</u>	<u>2,772</u>	<u>2,772</u>	<u>24,442</u>	<u>24,442</u>	<u>8,172</u>	<u>8,172</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 201</u>	<u>\$ 2,772</u>	<u>\$ 277</u>	<u>\$ 3,241</u>	<u>\$ 442</u>	<u>\$ 8,172</u>	<u>\$ 72</u>	<u>\$ 4,908</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	55,000	44,415	78,600	78,197	30,000	28,239	32,000	25,489
Interest	15	20	20	55	25	25	25	47
Other	3,000	3,473	5,000	2,044	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 58,015</u>	<u>\$ 47,908</u>	<u>\$ 83,620</u>	<u>\$ 80,296</u>	<u>\$ 30,025</u>	<u>\$ 28,264</u>	<u>\$ 32,025</u>	<u>\$ 25,536</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	1,409	-	-	-	-
Services and other	64,000	21,309	103,400	45,341	-	-	-	-
Capital outlay	-	12,933	-	30,760	60,000	47,543	43,100	21,918
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 64,000</u>	<u>\$ 34,242</u>	<u>\$ 103,400</u>	<u>\$ 77,510</u>	<u>\$ 60,000</u>	<u>\$ 47,543</u>	<u>\$ 43,100</u>	<u>\$ 21,918</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,985)	\$ 13,666	\$ (19,780)	\$ 2,786	\$ (29,975)	\$ (19,279)	\$ (11,075)	\$ 3,618
CASH AND INVESTMENTS, JANUARY 1	<u>6,213</u>	<u>6,213</u>	<u>19,879</u>	<u>19,879</u>	<u>30,396</u>	<u>30,396</u>	<u>11,117</u>	<u>11,117</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 228</u>	<u>\$ 19,879</u>	<u>\$ 99</u>	<u>\$ 22,665</u>	<u>\$ 421</u>	<u>\$ 11,117</u>	<u>\$ 42</u>	<u>\$ 14,735</u>

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AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FEDERAL FORFEITURE FUND				PROJECT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2016		2017		2016		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	20,000	-	20,000	123,047	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	10	21	20	141	-	-	-	19,828
Other	-	-	-	-	-	-	5,470,000	5,470,000
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,010</u>	<u>\$ 21</u>	<u>\$ 20,020</u>	<u>\$ 123,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,470,000</u>	<u>\$ 5,489,828</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	49,000	2,696	46,500	20,167	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	5,470,000	1,816,150
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 49,000</u>	<u>\$ 2,696</u>	<u>\$ 46,500</u>	<u>\$ 20,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,470,000</u>	<u>\$ 1,816,150</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (28,990)	\$ (2,675)	\$ (26,480)	\$ 103,021	\$ -	\$ -	\$ -	\$ 3,673,678
CASH AND INVESTMENTS, JANUARY 1	<u>29,237</u>	<u>29,237</u>	<u>26,562</u>	<u>26,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 247</u>	<u>\$ 26,562</u>	<u>\$ 82</u>	<u>\$ 129,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,673,678</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

AUDRAIN COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Audrain County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, County Clerk, Collector, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Audrain County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The Senate Bill 40 Board is separately audited by an independent certified public accountant and is therefore not included in this report in accordance with the regulatory basis of accounting. The Senate Bill 40 Board's audit report may be obtained from Audrain Developmental Disability Services at 222 East Jackson St., Mexico, MO 65265 or by calling (573) 581-8210.

Certain elected County officials, particularly the Collector and Treasurer, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from

accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
 2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
 3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
 4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
 5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
 6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
 7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
 8. Budgets are prepared and adopted on the cash basis of accounting.
 9. Adoption of a formal budget is required by law.
 10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Prosecuting Attorney Administrative Fund in 2016.
- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the

following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2017 and 2016, for purposes of taxation were:

	2017	2016
Real Estate	\$ 218,414,782	\$ 208,668,829
Personal Property	85,899,359	81,815,602
Railroad and Utilities	79,015,574	82,642,892
Total	<u>\$ 383,329,715</u>	<u>\$ 373,127,323</u>

For calendar years 2017 and 2016, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2017	2016
General Revenue	\$ 0.2391	\$ 0.2296
Special Road & Bridge	0.3036	0.3036
Common Road District	0.3608	0.3468

The Common Road District levy was applied to an assessed valuation of \$115,869,385 and \$115,838,824 for the years ended December 31, 2017 and 2016, respectively, and is recognized in the Special Road & Bridge Fund.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017 and 2016, the carrying amounts of the County's deposits were \$11,449,183 and \$6,225,807, respectively, and the bank balances were \$11,849,314 and \$8,197,335, respectively. Of the bank balances, \$352,074 for December 31, 2017 and \$351,819 for December 31, 2016, were covered by federal depository insurance. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2017 and 2016, the County Collector held, in addition to the cash and investments listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. Tax collections on deposit amounted to \$15,835,781 and \$15,333,616 at December 31, 2017 and 2016, respectively. The County Collector's deposits were covered by federal depository insurance of \$252,490 as of December 31, 2017 and \$252,567 as of December 31, 2016. The remainder of the balances at December 31, 2017 and December 31, 2016 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Audrain County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Audrain County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 9.7% and 6.7% (General), and 8.7% and 7.1% (Police) of annual covered payroll for 2017 and 2016 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2017 and 2016, the County contributed \$259,763 and \$230,850 to LAGERS.

4) Funding Status

As of February 28, 2017, the actuarial value of assets exceeded the accrued liabilities of the plan by \$53,181 for the General division and \$327,136 for the Police division. As of February 29, 2016, the actuarial value of assets exceeded the accrued liabilities of the plan by \$153,766 for the General division and \$409,651 for the Police division. These net pension assets are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2017 and 2016, the County collected and remitted to CERF employee withholdings and fees collected of \$214,122 and \$205,356, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 and \$9,044, respectively, for the years ended December 31, 2017 and 2016.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with up to 48 hours of sick time each year, up to a maximum of 480 hours. Upon termination, employees are not compensated for unused sick leave. Vacation time is accrued for every full-time employee, and accrues at the rate of 40 hours per year up to 160 hours per year depending on length of employment, up to a maximum of 200 hours. The maximum amount of vacation allowed to be carried over from one year to the next is 40 hours. Employees leaving County service due to resignation, death or termination are compensated for unused vacation leave accrued.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

In October 2013, the County entered into a lease purchase agreement for improvements to the County Courthouse in the amount of \$700,000. The final payment on this agreement was made in June 2016 in the amount of \$433,672, of which \$7,541 was interest.

In 2010, the County issued Series 2010 Missouri Public Facilities Corporation Leasehold Revenue Refunding Bonds in the amount of \$2,830,000. The final payment on this agreement was made in February 2017 in the amount of \$171,300. The remaining balance of \$283,700 was covered by a debt reserve account held by the bank.

In June 2017, the County entered into a Certificates of Participation (COPS) agreement for a jail expansion project in the amount of \$5,470,000. The debt is to be paid in semi-annual payments

over 17 years, with a fixed interest rate of 2.6% for the first seven years and then two five-year adjustments floored at 2.6% and capped at 4.5%. The schedule of future payments assumes a 4.5% interest rate after the first seven years.

The following schedule shows changes in long-term debt during the years ended December 31, 2016:

Description	Balance 12/31/2015	Additions	Payments	Balance 12/31/2016	Interest Paid
Courthouse Improvements	\$ 426,131	\$ -	\$ 426,131	\$ -	\$ 7,541
Series 2010	870,000	-	415,000	455,000	22,490

The following schedule shows changes in long-term debt during the years ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
Series 2010	\$ 455,000	\$ -	\$ 455,000	\$ -	\$ 8,418
COPS	-	5,470,000	-	5,470,000	63,209

The following schedule represents future payments under long-term debt obligations:

Year	Principal	Interest	Total
2018	\$ 270,000	\$ 140,465	\$ 410,465
2019	275,000	133,445	408,445
2020	285,000	126,230	411,230
2021	290,000	118,755	408,755
2022	300,000	111,150	411,150
2023-2027	1,610,000	641,073	2,251,073
2028-2032	1,840,000	366,637	2,206,637
2033-2034	600,000	27,000	627,000
Total	<u>\$ 5,470,000</u>	<u>\$ 1,664,755</u>	<u>\$ 7,134,755</u>

8. CHANGE IN REPORTING ENTITY

As of January 1, 2016, the County has changed its definition of the reporting entity to exclude the Election Fund. The effect of this change was to decrease the January 1, 2016 cash and cash equivalents/investments balance by \$20.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 6, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Audrain County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Audrain County, Missouri as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise Audrain County, Missouri's basic financial statements and have issued our report thereon dated June 6, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Audrain County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Audrain County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Audrain County, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Audrain County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 6, 2018

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Audrain County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Audrain County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Audrain County, Missouri's major federal programs for the years ended December 31, 2017 and 2016. Audrain County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Audrain County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Audrain County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Audrain County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Audrain County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2017 and 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

Audrain County, Missouri's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Audrain County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Audrain County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Audrain County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Audrain County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 6, 2018

AUDRAIN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2016	2017
U.S. DEPARTMENT OF JUSTICE				
16.738	Passed through Missouri Department of Public Safety			
	Edward Byrne Memorial Justice Assistance Grant Program	2014-JAG-002	\$ 65,186	\$ -
		2014-LLEBG-111	8,845	-
		2015-JAG-001	54,480	58,552
		2016-JAG-001	-	65,674
	Total 16.738		<u>\$ 128,511</u>	<u>\$ 124,226</u>
U. S. DEPARTMENT OF TRANSPORTATION				
20.205	Passed through Missouri Department of Transportation -			
	Highway Planning and Construction	BRO-B004(38)	417,537	68,044
		BRO-B004(41)	46,730	460,094
		BRO-B004(42)	41,465	8,502
	Total 20.205 / Highway Planning and Construction Cluster		<u>\$ 505,732</u>	<u>\$ 536,640</u>
20.600	Passed through Missouri Department of Public Safety -			
	State and Community Highway Safety	17-OP-05-002	-	1,950
20.616	National Priority Safety Programs	16-M2OP-06-006	1,957	-
		17-M5HVE-03-022	-	698
	Total 20.616		<u>\$ 1,957</u>	<u>\$ 698</u>
	Total Highway Safety Cluster		<u>\$ 1,957</u>	<u>\$ 2,648</u>
20.607	Alcohol Open Container Requirements	16-154-AL-141	219	-
		SAF074-0006	760	-
	Total		<u>\$ 979</u>	<u>\$ -</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
93.563	Passed through Missouri Department of Social Services -			
	Child Support Enforcement	n/a	115,170	103,818
U. S. DEPARTMENT OF HOMELAND SECURITY				
97.036	Passed through Missouri Department of Public Safety -			
	Disaster Grants - Public Assistance Grants (Presidentially-declared disasters)	FEMA-4238-DR-MO	146,929	-
97.042	Emergency Management Performance Grants	EMK-2016-00006-004	34,566	
		EMK-2016-EP-APP-0004-SL01		22,900
		EMK-2017-EP-APP-00006-004		37,306
	Total		<u>\$ 34,566</u>	<u>\$ 60,206</u>
	Total Expenditures of Federal Awards		<u>\$ 933,844</u>	<u>\$ 827,538</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

AUDRAIN COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Audrain County, Missouri for the years ended December 31, 2017 and 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

The County did not pass any federal awards through to subrecipients during the years ended December 31, 2017 and 2016.

AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of Auditors’ Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

Any audit findings disclosed that are required to be Reported in accordance with Uniform Guidance section 200.516? X Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$750,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

None noted

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2017-001. Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Justice, U.S. Department of Transportation

Pass-Through Grantor: Missouri Department of Public Safety, Missouri Department of Transportation

Federal CFDA Number: 16.738, 20.205

Program Title: Edward Byrne Memorial Justice Assistance Grant, Highway Planning and Construction

Pass-through Entity Identifying Number: 2015-JAG-001, BRO-B004(38), BRO-B004(41), BRO-B004(42)

Award Year: 2016 and 2017

Questioned Costs: None

Criteria: 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program.

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2016 and 2017 annual budget documents contained errors in amounts of federal expenditures reported. Expenditures of the Highway Planning and Construction program were understated by \$119,439 in 2016 and \$107,330 in 2017, and the expenditures of the Edward Byrne Memorial Justice Assistance Grant were understated by \$34,782 in 2016.

Cause: The County reported only 80% of the expenditures of the Highway Planning and Construction grants, however, the County qualified for 100% reimbursement of expenditures with federal funds from the Missouri Department of Transportation. The expenditures reported for the Edward Byrne Memorial Justice Assistance Grant in 2016 included only two of the six months of expenditures claimed for reimbursements under award 2015-JAG-001 during the year. The amounts of expenditures reimbursed by the JAG grant were included on the same line item as non-grant expenditures in the general ledger, which resulted in additional calculations needed to arrive at the number to report on the SEFA.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for both the years ended December 31, 2017 and 2016.

Recommendation: We recommend that the County implement procedures to ensure that the SEFA accurately states the expenditures of federal awards of the County each year.

County Response: We feel we have procedures in place at this time, but will try to improve. In past audits the amount reported for Federal Bridges has always been reported at 80% as the 20 % was soft match. Going forward if that amount is required to be reported we will do so.

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

- **Summary Schedule of Prior Audit Findings**
 - **Corrective Action Plan**

Audrain County, Missouri

101 N. Jefferson St.
Mexico MO 65265



Tracy Graham
Associate Commissioner

Steve Hobbs
Presiding Commissioner

Alan Winders
Associate Commissioner

AUDRAIN COUNTY, MISSOURI SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Audrain County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2015 and 2014.

2015-001: Documentation of the County's internal controls has not been prepared. This finding initially occurred in the 2012-2013 audit.

Status: This finding is considered to be resolved.

2015-002: There is no formal fraud risk assessment in place. This finding initially occurred in the 2012-2013 audit.

Status: This finding is considered to be resolved.

2015-003: Cash and fund balance was not being accurately tracked within the accounting system. The county is however, tracking cash and fund balance on spreadsheets outside the accounting system. This finding initially occurred in the 2012-2013 audit.

Status: This finding is considered to be resolved.

2015-004: The Sheriff's bank accounts did not have formal bank reconciliations.

Status: This finding is considered to be resolved.

Audrain County, Missouri

101 N. Jefferson St.
Mexico MO 65265



Tracy Graham
Associate Commissioner

Steve Hobbs
Presiding Commissioner

Alan Winders
Associate Commissioner

AUDRAIN COUNTY, MISSOURI CORRECTIVE ACTION PLAN

Finding Reference Number: 2017-001

Federal Agency: U.S. Department of Transportation

Program Name: Highway Planning and Construction

CFDA Number: 20.205

Responsible Official: Shelley Harvey, County Clerk

Views of Responsible Individuals: We feel we have procedures in place at this time, but will try to improve. In past audits the amount reported for Federal Bridges has always been reported at 80% as the 20% was soft match. Going forward if that amount is required to be reported we will do so.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Community Improvement
Districts**



CITIZENS SUMMARY

Findings in the review of Community Improvement Districts

Significant Weaknesses Exist in the State's CID Laws	Significant changes to the state's Community Improvement District (CID) laws are necessary to protect taxpayers. State law allows a CID to be formed and taxes and assessments to be imposed without adequate public scrutiny or sufficient public protections. State law also allows sales taxes to be imposed without voter approval and for significant conflicts of interest to potentially occur. CID imposed sales taxes do not have to be disclosed to the public and CID reporting compliance requirements are incomplete and lack enforcement power. State law allows CIDs to overtax the public and remit the excess taxation to conflicted parties. Annual reports of statewide CID sales tax collections and distributions published by the Department of Revenue (DOR) do not include taxes distributed to all districts.
Weaknesses Exist in Sales Tax Administration	The sales tax administration system in place at the DOR does not adequately track sales tax district boundaries, and the DOR does not have adequate procedures in place to ensure district sales taxes are correctly administered, charged, collected, and disbursed.
Noncompliance with Statutory Requirements	CIDs have routinely not complied with state laws regarding budget preparation, annual financial and performance reporting, Sunshine Law compliance, and holding an annual meeting. We determined 11 of the 15 (73 percent) CIDs reviewed did not properly adopt budgets or did not properly provide prepared budgets to the municipalities. Prepared budgets were also often incomplete and sometimes not approved timely. CIDs consistently failed to provide required annual financial reports to the State Auditor's Office and annual performance reports to the Department of Economic Development. We determined 3 of the 15 (20 percent) CIDs reviewed did not comply with the Sunshine Law by failing to prepare board meeting minutes with all required information. We identified 4 of the 15 CIDs did not hold an annual meeting during 2017 as required.

Due to the nature of this report no rating is provided.

Community Improvement Districts

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County.....	29



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly,
and
Joel W. Walters, Director
Department of Revenue
Jefferson City, Missouri

We have audited certain aspects of the state's Community Improvement District (CID) laws and certain information related to a selection of CIDs, in fulfillment of our duties under Chapter 29, RSMo. Due to the increasing number of CIDs in the state, and the significant amount of public money collected and spent by such districts, state laws establishing CIDs are a significant issue to taxpayers. The scope of the audit included, but was not limited to, the year ended December 31, 2017. The objectives of our audit were to:

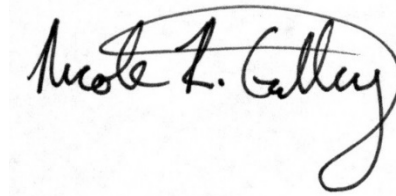
1. Evaluate internal controls over significant management and financial functions related to CIDs.
2. Evaluate compliance with certain legal provisions related to CIDs.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions related to CIDs.
4. Evaluate potential changes needed in state laws governing CIDs.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Since there is no central agency charged with oversight of CIDs, we could not obtain views of responsible officials for the findings, conclusions, and recommendations outlined in findings 1 and 3 of the Management Advisory Report. We obtained the views of responsible CID officials and municipality officials and included them in the report where appropriate.

For the areas audited, we identified (1) deficiencies in internal controls over management and financial functions related to CIDs, (2) significant non-compliance with legal provisions related to CIDs, (3) significant weaknesses in CID management practices, and (4) significant weaknesses in the state laws for CIDs.

The accompanying Management Advisory Report presents our findings arising from our statewide audit of CIDs.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CGAP
In-Charge Auditor:	Matthew Schulenberg, CFE
Audit Staff:	Michaela N. Horstman
	Hunter O'Donnell, M.Acct.
	Michelle Pummill
	Mackenzie J. Wooster

Community Improvement Districts

Introduction

Background

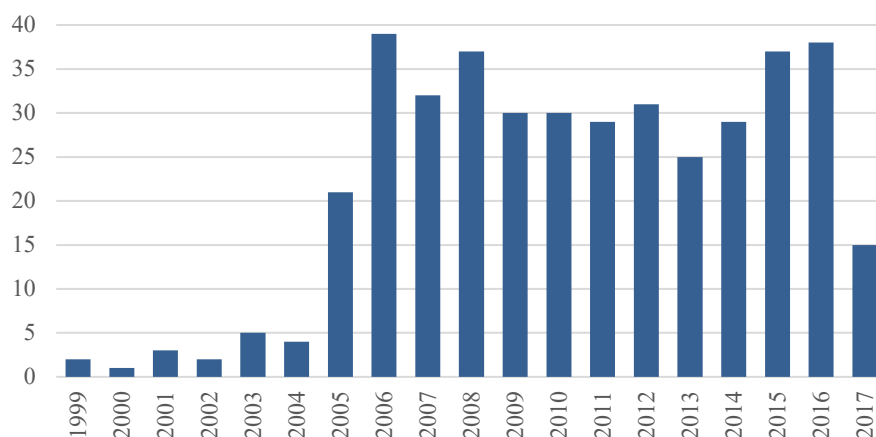
The Community Improvement District Act was established in 1998 and allows for the formation of community improvement districts (CIDs) under Sections 67.1401 to 67.1571, RSMo. CIDs are separate legal entities, either a political subdivision or a not-for-profit corporation, which are established to pay for either public improvements or private projects. The projects are generally financed by these districts through a sales and use tax, special assessment, or real property tax. As of December 31, 2017, approximately 428 CIDs existed throughout the state. During 2017, CIDs received more than \$74.3 million in revenues statewide.

Formation

According to Section 67.1411, RSMo, the governing body of any municipality or county may establish one or more CIDs in the manner provided in the Community Improvement District Act. Section 67.1461.1(16), RSMo, establishes powers of the district and allows the district to provide assistance to or to construct, reconstruct, install, repair, maintain, and equip various public facilities or improvements.

Figure 1 shows the total number of CIDs formed across the state each calendar year from 1999 to 2017 for the 411 CIDs that responded to our questionnaire.

Figure 1: Number of CIDs formed by calendar year, 1999 to 2017



Source: Prepared by the State Auditor's Office (SAO) using data from questionnaires submitted to each CID in existence as of December 31, 2017.

The process of establishing a CID is initiated by the filing of a petition with the governing body where the proposed district is located. Such a petition must be signed by (1) property owners collectively owning more than 50 percent of the assessed value of the real property within the boundaries of the



Community Improvement Districts Introduction

proposed district and (2) more than 50 percent per capita¹ of all real property owners within the boundaries of the proposed district.

A petition to form must also include (1) a legal description of the proposed district, including a map illustrating the district boundaries; (2) the name of the proposed district; (3) a notice that the signatures of the signers may not be withdrawn later than 7 days after the petition is filed with the municipal clerk; (4) a 5-year plan stating a description of the purposes of the proposed district, the services it will provide, the improvement it will make and an estimate of costs of these services and improvements to be incurred; (5) a statement as to whether the district will be a political subdivision or a not-for-profit corporation, including the name of the not-for-profit corporation; (6) if the district is to be a political subdivision, a statement as to whether the district will be governed by a board elected by the district or whether the board will be appointed by the municipality; (7) if the district is to be a political subdivision, the number of directors to serve on the board; (8) the total assessed value of all real property within the proposed district; (9) a statement as to whether the petitioners are seeking a determination that the proposed district, or any legally described portion thereof, is a blighted area;² (10) the proposed length of time for the existence of the district; (11) the maximum rates of real property taxes, and, business license taxes in the county seat of a county of the first classification without a charter form of government containing a population of at least 200,000, that may be submitted to the qualified voters³ for approval; (12) the maximum rates of special assessments, and respective methods of assessment that may be proposed by petition; (13) the limitations, if any, on borrowing capacity of the district; (14) the limitations, if any, on the revenue generation of the district; (15) other limitations, if any, on the powers of the district; (16) a request that the district be established; and (17) any other items the petitioners deem appropriate.

Section 67.1421, RSMo, requires the municipal clerk to determine if the petition substantially complies with the requirements and for the governing body of the municipality in which the proposed district is located to hold a public hearing before the governing body can adopt an ordinance approving the petition and establishing a district as set forth in the petition.

¹ As defined by Section 67.1401, RSMo, per capita is one head count applied to each individual, entity or group of individuals or entities having fee ownership of real property within the district.

² As defined by Section 67.1401, RSMo, a blighted area is an area which (1) by reason of the insanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire and other causes retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use; or (2) has been declared blighted or found to be a blighted area pursuant to Missouri law.

³ As defined by Section 67.1401, RSMo, a qualified voter is registered voters or the owners of one or more parcels of real property located within the district.



Community Improvement Districts Introduction

Governance

CIDs are governed by a board of directors. If a district is a political subdivision, the district shall be governed by a board consisting of at least 5 but not more than 30 directors. Directors must be (1) at least 18 years old, (2) be either (a) an owner of real property or of a business operating within the district or (b) a registered voter⁴ residing within the district, and (3) any other qualifications set forth in the petition establishing the district. If there are fewer than 5 owners of real property located within a district, the board may be comprised of up to 5 legally authorized representatives of any of the owners of real property located within the district. The board can either be elected or appointed, as provided in the petition. After the district's formation has been approved, the board has the authority to carry out the purposes and provisions of the Community Improvement District Act.

If the district is a not-for-profit corporation, the election and qualification of members to the board of directors must be in accordance with Missouri's Nonprofit Corporation Act (Chapter 355, RSMo).

Allowable projects

CIDs have the powers to provide assistance to or to construct, reconstruct, install, repair, maintain, and equip any of the following public improvements:⁵

- Pedestrian or shopping malls and plazas.
- Parks, lawns, trees, and any other landscaping.
- Convention centers, arenas, aquariums, aviaries, and meeting facilities.
- Parking lots, garages, or other facilities.
- Paintings, murals, display cases, sculptures, and fountains.
- Any other useful, necessary, or desired improvement.

CIDs also have the power to demolish and remove, renovate, reconstruct, or rehabilitate any building or structure owned by a private property owner if the area is declared to be blighted.⁶

⁴ As defined by Section 67.1401, RSMo, a registered voter is a person(s) who resides within the district and whom are qualified and registered to vote pursuant to chapter 115.

⁵ Section 67.1461.1(16), RSMo.

⁶ Section 67.1461.2(1), RSMo.



Community Improvement Districts Introduction

Funding methods

State law allows CIDs 4 different methods to generate revenue:

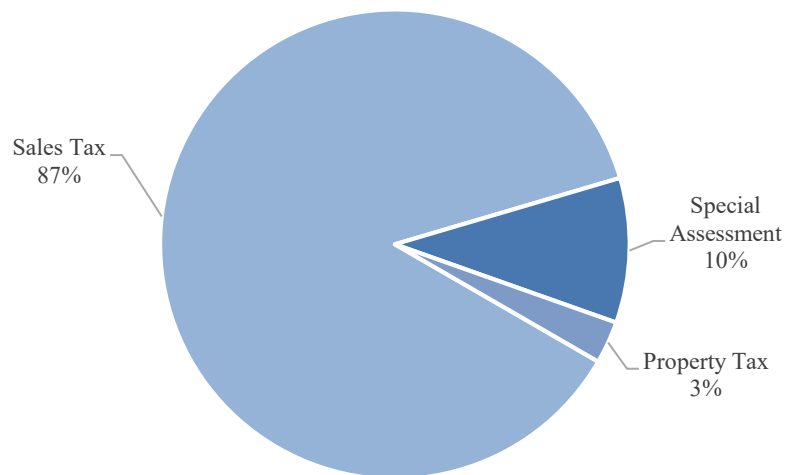
1. Sales and Use Tax - Any district formed as a political subdivision may impose by resolution a district sales and use tax of up to one percent on retail transactions, subject to exceptions cited in state law.
2. Real Property or Business License Tax - The district may levy by resolution a tax upon real property or on any business located within the boundaries of the district, provided no such resolution shall be final nor shall it take effect until the qualified voters approve the tax that the resolution seeks to impose. The district may levy a real property tax rate lower than the tax rate ceiling approved by qualified voters and may increase that lowered tax rate to a level not exceeding the tax rate ceiling without approval of the qualified voters.
3. Special Assessments - A district may levy by resolution one or more special assessments against real property within its boundaries, upon receipt of an in accordance with a petition signed by (1) owners of real property collectively owning more than 50 percent by assessed value of real property within the boundaries of the district, and (2) more than 50 percent per capita of the owners of all real property within the boundaries of the district.
4. To fix, charge, and collect fees, rents, and other charges for use of any of the following:
 - The district's real property, except for public rights-of-way for utilities.
 - The district's personal property, except in a city not within a county.
 - Any of the district's interest in such real or personal property, except for public rights-of-way for utilities.

The majority of CIDs are funded with sales tax. Special assessments and property taxes are funding methods used by approximately 13 percent of the districts. Figure 2 breaks down the percentage of CIDs by funding method for CIDs formed through December 31, 2017, that responded to our questionnaire.



Community Improvement Districts Introduction

Figure 2: Percentage of CIDs, by
funding method



Source: Prepared by the SAO using data from questionnaires submitted to each CID in existence as of December 31, 2017. Information was not available for 17 districts.

Abolishment

Under state law, upon receipt of a proper petition and after notice of a public hearing, any district may be terminated by ordinance adopted by the governing body of the municipality prior to the expiration of its term if the district has no outstanding obligations. Upon expiration or termination of a district, the assets of such district shall be distributed in accordance with the plan for dissolution as approved by ordinance. The municipality is to make every effort for the assets of the district to be distributed in such a manner so as to benefit the real property that was formerly a part of the district.

Scope and Methodology

The scope of our audit included, but was not limited to, the year ended December 31, 2017. Our methodology included gathering information regarding the CIDs established through discussions with various officials from the Department of Economic Development (DED) and the Department of Revenue (DOR) and reviewing information maintained by those agencies. We sent questionnaires to districts using contact information provided by or obtained from the DED, DOR, SAO, and municipalities. We requested the geographic location of the district, the district's fiscal year, estimated total project costs, estimated revenues when the district was formed, the life of the district, the proposed funding method, when collection of revenues started, district's liabilities/unpaid project costs, businesses/properties within the district, board members, and other information.

To gain an understanding of the legal requirements governing CIDs, we reviewed applicable state laws and interviewed individuals from the DED and DOR.



Community Improvement Districts Introduction

We also selected 15 CIDs across the state to review in more detail. The districts selected and their approving municipalities are:

District Name	Approving Municipality
76 Entertainment CID	Branson
BaratHaven CID	Dardenne Prairie
Independence Events Center CID	Independence
Capital Mall CID	Jefferson City
Hope Valley CID	Joplin
12th & Wyandotte CID	Kansas City
Ward Parkway Shopping Center CID	Kansas City
Park Ridge CID	Lee's Summit
Miner Gateway CID	Miner
North Oaks Plaza Shopping Center CID	Northwoods
2317 Belt CID	St. Joseph
East Hills CID	St. Joseph
Downtown St. Louis CID	St. Louis
Liberty Commons CID	St. Robert
Black Mountain CID	Van Buren

During 2017, the SAO performed individual audits of the BaratHaven CID,⁷ the Independence Events Center CID,⁸ the Ward Parkway Shopping Center CID,⁹ and the North Oaks Plaza Shopping Center CID.¹⁰ These districts were also included in our review of additional detail during this audit.

During our review of these districts, our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; testing selected transactions, and performing on-site inspections and observations. These districts were not selected due to any known issues or concerns, and are considered representative of the entire population of CIDs throughout the state.

⁷ SAO, *BaratHaven Community Improvement District*, report number 2017-121, issued October 2017.

⁸ SAO, *Independence Events Center Community Improvement District*, report number 2017-136, issued November 2017.

⁹ SAO, *Ward Parkway Center Community Improvement District*, report number 2017-147, issued December 2017.

¹⁰ SAO, *North Oaks Plaza Shopping Center Community Improvement District*, report number 2017-102, issued September 2017.

Community Improvement Districts

Management Advisory Report

State Auditor's Findings

1. Significant Weaknesses Exist in the State's CID Laws

Significant changes to the state's Community Improvement District (CID) laws are necessary to protect taxpayers. State law allows for the formation of a CID and the imposition of taxes without adequate public scrutiny, sufficient public protections, or voter approval. Without adequate public scrutiny, district petitions are approved without a well-defined purpose for extended, and even perpetual, timeframes. State law also allows for significant conflicts of interest within the governance structure of the districts, giving significant oversight responsibilities to developers and property owners. As a result, there is an increased risk of districts not acting in the public's best interest. State law also does not ensure adequate transparency or sufficient reporting requirements, allows excess taxation without oversight, and does not contain adequate abolishment provisions.

1.1 Districts formed and taxes imposed without public scrutiny or public protections

State law allows a CID to be formed and taxes and assessments to be imposed without adequate public scrutiny or sufficient public protections. As of December 31, 2017, the state had approximately¹¹ 428 CIDs that collected \$74.3 million in taxes and assessments from the public during calendar year 2017. Estimated project costs¹² at the time of formation provided by 396¹³ CIDs totaled more than \$2.2 billion.

A petition must be filed with the municipal clerk in order for a district to be established. State law¹⁴ requires the petition to contain certain elements, including, but not limited to:

- The legal description of the district, including a map illustrating the district boundaries.
- A 5 year plan stating the purposes of the district, the services to be provided, any improvements to be made, and an estimate of the costs to be incurred.
- The method for selecting the board.

¹¹ We do not know the exact number of CIDs in existence because there is no requirement in state law for the State Auditor's Office (SAO) to be notified upon the creation of a district. See section 1.4.

¹² Based on survey questionnaires completed by CIDs. Some districts provided the total estimated project costs while other districts provided the estimated costs for the first 5 years of the district. Therefore, the total estimated project cost is likely significantly higher than reported.

¹³ Not all CIDs returned their questionnaire to the SAO. Additionally, several that returned the questionnaire did not know the estimated project cost when the district was formed. Therefore, we do not know the estimated project costs for all 428 CIDs.

¹⁴ Section 67.1421.2(3), RSMo.



Community Improvement Districts Management Advisory Report - State Auditor's Findings

- A statement as to whether the petitioners are seeking a blighted designation for the district.
- The proposed length of time for the existence of the district.

The municipality is required to hold a public hearing and then may adopt an ordinance to establish the district.¹⁵

Municipalities do not perform adequate scrutiny

While state law requires the approval of the municipality, there are no provisions requiring the municipality to perform an evaluation to ensure a district is in the best interest of the public before adopting the ordinance establishing it. As a result, municipalities do not always provide adequate scrutiny to ensure a district benefits the public.

According to representatives from the City of Kansas City and the City of St. Louis, their municipalities perform a review to ensure the petition contains all the elements required by state law. The representatives also indicated the petition for the district to form would be approved unless they identified statutory compliance issues. As of December 31, 2017, the City of Kansas City and the City of St. Louis were the approving municipalities for approximately 55 and 60 CIDs, respectively. Additionally, representatives from 6¹⁶ of the 12 (50 percent) municipalities¹⁷ we interviewed indicated they only ensured the petition was compliant with state law. Based on this information, the majority of districts created are not scrutinized by public officials to evaluate the merits of the district and to ensure the district benefits the public even though state law allows them to do so.

Amending state law to require municipalities evaluate the proposed district to ensure it appropriately benefits the public will provide more assurance districts created are in the best interests of the public. In the absence of a law change, municipalities must provide more critical review of district petition documents to ensure the interests of the public are considered.

State law does not require district purpose to be well defined

State law does not require district petition documents contain a well-defined purpose. While state law requires the petition to state the general purpose of the district, the estimated costs to be incurred, and the proposed length of time the district will be in existence, district petition documents do not always specifically define these parameters. As a result, districts are allowed to form with vague purposes.

¹⁵ Section 67.1421.4, RSMo.

¹⁶ City of Branson, City of Independence, City of Jefferson City, City of Kansas City, City of St. Louis, and the City of Van Buren.

¹⁷ We attempted to interview the 13 municipalities that approved the formation of the 15 CIDs selected for further review as documented in the Scope and Methodology section above; however, the City of Northwoods failed to respond to our inquiries.



Community Improvement Districts Management Advisory Report - State Auditor's Findings

We looked at the petition documents for the 15 CIDs reviewed and determined 10¹⁸ of them (67 percent) did not have a well-defined purpose. For example, the petition documents stated the tax revenues could be used for "payment or reimbursement of any other costs or expenses permitted by the CID Act" or some other non-specific purpose.

Requiring the CID petition to better define the purpose of the district would provide better information to the municipality evaluating the merits of the district to ensure the district is in the best interest of the public.

Allowable life of districts not limited, resulting in excessive lifespans as well as perpetual districts

State law does not limit the allowable life of a CID and does not require the expected timeframe stated in the petition to be a defined period. As a result, districts typically have excessive lifespans, and in many cases have perpetual lifespans. Our survey determined the average lifespan for districts with a defined life is 31 years. In addition, the survey determined the state has 75 districts with no defined lifespan.

Requiring the CID petition to have a reasonable and defined lifespan would help the municipality reevaluate whether the district is in the best interests of the public on a periodic basis. Having a defined lifespan would also allow the municipality additional oversight opportunity and would help ensure the district was fulfilling its stated purpose. Without a defined and reasonable lifespan, excessive and unnecessary taxation can occur and CID funds would be at an increased risk of misappropriation.

Districts can be established to pay TIF liabilities

A review of established CIDs identified districts created with the sole purpose of paying down tax increment financing (TIF) liabilities, thereby ensuring the developer is repaid for TIF reimbursable costs sooner than otherwise would occur. We determined 2¹⁹ of the 15 (13 percent) CIDs reviewed are associated with a TIF. These arrangements can involve most CID revenues going toward the TIF, instead of only 50 percent like other economic activity taxes. State law already includes funding mechanisms for developers to be reimbursed for TIF projects but developers/property owner(s) are establishing CIDs to provide additional funding for TIF projects.

It is not clear if state law intended the formation of CIDs for this purpose.

No assessment of economic impact required

No estimate of the economic impact of a potential district is required prior to formation. An economic analysis of a potential district would include an analysis of the projected revenues the district would generate over time. This

¹⁸ 12th & Wyandotte CID, 2317 Belt CID, Black Mountain CID, Capital Mall CID, East Hills CID, Hope Valley CID, Miner Gateway CID, North Oaks Plaza Shopping Center CID, Park Ridge CID, and Ward Parkway Shopping Center CID.

¹⁹ Liberty Commons CID and East Hills CID.



Community Improvement Districts Management Advisory Report - State Auditor's Findings

information would allow the municipality evaluating the petition to determine the economic activity anticipated if the CID is established. Such information is commonly required for economic development programs. For example, prior to a TIF district being approved, a developer is statutorily required to provide information pertaining to the development's potential economic impact to the community.²⁰ Similarly, at the state level, the Department of Economic Development (DED) requires the assessment of the estimated cost/benefit of proposed projects for some tax credit programs.²¹

Requiring a developer/property owner to demonstrate the estimated economic impact a potential project will generate provides assurance the investment of public monies is in the public's best interest.

No 'but for' determination required

There is no requirement that the developer/property owner(s) provide a 'but for' determination to establish a CID when the project involves a private asset. This determination is typically required to provide assurance that the project involving a private asset would not be possible 'but for' the public incentive being requested. Such a determination is required by statute to establish a TIF district,²² and is required by the DED when evaluating projects applying for state Business Use Incentives for Large Scale Development Program incentives.²³

Requiring a 'but for' determination provides the public some assurance the awarding of public incentives to a project for a private asset is necessary for the development to proceed, and helps ensure the public incentives granted are in the public's best interest.

Conclusion

State law requires municipalities to approve the petition to form a CID. However, state law does not require CID petition documents to include a well-defined purpose, does not require the lifespan of a district to be limited or specifically defined, and does not require any estimate of how much revenue will be collected or an evaluation of the merits of the district. As a result, districts are collecting an unspecified amount of taxes or assessments for undefined purposes for an unknown period of time. State law allows municipalities the flexibility to modify the structure of CIDs, including ensuring the projects are well defined, and the lifespan of the district is limited before forming the district. Municipalities can review the project to ensure the same project is not already receiving public assistance. The municipalities

²⁰ Section 99.810.1(5), RSMo.

²¹ Business Use Incentives for Large Scale Development Program, Brownfield Redevelopment Program, and the Missouri Works Tax Credit Program at Sections 100.810, 447.708.1(6), and 620.2010.2(2), RSMo; respectively.

²² Section 99.810.1(1), RSMo.

²³ Section 100.760(4), RSMo.



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can also perform an assessment to ensure the district benefits the public before forming the district. However, our survey results indicate municipal officials are generally not utilizing their oversight capabilities when reviewing district petitions. Once a district is formed, the municipality has limited or no recourse if the district is not structured with adequate public protections, and districts can exist and tax the public for an infinite number of years. Clarifying state law to require petition documents to include more specific language of the district's purpose and lifespan would be in the best interest of taxpayers.

1.2 Public vote not required to impose CID sales tax

State law allows sales taxes to be imposed without voter approval. During the year ending December 31, 2017, 314 CIDs received sales tax revenue totaling approximately \$57 million.

A significant portion of CID sales taxes are not approved by a vote of the public. State law requires a CID sales tax to be approved by the qualified voters of the district after approved by the district board.²⁴ However, the majority of the districts do not contain registered voters, which allows the developer/property owner to essentially impose the tax. State law allows district boundaries to be customized so as to intentionally not include registered public voters, creating "micro" taxing districts in many cases. Only 14 percent of the districts imposing a sales tax that responded to our survey had registered voters, which would require a public vote to impose a tax. The developer/property owner(s) maintain a controlling interest in the board of directors for a majority of the districts. For those districts that imposed a sales tax and responded to our inquiry, the developer/property owner has a controlling interest on the board for 234 of the 287 (82 percent) districts statewide, and for 11²⁵ of the 12 (92 percent) districts²⁶ we reviewed. As a result, the overwhelming majority of CID sales taxes are not approved by the general public, but rather by the developer/property owner(s).

Allowing developers/property owners and local governments to form special "micro" taxing districts and impose taxes without a public vote is inconsistent with how other sales taxes are imposed. Municipalities and other taxing districts are typically required by state law to put any proposed sales taxes to a public vote. A simple majority vote in favor of the tax is necessary to put it into effect.

²⁴ Section 67.1545.1, RSMo.

²⁵ 12th & Wyandotte CID, 2317 Belt CID, 76 Entertainment CID, Black Mountain CID, Capital Mall CID, East Hills CID, Hope Valley CID, Liberty Commons CID, Miner Gateway CID, North Oaks Shopping Center CID, and Ward Parkway Shopping Center CID.

²⁶ Sales taxes are not imposed for 3 of the 15 districts we reviewed.



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1.3 State law allows for
significant conflicts of
interest

State law allows for significant conflicts of interest to occur at CIDs. Approximately 83 percent of district boards are controlled by the developer/property owner(s). These developer controlled boards are responsible for procuring any construction work necessary, services to be performed, and oversight of other CID-related expenses. As a result, there is a significant risk of improper and related party transactions.

Boards are not required to
include anyone independent

State law does not require anyone independent of the developer/property owner(s) to be on the board of directors if no registered voters reside within the district. While state law allows the municipality to dictate the make-up of the board before the municipality forms the district, the majority of municipalities do not require independent representation prior to approving the petition. As a result, many of the district boards do not include anyone independent of the developer/property owner. Based on our survey, the developer/property owner has a controlling interest in approximately 83 percent of district boards and 62 percent of district boards do not include anyone independent of the developer/property owner. As a result, developers/property owners find themselves with conflicting interests when representing the CID board. For example, a cooperative agreement we reviewed between the developer, the city and the district²⁷ was signed by the same individual as both the Chairman of the CID Board and the developer.

Requiring someone independent of the developer/property owner(s) to be on the board of directors would provide additional assurance the district is being subjected to appropriate oversight and is acting in the best interest of the public.

Competitive procurement for
most services is not required

State law does not require CID boards to competitively procure construction contracts or the majority of the services paid for with public monies.²⁸ Since there are no requirements to ensure the independence of the CID board, there is a higher risk of developer/property owner(s) awarding construction or service contracts to themselves or other related party contractors without allowing other non-related entities to submit proposals for the contracts. We identified numerous instances of contracts being awarded or payments being made to related parties:

- The Downtown St. Louis CID did not competitively procure management services. Instead, the district paid a not-for-profit organization with representatives on the CID Board more than \$1.6 million for management services from July 2016 to June 2017. A conflict of interest exists

²⁷ Park Ridge CID.

²⁸ Sections 8.285 through 8.291 and 8.675 to 8.687, RSMo, require political subdivisions to competitively procure architectural and engineering services and construction management services; respectively.



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between the district and the not-for-profit organization since (1) the two organizations share the same President and CEO, (2) the Chair and Vice Chair of the not-for-profit organization are ex officio members of the CID Board, and (3) the Chair and Vice Chair of the CID Board are ex officio members of the not-for-profit organization's Board of Trustees. The petition filed creating the district requires the CID to contract with the not-for-profit organization for management and to staff day-to-day operations. The CID then entered into a management agreement with the not-for-profit organization allowing the organization to determine the amount of reimbursement as long as it is within the budget of the CID and records are available for the CID Board to review.

- The Independence Events Center CID²⁹ did not competitively procure administrative services and instead contracted with the City of Independence, which had a controlling interest in the Board, to administer the district. The district paid more than \$110,000 annually since 2013 for services that other districts procure for less than \$15,000 annually.
- Ward Parkway Shopping Center CID did not competitively procure construction management services worth \$1.2 million. Instead, members of the Board of Directors approved payments for these services to their employer.
- The North Oaks Plaza Shopping Center CID did not competitively procure parking lot repair services worth approximately \$85,000. The district made payments for these services to a company owned by a Board member.
- The Park Ridge CID did not competitively procure lawn and landscaping services and paid more than \$75,000 for these services in 2017. The district made payments for these services to a company owned by the Chairman of the Board.
- The Black Mountain CID Board leased land from members of the Board for 3 years at a total cost of \$31,600 for signage for a business within the boundaries of the district. The sign being leased was constructed in 2000 with no lease payments being made to the property owners/Board members until the CID payments were made from 2015 through 2018. Board members could not explain how they determined the lease rate.

Based on survey responses submitted by 396 CIDs, districts across the state are anticipating spending more than \$2.2 billion in project costs. Requiring

²⁹ The Independence Events Center CID is the largest CID in the state in terms of sales tax collection.



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competitive procurement of construction and other services would provide assurance the lowest and best bidder was selected and would be in the public's best interest. Transportation Development Districts (TDD) are already required by state law to competitively procure construction contracts in excess of \$5,000.³⁰

1.4 Inadequate transparency to the public

State law does not impose sufficient sales tax and reporting transparency requirements on CIDs. CIDs do not have to disclose the rate of the district sales tax publically at all retail locations within the CID. In addition, CIDs are not required to notify the SAO when they are formed. State law does not impose adequate reporting requirements on CIDs and there is no penalty for not filing the required reports to the public entities.

Sales taxes are not disclosed
to the public

There is no requirement in state law to notify the public of the additional sales tax imposed by a CID. As a result, taxpayers may not be aware of the additional tax they are paying to fund the district. Sales taxes are the planned source of revenues for 358 of the 411³¹ districts (87 percent) that responded to our survey.

Informing the public of the additional sales tax charged within the district would increase transparency. State law already requires the rate of a TDD sales tax to be prominently displayed at the cash register area at each retail location in the TDD.³²

Reporting requirements are
insufficient and lack
enforcement mechanisms

State law does not impose adequate notification and reporting requirements on CIDs. The law also lacks enforcement mechanisms when CIDs fail to meet statutory reporting requirements. We identified the following concerns:

- CIDs are allowed to form without notifying the SAO of their formation. The SAO has authority to audit CIDs³³ and is also required to monitor CIDs to help ensure the districts comply with the financial reporting requirements imposed on all political subdivisions.³⁴
- State law does not impose sufficient financial reporting requirements on CIDs. State law imposes some reporting requirements, including submitting (1) a proposed annual budget to the governing board of the municipality,³⁵ (2) an annual performance report to the municipal clerk

³⁰ Section 238.252(2), RSMo.

³¹ Representatives of 411 CIDs responded to our questionnaire and provided their planned source of revenue. No additional information is known for districts that did not respond.

³² Section 238.280, RSMo.

³³ Section 67.1471.5, RSMo.

³⁴ 15 CSR 40-3.030(5) and Section 105.145, RSMo.

³⁵ Section 67.1471.2, RSMo.



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of the approving municipality and the DED, and (3) an annual financial report to the SAO.³⁶ However, these reporting requirements do not include other important information, such as:

- the funding method.
 - revenues received to date.
 - reimbursable costs by type to date.
 - anticipated reimbursable costs by type.
 - unpaid reimbursable costs.
 - current estimated years until abolishment.
- State law does not have a mechanism to ensure the CIDs provide the reporting already required to the DED and the municipalities. We identified significant noncompliance with reporting requirements (see section 3.2).

Requiring CIDs to report the rate of sales tax imposed, to notify the SAO upon formation, to provide additional reporting, and adding a mechanism to state law to increase reporting compliance would increase transparency and allow the public to be better informed of these districts. Municipalities already have to report the formation of a CID to the DED³⁷ and TIF information to the Department of Revenue (DOR).³⁸ In addition, state law already imposes fines as a mechanism to ensure reporting. For example, state law effective August 28, 2017,³⁹ imposes fines to political subdivision for noncompliance with financial reporting requirements and requires those fines to be paid to local school districts.

1.5 Excess taxation without oversight

State law allows CIDs to overtax the public and remit the excess taxation to conflicted parties. Additionally, state law does not require an audit by the SAO before a district can abolish.

Excess taxation occurs and benefits conflicted parties

State law does not require a district to rescind its funding mechanism once the district expenses have been paid, resulting in excess taxation of the public. State law⁴⁰ requires the excess taxation to go towards the real property that

³⁶ 15 CSR 40-3.030(5) and Section 105.145, RSMo.

³⁷ Section 67.1421.6, RSMo.

³⁸ Section 99.865, RSMo.

³⁹ Section 105.145.9 to 105.145.11, RSMo.

⁴⁰ Section 67.1481.5, RSMo.



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was formerly part of the district and may result in conflicted parties benefiting from the excess taxation.

For example, the Eureka South I-44 CID Board was controlled by the municipality and abolished in November 2014. Prior to abolishment, the district overcharged the public by more than \$120,000. These funds were remitted to the city and placed in the Road Fund. The city-controlled district failed to rescind the sales tax and special assessment timely and as a result, the city received the excess taxation windfall from the district.

Another example involves the Kansas Battlefield CID in Springfield that satisfied its debt in March 2015. However, due to a lack of planning, the sales tax was not rescinded until January 1, 2016, which resulted in the taxpayers being over taxed by approximately \$225,000. This excess taxation resulted in a windfall to the local municipality.

Ensuring any excess taxes collected during the closeout of a CID do not go to the entity that provides oversight would help reduce the conflict of interest faced by those charged with oversight. In addition, as previously noted, fines imposed on political subdivisions for noncompliance with financial reporting requirements are to be paid to local school districts. Similarly requiring any over collections of sales tax revenue remaining after abolishment to be remitted to local school districts would remove the conflict of interest a board or local municipality may face.

Lack of oversight of abolishment

State law does not require a district to be audited by the SAO prior to abolishment. State law⁴¹ requires a district to be file a petition with the local municipality and the governing body of the municipality to adopt an ordinance in order for a district to be abolished.

Requiring a CID to be audited by the SAO prior to abolishing would provide assurance the district's assets exceed its liabilities and the board has a plan in place for the dissolution of assets. State law⁴² already requires an audit by the SAO in order for a TDD to abolish.

1.6 Lack of reporting transparency

Annual reports of statewide CID sales tax collections and distributions published by the DOR do not include taxes distributed to all districts. The DOR redacts the amount of sales tax distributed to CIDs that include less than 6 retailers. As a result, sales tax distributions for 2017 for 109 of 314 districts (35 percent), totaling approximately \$5.4 million, are redacted from publicly available DOR reports and the appendix.

⁴¹ Section 67.1481.2, RSMo.

⁴² Section 238.275.3, RSMo.



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State law⁴³ requires annual financial reports, including the amount of receipts, of every political subdivision of the state to be filed with the SAO. State law⁴⁴ also requires these financial reports to be public records. DOR officials assert Section 32.057, RSMo, supersedes this language, and the amount of money collected for CIDs with fewer than 6 businesses must be protected from disclosure to the general public so as not to disclose private taxpayer information. While the recent law change to improve financial reporting compliance of political subdivisions will improve the transparency of CIDs, this change will not resolve the DOR's interpretation of the law that results in public reports of CID distributions being redacted. To comply with DOR's reporting restrictions, some sales tax distribution amounts to individual CIDs are redacted in the appendix because the sales tax information presented in the appendix was obtained from the DOR. However, the total statewide distribution amount presented in DOR reports and our appendix includes all CID sales taxes distributed by the DOR.

Clarification to state law is necessary to ensure the completeness of the distribution reports published by the DOR, and to ensure the transparency of CID tax distributions statewide.

Recommendations

The General Assembly consider amending state law to:

- 1.1 Require municipalities to perform an evaluation of petitioned CIDs and document their results to ensure a district is in the best interest of the public before adopting an ordinance establishing it. In addition, state law should be amended to require the CID's purpose and lifespan be well-defined in the district petition documents. State law should also be amended to require an assessment of economic impact be prepared and presented and require the developer/property owner(s) provide a 'but for' determination to establish a CID when the project involves a private asset. Consideration should also be given to clarifying state law regarding establishing CIDs to repay TIF reimbursable costs.
- 1.2 Require a public vote of the citizens to impose a CID sales tax.
- 1.3 Require a representative of a public entity to be on the board of directors. Also, require CIDs to competitively procure construction contracts and other major services.
- 1.4 Require districts to notify the public of the additional sales tax imposed by a CID and require the approving municipality to notify

⁴³ Section 105.145.2, RSMo.

⁴⁴ Section 105.145.7, RSMo.



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the SAO of a district's formation. In addition, state law should impose more detailed reporting requirements on CIDs and establish a mechanism to ensure CIDs provide required reports to the state and appropriate municipality.

- 1.5 Require districts to rescind their funding mechanism(s) once obligations have been repaid and ensure excess taxation does not benefit conflicting parties. In addition, require an audit of CIDs by the SAO prior to abolishment.
- 1.6 Clarify if sales tax distribution amounts by the DOR should be available to the public.

Auditee's Response

Due to no state or local entity having oversight or management responsibilities over CIDs on a statewide basis, no management response can be obtained. The views of any applicable municipalities, or individual CID board members were obtained as appropriate and considered as part of our audit fieldwork.

2. Weaknesses Exist in Sales Tax Administration

The sales tax administration system in place at the DOR does not adequately track sales tax district boundaries, and the DOR does not have adequate procedures in place to ensure district sales taxes are correctly administered, charged, collected, and disbursed. As a result, our review of the collection and remittance of district sales taxes identified errors for 10 of the 12⁴⁵ (83 percent) districts reviewed for sales tax compliance. Most errors noted involved issues with the department's inability to accurately recognize CID boundaries. This condition was reported to the DOR in previous SAO audits of TDDs in 2017 and Sales and Use Tax procedures in 2015.⁴⁶ During the year ended December 31, 2017, the DOR disbursed \$56.9 million in sales taxes to CIDs.

When a CID enacts a sales tax the DOR requires the district to submit specific documentation to the department including, but not limited to (1) the name of the district imposing the tax; (2) percentage of tax increase; (3) a list of business names, addresses, and Missouri sales tax identification numbers of businesses located in the district, and (4) a map showing street names and district boundaries. DOR personnel will verify the information provided by the district, update the department's tax system, which includes the geographic information system (GIS), and inform the district of the effective date of the tax. The DOR makes available monthly distribution detail reports to each district. These reports provide a listing of open businesses within the

⁴⁵ Only 12 of 15 districts selected for additional review were funded by a sales tax.

⁴⁶ Report 2017-020, *Transportation Development Districts*, issued in April 2017, and report 2015-080, *Sales and Use Tax*, issued September 2015.



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district and a detailed breakdown of the CID sales tax remitted to the district by retailer.

Businesses inside the districts are not remitting CID sales taxes to the DOR In 3 of the 12 (25 percent) districts reviewed,⁴⁷ we identified a total of 4 businesses inside district boundaries charging the CID sales tax but not remitting those taxes collected to the DOR.

For example, CID taxes were collected by a business within the designated district boundaries of the Capital Mall CID. While the business charged the additional district sales tax, the business did not remit the tax to DOR.⁴⁸ Neither DOR personnel nor the sales tax system identified this business as being within the boundaries of the district, and therefore had not identified this business as being noncompliant. We confirmed with DOR personnel that this business is within the district boundaries, but they indicated the district did not provide notification this business was within the district boundaries. The CID did not elect to receive the monthly distribution reports from the DOR that would have allowed district officials to identify they were not receiving sales taxes from the business.

Businesses inside the districts are not charging the CID sales tax In 9 of the 12 (75 percent) districts reviewed,⁴⁹ we identified a total of 16 businesses within the district boundaries not charging the CID sales tax and thus did not remit such collections to the DOR.

For example, CID taxes were not being charged by a business within the designated district boundaries of the Hope Valley CID. DOR personnel indicated the business was not in their system as being inside the district boundaries because the business owners indicated on their initial sales tax application that it was not in the district. After SAO inquiries with district officials, they notified the DOR that the business should be collecting the tax. Since the DOR failed to recognize this business as being within the district boundaries, the business did not charge the additional district sales tax and did not remit the district sales tax to the DOR.

Neither DOR personnel nor the sales tax system identified that this business was within the boundaries of the district and should be charging the additional district sales tax and remitting this district sales tax to the DOR. Even though DOR personnel utilize a GIS to determine the political subdivisions a business is in, they rely upon the business and/or district to inform them of businesses within the district boundaries. CID officials were aware this

⁴⁷ Capital Mall CID, East Hills CID, and Independence Events Center CID.

⁴⁸ Follow up action to determine the status of any sales taxes collected but not remitted is beyond the scope of our audit. This matter was referred to the DOR for follow up.

⁴⁹ 76 Entertainment CID, Black Mountain CID, Capital Mall CID, East Hills CID, Hope Valley CID, Independence Events Center CID, Liberty Commons CID, North Oaks Plaza Shopping Center CID, and Ward Parkway Shopping Center CID.



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Businesses outside the districts are charging district sales tax

business was within the boundaries of the district and should have been charging the additional district sales tax; however, they failed to identify the business was not included on the monthly DOR reports that detail the breakdown of sales taxes remitted each retailer.

In 2 of the 12 (17 percent) districts reviewed,⁵⁰ we identified a total of 2 businesses not within the district boundaries charging the CID sales tax.

For example, CID taxes were collected by a business that was approximately 1 mile outside the designated district boundaries of the Miner Gateway CID. DOR personnel indicated when this business opened, the business provided the department with an address and informed them the business was within the boundaries of the district. The DOR coded the business as being within the boundaries of the district without confirming the location of the business and the district's boundaries. The business was actually outside the district boundaries and had no legal authority to collect the district sales tax based on our review of the district. The business remitted the additional district sales tax collected to the DOR and the DOR remitted the taxes to the district. Neither DOR personnel nor the department's sales tax system identified this business was not within the boundaries of the district and had no legal authority to charge the additional district sales tax. The CID was not aware this business was charging the additional district sales tax because the district chose not to receive the monthly DOR distribution reports.

In addition, a business located approximately 4 miles outside the boundaries of the Independence Events Center CID charged the CID sales tax. DOR personnel indicated they registered this business as a business within the boundaries of the district based on a sales tax return filed by the business. The business had no legal authority to collect the district sales tax based on our review of the district. Neither DOR personnel nor the department's sales tax system identified this business was not within the boundaries of the district and had no legal authority to impose the additional district sales tax.

Conclusion

The DOR imposes requirements on taxing districts, including CIDs, which are beyond what the DOR requires of cities and counties. Special taxing districts in the state are required to notify the DOR when new businesses are added, which is not required of large political subdivisions like cities and counties. DOR officials indicate the department's system is capable of identifying the applicable tax rates that should be charged by a new business in a city or county, but for smaller taxing districts, such as CIDs, the entity is responsible for monitoring for new businesses and notifying the DOR.

⁵⁰ Independence Events Center CID and Miner Gateway CID.



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State law⁵¹ requires the DOR to perform all functions incident to the administration, collection, enforcement, and operation of the district sales tax. The DOR has a fiduciary duty to the public to ensure taxes are administered correctly and to detect and prevent improper taxation.

Recommendation

The DOR implement controls to prevent or detect improper taxation.

Auditee's Response

The Missouri Department of Revenue provided the Missouri State Auditor's office (SAO) detailed financial and business location reports for twelve Community Improvement Districts (CIDs). Errors were identified for ten of the CIDs reviewed. There are approximately 795 unique businesses within those 10 CIDs. The SAO discovered issues with 22 businesses, representing a 97 percent accuracy rate. The DOR has addressed all issues contained in the report and made necessary corrections to those businesses.

In September 2017, the department began using a new Integrated Tax System which interfaces with the Sales Tax Rate Geographic Information System (STRGIS). When registrations are completed, the interface with STRGIS systematically provides department staff a rate and location code associated with the business address. This will help the department identify if the address is within a district, even when the taxpayer reports they are not within a district. In the previous tax system, at the time of registration, department employees had to perform a manual check for the address in STRGIS. In some instances this manual review did not occur, resulting in incorrect registrations. This improvement should result in greater accuracy.

The DOR continues to work closely with the Office of Administration - Information Technology Services Division to ensure accurate and timely updates are made to STRGIS. In addition, in response to House Bill 1858 passed in the most recent legislative session, the department will begin working with political subdivisions to view the addresses currently located within their boundaries.

Reports that provide a list of the open businesses registered within the district and monthly distributions from each business within the CID are available to each CID free of charge. Prior to implementation of the Integrated Tax System, political subdivisions were provided one free report per year, and charged \$35 for each subsequent report requested by the CID. The department has notified CIDs of the availability of these reports.

The department requests updates from the CIDs as new businesses are added or if their taxing boundaries change. The department also requires other political subdivisions, including cities and counties, to notify the department

⁵¹ Section 32.087.6, RSMo.



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of new businesses as a result of annexations or if they identify any discrepancies on their reports. The department's ability to provide accurate rate for each district is limited by the completeness of information provided by each CID. It is common for districts to have undeveloped areas without addresses at the time the district is formed. If the district does not provide notification of new businesses within the district, the department does not have the ability to identify specific businesses when the boundaries do not encompass the entire city or county.

Auditor's Comment

Due to incorrect boundaries in DOR's mapping system, sales tax errors were identified in 10 of the 12 (83 percent) districts reviewed, which includes 5 districts with multiple errors. Given the significant error rate found in districts reviewed as part of the audit, improper taxation is likely occurring in other special taxing districts throughout the state.

3. Noncompliance with Statutory Requirements

CIDs have routinely not complied with state laws regarding budget preparation, annual financial and performance reporting, Sunshine Law compliance, and holding an annual meeting.

3.1 Annual budgets

CIDs routinely do not comply with state laws requiring budgets be reported to municipalities, contain certain information, and be adopted timely.

Lack of transparency to
municipalities

We determined 11 of the 15 (73 percent) CIDs reviewed did not properly adopt budgets or did not properly provide those budgets to the municipality.

- Four⁵² CIDs did not prepare an annual budget for the fiscal year 2017.
- Two⁵³ CIDs prepared a fiscal year 2017 budget but failed to provide the budget to the municipality.
- Five⁵⁴ CIDs failed to submit their annual budget to the municipality within the timeframe required by state law. These CIDs submitted their fiscal year 2017 budget to the municipality between 29 to 169 days after the statutory deadline.

Section 67.010.1, RSMo, requires political subdivisions to prepare an annual budget. Section 67.1471.2, RSMo, requires CIDs to submit a proposed budget

⁵² Black Mountain CID, Hope Valley CID, Liberty Commons CID, and Miner Gateway CID.

⁵³ 12th & Wyandotte CID and North Oaks Plaza Shopping Center CID.

⁵⁴ 2317 Belt CID, BaratHaven CID, Capital Mall CID, Independence Events Center CID, and Ward Parkway Shopping Center CID.



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Budgets were incomplete

to the governing body of the municipality between 180 and 90 days prior to the first day of the fiscal year.

We determined 5 of the 9⁵⁵ (56 percent) CIDs reviewed prepared incomplete budgets.

- The budgets for 2⁵⁶ CIDs did not contain a budget message or a general budget summary.
- The budgets for 2⁵⁷ CIDs did not contain a comparative statement of actual and estimated revenues and expenditures for the preceding 2 years.
- The budget for 1⁵⁸ CID did not contain a budget message, budget summary, or contain a comparative statement of actual estimated revenues and expenditures for the preceding 2 years.

Section 67.010.1, RSMo, requires a CID board to present a budget with a complete financial plan to include a budget message describing the important features of the budget and major changes from the preceding year, comparative statement of estimated revenues and expenditures for the preceding 2 years, and a general budget summary.

Budgets were not approved timely

We determined 2⁵⁹ of the 11 (18 percent) CIDs⁶⁰ reviewed that adopted a budget did not adopt their budgets timely. Those CIDs adopted their budget at least 45 days after the statutory deadline.

Section 67.1471.3, RSMo, requires CID boards to adopt an annual budget no later than 30 days prior to the start of the CIDs fiscal year.

3.2 Annual reports

CIDs consistently failed to provide required reports to the SAO and DED.

⁵⁵ We could only review the budgets for 9 of the 15 CIDs because the Black Mountain CID, Hope Valley CID, Liberty Commons CID, and Miner Gateway CID failed to adopt a budget. The Downtown St. Louis CID and Park Ridge CID are not-for-profit established CIDs, and Section 67.010, RSMo, does not apply to not-for-profit CIDs.

⁵⁶ 12th & Wyandotte CID and North Oaks Plaza Shopping Center CID.

⁵⁷ 76 Entertainment CID and Capital Mall CID.

⁵⁸ 2317 Belt CID.

⁵⁹ Capital Mall CID and Ward Parkway Shopping Center CID.

⁶⁰ We could only review the timelines of approving budgets for 11 of the 15 CIDs because the Black Mountain CID, Hope Valley CID, Liberty Commons CID, and Miner Gateway CID failed to prepare a budget, and therefore could not adopt a budget in an annual Board meeting.



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Annual financial report	For their most recent fiscal year, we determined 92 of the 403 ⁶¹ (23 percent) CIDs failed to provide an annual financial report to the SAO and 39 of the 403 (10 percent) submitted their report late.
Annual performance report	Based on DED records, the compliance rate on performance report requirements is low. For their most recent fiscal year, we determined 163 of the 430 ⁶² (38 percent) CIDs failed to provide an annual performance report to the DED and 65 of the 430 (15 percent) CIDs submitted their report after the statutory deadline. Only 202 of 430 districts (47 percent) timely filed the required performance reports with the DED.

Section 105.145, RSMo, requires all political subdivision, including CIDs, to file annual financial statements with the SAO. 15 CSR 40-03.030(5) requires a CID to submit the annual financial statements to the SAO within 6 months following the end of the fiscal year. Additionally, Section 67.1471.4, RSMo, requires a CID to submit an annual performance report to DED within 120 days after the end of the fiscal year.

3.3 Sunshine Law

We determined 3 of the 15 (20 percent) CIDs reviewed did not comply with the Sunshine Law by failing to prepare Board meeting minutes with all required information. We identified the following errors:

- Two⁶³ CIDs failed to indicate the Board members present and absent in the minutes.
- One⁶⁴ CID failed to indicate where the meeting was held in the minutes.
- One⁶⁵ CID failed to indicate the time the meeting was held in the minutes.

Section 610.020.7, RSMo, states minutes of open and closed meetings shall be taken and retained by the public governmental body, including, but not limited to, a record of any votes taken at such meetings. The minutes shall include the date, time, place, members present, members absent, and a record of any votes taken.

⁶¹ Seventeen CIDs were established as not-for-profit organizations, which are not required to submit annual financial reports. Eight CIDs were established in 2017 and did not have to submit a financial report until after our review period.

⁶² DED indicated 430 CIDs were active as of January 23, 2018.

⁶³ 2317 Belt CID and Black Mountain CID.

⁶⁴ Black Mountain CID.

⁶⁵ East Hills CID.



Community Improvement Districts
Management Advisory Report - State Auditor's Findings

3.4 Annual meetings

We determined 4⁶⁶ of the 15 (27 percent) CIDs reviewed did not hold an annual meeting during 2017.

Section 67.1471.3, RSMo, requires CID boards to hold an annual meeting.

Recommendations

CID Boards:

- 3.1 Ensure compliance with state law by adopting a budget, submitting the budget timely to the municipality, including all information in the budget required by state law, and adopting the budget by the deadline established by state law.
- 3.2 Ensure annual financial reports and performance reports are filed with the appropriate entities within the time frames established by state law.
- 3.3 Ensure meeting minutes include all the information required by the Sunshine Law.
- 3.4 Ensure compliance with state law by holding at least one meeting of the Board of Directors annually.

Auditee's Response

Due to no state or local entity having oversight or management responsibilities over CIDs on a statewide basis, no management response can be obtained. The views of any applicable municipalities, or individual CID board members were obtained as appropriate and considered as part of our audit fieldwork.

⁶⁶ Black Mountain CID, Hope Valley CID, Liberty Commons CID, and Miner Gateway CID.

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Adair County					
Baltimore Commons	Kirksville	Perpetual	\$ R	R	1,883,000
Franklin Street	Kirksville	Perpetual	N/A	N/A	1,000,000
North Baltimore Street	Kirksville	Perpetual	R	N/A	2,500,000
South 63 Corridor	Kirksville	35	90,494	N/A	463,400
Subtotal Adair County			<u>100,516</u>	<u>R</u>	<u>5,846,400</u>
Barry County					
Monett Marketplace	Monett	20	R	N/A	700,000
Subtotal Barry County			<u>R</u>	<u>-</u>	<u>700,000</u>
Boone County					
Business Loop	Columbia	20	33,190	60,899 (14)	- (4)
Downtown (Columbia)	Columbia	20	578,148	207,933 (13)	475,000 (5)
East Ashland Plaza	Ashland	30	R	R	2,437,767
North 763	Columbia	25	30,986	N/A	1,084,980
Subtotal Boone County			<u>R</u>	<u>R</u>	<u>3,997,747</u>
Buchanan County					
2317 Belt	St. Joseph	Perpetual	R	N/A	927,000
Ag Expo	Buchanan County	35	N/A	845,845 (2)	- (4)
Belt Highway and Beck Road	St. Joseph	40	R	R	8,276,068
Cook Crossings	St. Joseph	25	R	155,666 (12)	13,000,000
East Hills	St. Joseph	Perpetual	597,368	5,836 (10)	15,600,000
St. Joseph Downtown	St. Joseph	30	54,755	49,491	130,000
The Commons	St. Joseph	20	42,964	N/A	10,576,893
Tuscany Village Project 1	St. Joseph	40	R	R	74,041,847
Subtotal Buchanan County			<u>1,179,903</u>	<u>1,057,562</u>	<u>122,551,808</u>
Butler County					
Green Forest	Poplar Bluff	45	N/A	N/A	3,980,000
Highway 67 South	Butler County	30	R	N/A	615,000
Kelly Town Plaza	Poplar Bluff	30	R	R	1,200,775
Qulin Highway North	Qulin	30	- (6)	N/A	171,000
Stateline	Butler County	30	R	N/A	865,000
Sycamore Street	Poplar Bluff	30	N/A	N/A	300,000
Subtotal Butler County			<u>65,096</u>	<u>R</u>	<u>7,131,775</u>
Camden County					
X American Center	Camdenton	X	25,891	X	X
Arrowhead Center	Osage Beach	33	R	N/A	28,000,000
Ball Parks of the Ozarks	Camden County	30	N/A	N/A	- (4)
Greenview	Camden County	35	26,951	N/A	165,000
Ozark Bar-B-Que	Camden County	5	- (6)	N/A	50,000
Peninsula Development	Camden County	40	N/A	N/A	7,829,226
Sunrise Beach Market Center	Village of Sunrise Beach	30	R	N/A	1,609,960
Toad Cove Complex	Camden County	Perpetual	- (7)	N/A	- (4)
Toad Cove Resort	Camden County	Perpetual	- (7)	N/A	- (4)
Subtotal Camden County			<u>212,880</u>	<u>-</u>	<u>37,654,186</u>
Cape Girardeau County					
Downtown Cape Girardeau	Cape Girardeau	Perpetual	154,046	N/A	255,000 (5)
Town Plaza	Cape Girardeau	20	132,834	6,464 (10)	4,284,900
Subtotal Cape Girardeau County			<u>286,880</u>	<u>6,464</u>	<u>4,539,900</u>
Carter County					
Black Mountain	Van Buren	30	R	N/A	850,000
Ellsinore Herren Ave	Ellsinore	30	R	N/A	541,000
Ellsinore Highway 60	Ellsinore	30	N/A	N/A	199,250
Landing River Center	Carter County	30	R	N/A	952,000
Leerjak	Ellsinore	50	R	R	1,250,000
Subtotal Carter County			<u>88,006</u>	<u>R</u>	<u>3,792,250</u>

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Cass County					
58 Highway Regional Market	Raymore	20	134,928	104,855 (13)	14,500,000
211th Street	Peculiar	50	R	N/A	9,500,000
Cedar Tree	Belton	40	N/A	- (12)	6,210,406
Downtown Pleasant Hill	Pleasant Hill	Perpetual	N/A	- (7)	- (4)
Eastern Hills	Harrisonville	25	N/A	6,180 (11)	287,500
Foxridge	Raymore	20	N/A	56,388 (12)	1,067,850
Foxwood Village	Raymore	30	R	N/A	1,228,028
Grand Hill	Belton	25	N/A	- (7)	150,000
Highway 58 and Dean Avenue	Raymore	25	R	R	9,170,328
Jeter Farm	Raymore	30	N/A	R	436,000
Northwest Cass	Village of Loch Lloyd	30	N/A	- (7)	8,500,000
Raymore Galleria CID	Raymore	30	84,486	N/A	3,454,435
Stonegate	Raymore	Perpetual	N/A	78,780 (12)	414,950
TXRH	Belton	20	R	R	1,815,102
Y Belton	Belton	30	N/A	- (7)	280,000
Y Highway Market Place	Belton	25	R	R	7,128,037 (8)
Subtotal Cass County			521,222	248,914	64,142,636
Christian County					
Avicenna	Ozark	30	- (6)	N/A	2,206,000
Bluff Drive	Ozark	20	N/A	15,582 (11)	142,500
Clever Highway 14	Clever	30	- (6)	N/A	261,700
Deerbrook Marketplace	Ozark	30	N/A	N/A	3,285,480
Highlandville	Highlandville	30	R	N/A	2,000,000
Highway J & 17th Street	Ozark	30	R	N/A	1,657,769
McCroskey Street	Nixa	20	38,025	556 (10)	500,000
Ozark Downtown	Ozark	N/A	- (6)	N/A	- (4)
Town & Country Village	Ozark	25	R	R	8,930,000
Subtotal Christian County			124,433	R	18,983,449
Clay County					
210 Highway	Kansas City	Perpetual	228,610	N/A	- (4)
901 South 291	Liberty	27	R	R	980,000
Antioch Center	Kansas City	50	447,511	N/A	10,000,000
Blue Jay Crossing	Liberty	50	75,869	329 (10)	4,878,362
Creekwood Commons	Kansas City	20	318,110	598 (10)	1,926,678
Crossroads Shop Center	Liberty	50	102,141	1,044 (10)	3,875,000
Downtown Excelsior Springs	Excelsior Springs	20	35,047	60 (10)	45,000 (5)
Elms Hotel	Excelsior Springs	33	R	R	15,748,226
Flintlock Plaza	Kansas City	Perpetual	115,074	636 (10)	250,900
Flintlock Shoppes	Kansas City	Perpetual	237,644	2,766 (10)	296,500
Historic Downtown Liberty	Liberty	30	75,958	53 (10)	463,000
Commercial	Liberty	99	N/A	- (3)	1,150,000
Hubach Hills & North Cass	Raymore	32	N/A	- (3)	4,884,627
Kearney West Side	Kearney	30	82,911	N/A	533,000
Liberty Commons	Liberty	35	220,876	8,670 (10)	10,694,140
Liberty Corners	Liberty	30	237,687	1,237 (10)	1,350,000
Liberty Tri Shop Center	Liberty	50	164,435	2,220 (10)	1,835,000 (5)
Liberty Triangle	Liberty	50	950,246	8,923 (10)	54,185,000
Meadowbrook Village	Gladstone	15	62,958	362 (10)	923,632
Metro North Square and Commons	Kansas City	23	134,337	2,665 (10)	13,495,922
North Haven Center	Liberty	30	N/A	- (3)	635,000
North Oak Village	Kansas City	30	332,817	12,411 (10)	10,000,000
Oak Barry	Kansas City	23	369,177	2,576 (10)	15,136,000
Renaissance Plaza	(9) Kansas City	20	N/A	N/A	406,344 (8)
Rogers Plaza	Liberty	50	R	R	21,824,722
Shoppes at Kearney	Kearney	30	344,572	264 (10)	4,000,000
South Bristol Center	Kansas City	30	N/A	- (3)	2,988,991
Twin Creeks Center	Kansas City	30	N/A	- (3)	6,937,886
Villages	Kansas City	20	243,803	762 (10)	1,383,000
Vintage Plaza	Excelsior Springs	20	67,691	643 (10)	1,000,000
Subtotal Clay County			5,110,009	47,962	191,826,930

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Cole County					
Capital Mall	Jefferson City	37	730,181	5,936 (10)	5,091,537
Russellville Route C	Russellville	30	- (6)	N/A	222,000
Southside Munichburg	Jefferson City	8	N/A	25,240 (12)	1,100,000
Subtotal Cole County			<u>730,181</u>	<u>31,176</u>	<u>6,413,537</u>
Cooper County					
Boonville Highway 5	Boonville	30	N/A	N/A	154,500 (5)
Hail Ridge	Cooper County	50	R	N/A	2,000,000
Windsor Place	Village of Windsor Place	50	38,175	175 (10)	7,195,080 (5)
Subtotal Cooper County			<u>R</u>	<u>175</u>	<u>9,349,580</u>
Crawford County					
Bourbon Route 66	Bourbon	30	- (6)	- (6)	835,200
Subtotal Crawford County			<u>-</u>	<u>-</u>	<u>835,200</u>
Dallas County					
Urbana Highway 65	Urbana	30	- (6)	N/A	193,000
Subtotal Dallas County			<u>-</u>	<u>N/A</u>	<u>193,000</u>
Dunklin County					
Senath Commercial Street	Senath	30	- (6)	N/A	213,450
Subtotal Dunlin County			<u>-</u>	<u>N/A</u>	<u>213,450</u>
Franklin County					
East Main & Highway 47	Union	20	71,717	1,436 (10)	800,000
East Osage	Pacific	20	146,197	217 (10)	1,365,053
Highway 100	Franklin County	50	1	527 (10)	1,400,000
Osage Commercial Area	Pacific	20	109,289	223 (10)	1,500,000
Phoenix Center II	Washington	Perpetual	480,330	N/A	20,962,207
Sullivan Marketplace	Sullivan	30	29,807	509 (10)	555,000
Union	Union	30	42,832	211 (10)	650,000
Viaduct Commercial Area	Pacific	20	61,109	485 (10)	865,898
Subtotal Franklin County			<u>941,282</u>	<u>3,608</u>	<u>28,098,158</u>
Gentry County					
Stanberry Highway 169	Stanberry	30	- (6)	N/A	816,450
Subtotal Gentry County			<u>-</u>	<u>N/A</u>	<u>816,450</u>
Greene County					
Airport Plaza	Springfield	50	65,184	-	3,245,737
Brentwood Center N/S	Springfield	20	R	-	1,950,000
College Station	Springfield	50	33,527	-	3,270,662 (8)
Commercial Street	Springfield	Perpetual	38,727	715 (10)	203,000
Convention and Entertainment	Springfield	50	N/A	1,395,063 (15)	18,500,000
Crocker Highway 17	Crocker	30	N/A	-	204,683
Downtown Springfield	Springfield	Perpetual	336,910	234,139 (13)	211,125
Glenstone Marketplace	Springfield	Perpetual	N/A	-	2,250,000
X Hickory Hills Marketplace	Springfield	X	X	X	X
X James River Commons	Springfield	X	1,337,152	11,348 (10)	X
Logan Estates	Rogersville	50	N/A	R	3,932,736
Northwest Area	Springfield	25	66,431	1,632 (10)	2,902,500
Shops at James River	Springfield	50	126,941	-	2,390,300 (5)
Springfield Plaza	Springfield	50	R	R	90,444,791
Strafford Plaza	Strafford	30	R	-	540,900
X Wilson Creek Market Place	Battlefield	X	R	R	X
Subtotal Greene County			<u>2,111,543</u>	<u>1,644,281</u>	<u>130,046,434</u>
Harrison County					
Bethany 136	Bethany	20	45,418	126 (10)	350,000
Subtotal Harrison County			<u>45,418</u>	<u>126</u>	<u>350,000</u>

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Howell County					
63 Bypass	West Plains	33	41,818	1,153 (10)	8,250,000
Ozark Hills	West Plains	30	R	R	1,130,094
Ramseur Farm	West Plains	30	- (3)	N/A	4,500,000
South 160	West Plains	50	119,229	N/A	2,251,500
Southern Hills	West Plains	Perpetual	534,060	N/A	7,500,000
Subtotal Howell County			R	R	23,631,594
Jackson County					
12th and Wyandotte	Kansas City	Perpetual	R	R	32,800,000
23rd and Sterling	Independence	Perpetual	R	N/A	2,390,000
3 Trails Village	(9) Kansas City	-	R	R	-
39th Street	Kansas City	20	195,632	1,208 (10)	75,000 (5)
4840	Kansas City	16	R	R	3,974,298
5050 Main	Kansas City	30	R	R	1,539,000
51st and Oak	Kansas City	Perpetual	N/A	R	4,144,395
Adam's Dairy Landing	Blue Springs	50	N/A	390,673 (12)	2,326,786
Arrowhead	Independence	35	26,004	N/A	9,554,320
Blue Parkway & Colbern Road	Lee's Summit	40	R	N/A	23,558,788
Bridgewood Plaza	Oak Grove	30	35,783	N/A	963,848
Brighton Creek Commons	Kansas City	Perpetual	- (3)	N/A	8,000,000
Broadway Area	Kansas City	35	227,719	N/A	- (4)
Brookside	Kansas City	30	404,193	113,364 (13)	469,000 (5)
Brywood Centre	Kansas City	Perpetual	242,009	432 (10)	4,414,857
Crackerneck Center	Independence	30	R	N/A	5,177,018
Ditzler	Raytown	Perpetual	R	R	4,000,000
Downtown Kansas City	Kansas City	31	N/A	2,706,703 (12)	8,049,290 (8)
Downtown Lee's Summit	Lee's Summit	Perpetual	360,416	11,489 (10)	162,000 (5)
Fall Creek	Blue Springs	20	N/A	355,253 (12)	45,646,000
Grain Valley Marketplace	Grain Valley	30	R	R	1,734,846 (8)
X Grandview Crossing	Grandview	X	24,138	15,461 (10)	X
Greenway Fields Neighborhood	Kansas City	25	N/A	48,325 (12)	43,988 (5)
Hartman Heritage Center	Independence	Perpetual	N/A	88,474 (12)	125,000 (5)
Highway 50 & Todd George	Lee's Summit	30	160,039	718 (10)	1,221,586
Highway 350	Raytown	25	595,976	6,563 (10)	1,050,000
Independence Avenue	Kansas City	40	810,760	41,401 (13)	230,000 (5)
Independence Event Center	Independence	35	5,815,609	N/A	60,000,000
Intercontinental	Kansas City	Perpetual	R	R	15,898,667
Interstate 470	Lee's Summit	Perpetual	130,762	-	2,500,000
Interstate 470 & View High	Lee's Summit	Perpetual	N/A	- (3)	4,038,000
Lake Lotawana	Lake Lotawana	Perpetual	11,127	191,680 (13)	4,600,000 (19)
Landing Mall	Kansas City	Perpetual	85,479	561 (10)	352,363 (5)
Langsford Plaza	Lee's Summit	Perpetual	33,872	180 (10)	415,600 (5)
Main Street	Kansas City	15	N/A	- (7)	- (4)
Marketplace 152	Kansas City	Perpetual	N/A	- (3)	7,210,000
Marketplace Shopping Center	Independence	Perpetual	N/A	- (3)	541,850 (8)
Martin City	Kansas City	40	337,036	28,416 (13)	500,000 (5)
Noland Fashion Square	Kansas City	25	197,340	1,362 (10)	5,614,349 (5)
Noland Road	Independence	30	1,493,508	N/A	1,500,000 (8)
Oaks at Woods Chapel	Blue Springs	33	R	R	12,507,991
Park Ridge	Lee's Summit	Perpetual	N/A	251,627 (16)	2,300,000 (8)
Performing Arts	Kansas City	Perpetual	216,993	14,810 (10)	49,000,000
Pershing and Grand	Kansas City	30	126,664	7 (10)	691,000 (5)
Pine Tree	Lee's Summit	20	N/A	- (3)	2,400,000
Plaza East	Kansas City	Perpetual	55,954	51 (10)	590,000 (8)
Prairie Landing	Independence	Perpetual	N/A	- (7)	- (4)
X Raintree 150 Center	Raytown	X	49,138	X	X
X Ramsgate	Independence	X	X	X	X
Raytown Crossing	Raytown	Perpetual	R	R	2,088,596
Raytown Square	Raytown	Perpetual	123,242	16,079 (10)	7,200,000
Red Bridge	Kansas City	10	82,500	53,477 (13)	211,500 (5)
Red Bridge Shopping Center	Kansas City	20	47,358	175,678 (13)	10,699,013
X Ritter Plaza	Kansas City	X	R	R	X

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
River Market	Kansas City	19	N/A	312,145 (12)	1,322,239 (5)
Shoal Creek Valley	Kansas City	Perpetual	N/A	- (3)	350,000 (5)
Shops on Blue Parkway	Kansas City	Perpetual	142,706	672 (10)	115,076 (5)
Skelly	Kansas City	Perpetual	75,364	727 (10)	171,390 (5)
State Line Shopping Center	Kansas City	20	82,395	339 (10)	6,757,147
Stone Canyon	Independence	Perpetual	N/A	- (7)	14,205,000 (19)
Summit Fair	Lee's Summit	Perpetual	758,873	534,854 (12)	19,865,751
Summit Point	Lee's Summit	100	N/A	- (7)	- (4)
Sunrise Farms	Grandview	50	R	R	15,700,000
Trinity Woods	Independence	30	N/A	- (7)	74,000 (5)
Troost Avenue	Kansas City	Perpetual	229,656	25,116 (13)	200,000 (5)
Truman Road	Kansas City	20	104,886	44,014 (13)	160,000 (5)
Truman's Marketplace	Grandview	40	435,521	355,953 (12)	8,700,000
Uptown	Kansas City	20	52,678	255 (10)	103,000 (5)
Waldo	Kansas City	Perpetual	580,769	37,085 (13)	211,000 (5)
Ward Parkway Shopping Center	Kansas City	40	1,511,555	19,718 (10)	24,364,800
Watts Mill	Kansas City	20	70,246	137 (10)	1,730,000
Westport	Kansas City	15	N/A	1,114,531 (12)	761,053 (5)
Westport II	Kansas City	20	509,565	3,756 (10)	275,000 (5)
White Oak	Blue Springs	23	R	R	49,639,471
Zona Rosa	Kansas City	23	N/A	201,350 (12)	5,500,000
Subtotal Jackson County			17,506,815	7,240,935	502,713,876
Jasper County					
510 Rangeline	Joplin	20	N/A	- (3)	990,000
Briarbrook	Carl Junction	20	N/A	159,809 (11)	1,900,000
Downstream Q Store	Newton County	30	N/A	- (7)	6,500,000 (5)
Northpark Lane	Joplin	20	1,041,733	16,855 (10)	10,000,000
Peachtree Village	Carthage	30	7,253	2,392 (10)	2,528,136
South Main Street	Joplin	30	N/A	- (3)	5,222,394
Subtotal Jasper County			1,048,986	179,056	27,140,530
Jefferson County					
Biltmore East	Jefferson County	20	92,232	251 (10)	1,500,000
High Ridge Commons	Jefferson County	30	758,685	N/A	10,500,000
McNutt Road Corridor	Herculaneum	30	402,747	N/A	7,000,000
Peach Tree	Hillsboro	30	R	N/A	2,528,136
X Richardson Crossing	Arnold	X	19,432	1,823 (10)	X
Ridgecrest	Arnold	40	30,906	527 (10)	300,000
Springdale	Jefferson County	40	33,613	4,573 (10)	1,592,000
Truman Village	Festus	25	N/A	1,266 (10)	1,700,000
Twin City Mall	Crystal City	30	163,117	N/A	4,617,893
Subtotal Jefferson County			R	8,440	29,738,029
Johnson County					
Knob Noster Ninth Street	Knob Noster	30	- (6)	N/A	244,000
Subtotal Johnson County			-	N/A	244,000
Laclede County					
The Fountains	Lebanon	25	47,780	N/A	1,200,000
Lebanon Marketplace	Lebanon	25	31,998	7,059 (11)	954,000
Southdale Center	Lebanon	25	56,731	67 (10)	3,270,000
Subtotal Laclede County			136,509	7,126	5,424,000
Lincoln County					
Lincoln Crossing	Troy	25	73,723	2,415 (10)	2,820,000
Subtotal Lincoln County			73,723	2,415	2,820,000
Livingston County					
Stoneybrooke	Chillicothe	25	205,578	7,726 (10)	1,451,500
Subtotal Livingston County			205,578	7,726	1,451,500
Marion County					
SZC Development District Inc.	Hannibal	14	R	N/A	4,500,000
Subtotal Marion County			R	-	4,500,000

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Miller County					
Eagles Landing	Lake of the Ozarks	26	R	R	17,869,959
Isla Del Sol	Miller County	Perpetual	N/A	121,939 (18)	1,218,815
Subtotal Miller County			<u>R</u>	<u>R</u>	<u>19,088,774</u>
New Madrid County					
Lilbourn Highway D	Lilbourn	30	- (6)	N/A	211,000
Subtotal New Madrid County			<u>-</u>	<u>N/A</u>	<u>211,000</u>
Newton County					
Big Spring Plaza	Neosho	Perpetual	55,352	2,663 (10)	626,944
Highway 166	Newton County	30	R	N/A	4,442,996
Hope Valley	Joplin	30	94,311	4,196 (10)	56,789,717
Neosho Developers	Newton County	50	N/A	413 (11)	3,000,000
Subtotal Newton County			<u>R</u>	<u>7,272</u>	<u>64,859,657</u>
Nodaway County					
Mary Mart	Maryville	30	28,549	454 (10)	1,597,500
Subtotal Nodaway County			<u>28,549</u>	<u>454</u>	<u>1,597,500</u>
Pemiscot County					
Hayti Ventures	Hayti	20	R	R	175,000
Steele Highway 61	Steele	30	- (6)	N/A	198,050
Subtotal Pemiscot County			<u>R</u>	<u>R</u>	<u>373,050</u>
Perry County					
Perryville Highway 61 & Kingshighway	Perryville	30	- (6)	N/A	348,000
Subtotal Perry County			<u>-</u>	<u>N/A</u>	<u>348,000</u>
Pettis County					
Galaxy West	Sedalia	30	- (3)	N/A	364,212 (8)
Subtotal Pettis County			<u>-</u>	<u>N/A</u>	<u>364,212</u>
Phelps County					
Forum Plaza	Rolla	25	184,928	210	4,000,000
Subtotal Phelps County			<u>184,928</u>	<u>210</u>	<u>4,000,000</u>
Platte County					
9 Highway Corridor	Parkville	20	20,528	68 (10)	3,483,616
Edgewood Farms	Kansas City	20	R	R	7,660,306 (8)
KC International Airport	Kansas City	30	488,785	133,130 (10)	1,100,000 (5)
Northmoor Associates	Northmoor	50	17,221	199 (10)	X
X Parkville Old Towne Market Center	Parkville	X	52,881	686 (10)	X
PC-I	Parkville	30	335,629	N/A	- (4)
Platte City Market Center	Platte City	Perpetual	R	R	1,092,344
Riverside Gateway Crossing	Riverside	Perpetual	112,656	497 (10)	- (4)
The Old Foundation	Kansas City	Perpetual	R	R	296,500 (5)
Tiffany Landing	Kansas City	Perpetual	R	R	810,000
Subtotal Platte County			<u>1,323,176</u>	<u>157,048</u>	<u>14,442,766</u>
Pulaski County					
Liberty Commons	St. Robert	25	72,993	N/A	1,275,000
Plattner	St. Robert	30	R	N/A	351,000
Westgate	Waynesville	Perpetual	51,243	N/A	2,200,000
Subtotal Pulaski County			<u>R</u>	<u>N/A</u>	<u>3,826,000</u>
Ralls County					
Highway 61	New London	50	R	R	657,889
Subtotal Ralls County			<u>R</u>	<u>R</u>	<u>657,889</u>

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs	
Randolph County						
Downtown Moberly	Moberly	20	6,462	737 (10)	-	(4)
Meadow Ridge	Moberly	20	N/A	3 (20)	584,000	
Moberly Crossing	Moberly	20	23,323	216 (10)	754,109	
Subtotal Randolph County			<u>29,785</u>	<u>956</u>	<u>1,338,109</u>	
Scott County						
Miner Gateway	Miner	23	43,079	930 (10)	2,100,000	
Subtotal Scott County			<u>43,079</u>	<u>930</u>	<u>2,100,000</u>	
St. Charles County						
BaratHaven	Dardenne Prairie	41	N/A	- (7)	4,200,000	
Bear Creek	Wentzville	44	381,191	N/A	22,955,000	
Belleau	O'Fallon	40	56,365	22,993 (13)	3,000,000	
Bryan Road	Dardenne Prairie	20	23,750	64,662 (13)	3,600,000	
Caledonia	O'Fallon	21	8,418	1,345 (10)	3,000,000	
Cora Marie	Dardenne Prairie	40	N/A	- (3)	25,000,000	
Elm & 370	St. Charles	20	16,451	3,584 (10)	825,000	
Elm Point Commons	St. Charles	25	N/A	224,480 (12)	2,530,000	
Fairgrounds Road	St. Charles	25	N/A	- (3)	1,000,000	
Fountain Lakes Commerce	St. Charles	30	R	R	-	(4)
Center North	(9) St. Charles	-	R	R	-	(4)
Fountain Lakes Community						
Center South	Weldon Spring	24	R	R	1,250,000	
Mountain Farm	O'Fallon	20	282,192	495 (10)	7,911,000	
O'Fallon Retail Walk	Cottleville	40	115,927	850 (10)	5,700,000	
Old Town Cottleville	St. Charles	Perpetual	356,430	276,864 (13)	18,895,000	
Plaza at Noahs Ark	St. Peters	23	35,127	212 (10)	7,800,000	
Shoppes of Mid Rivers	St. Charles	Perpetual	298,309	52,630 (10)	16,870,000	
St Charles Riverfront	St. Peters	25	R	R	1,500,000	
St Peters Hotel	St. Peters	40	R	R	2,400,000	
Suemandy Dr 1	St. Peters	25	R	R	2,400,000	
Suemandy Dr 2	St. Peters	40	1,025,235	6,257 (10)	13,700,000	
Suemandy/Mid Rivers	St. Charles	30	23,895	- (10)	3,000,000	
Veterans Memorial Parkway	O'Fallon	Perpetual	33,114	1,176 (10)	250,000	
Waterbury Storm Water	Wentzville	20	171,110	256,293 (13)	6,495,000	
Wentzville Bluffs	St. Charles	35	339,565	N/A	6,000,000	
West Clay Extension	Wentzville	Perpetual	R	R	1,083,000	
West Pearce	St. Charles	15	32,439	1,180 (10)	410,978	
Zumbehl Road/Hwy 94	Subtotal St. Charles County		<u>3,560,882</u>	<u>1,133,820</u>	<u>161,774,978</u>	
St. Clair County						
Collins	St. Clair County	30	- (6)	N/A	925,000	
Subtotal St. Clair County			<u>-</u>	<u>N/A</u>	<u>925,000</u>	
St. Francois County						
GPMVLC	Farmington	20	-	N/A	2,716,259	
Maple Valley Plaza	Farmington	Perpetual	65,407	72 (10)	4,000,000	
Mineral Area	Farmington	30	121,765	2,956 (10)	2,000,000	
Subtotal St. Francois County			<u>187,172</u>	<u>3,028</u>	<u>8,716,259</u>	
St. Louis County						
25 North Central	Clayton	23	N/A	R	1,500,000	
370/Missouri Bottom	Hazelwood	25	N/A	38,551 (12)	1,529,000	
Road/Taussig Road	St. Louis County	40	N/A	- (3)	3,250,000	
1030 Woodcrest Terrace	Brentwood	20	33,007	1,994 (10)	1,332,500	
8750 Manchester Road	Sunset Hills	25	R	R	900,000	
10100 Watson Road	Edmundson	40	228,841	864 (10)	2,000,000	
10700 Pear Tree Lane	St. Ann	40	R	R	500,000	(8)
Adie/St Charles Rock Road	St. Louis County	Perpetual	29,503	N/A	14,845,000	
Afton Plaza	Eureka	32	N/A	- (3)	3,413,573	
Arbors of Rockwood	Berkeley	40	R	R	20,000,000	
Berkeley Northpark	Richmond Heights	Perpetual	R	R	5,800,000	
Brentwood Blvd/Clayton Road						

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs	
Bridgeton NWP	Bridgeton	40	R	R	2,000,000	(8)
Center at Kendrick Plaza	Shrewsbury	30	R	N/A	2,600,000	
Chambers/West Florissant	Dellwood	Perpetual	73,374	77 (10)	1,150,000	(8)
Cheshire	Richmond Heights	40	R	R	1,000,000	
Chesterfield Blue Valley	Chesterfield	Perpetual	1,303,742	21,235 (10)	30,000,000	
Colonial Marketplace	St. Louis County	30	289,562	N/A	2,500,000	
Crestwood Market	Crestwood	Perpetual	N/A	- (7)	1,257,671	(8)
Crestwood Point	Crestwood	Perpetual	N/A	- (7)	515,000	
Crestwood Square	Crestwood	Perpetual	75,400	502 (10)	2,000,000	
Crossings	Wildwood	Perpetual	107,239	2,486 (10)	8,256,914	
Daniele	Clayton	25	R	R	2,250,000	
Deer Creek Center	Maplewood	23	235,237	575 (10)	2,600,000	
Delmar/Delcrest	University City	Perpetual	R	N/A	704,545	
Ellisville Marketplace	Ellisville	23	87,455	1,370 (10)	2,300,000	
Eureka Pointe	Eureka	20	47,030	N/A	600,000	
Flori Drive	Green Park	20	R	R	988,882	
Fountain Plaza	Ellisville	20	199,751	3,529 (10)	1,300,000	
Grant Center	Village of Marlborough	20	42,231	228 (10)	795,000	
Green Trails	St. Louis County	30	6,170	N/A	3,800,000	
Hadley Township South 2	Richmond Heights	23	168,537	N/A	8,000,000	
Hazelwood Commerce Center	Hazelwood	23	R	140,673 (17)	19,000,000	(8)
Hilltop	Bridgeton	50	1,030,538	N/A	7,000,000	
Hilltop Village Center	Eureka	30	50,441	198 (10)	6,932,782	
Jennings Station Road	Jennings	20	R	N/A	1,113,500	
Kendrick Plaza	Shrewsbury	30	579,561	1,244 (10)	5,750,000	
Kirkwood Square	Kirkwood	30	590	N/A	750,000	
Lafayette Center	Manchester	25	303,907	N/A	4,660,000	
Lemay	St. Louis County	94	212,630	N/A	19,000,000	(8)
Manchester/Ballas	Des Peres	40	1,834,526	17,915 (10)	10,000,000	(8)
Manchester Lindbergh	Kirkwood/St. Louis	23	R	R	1,200,000	
Southeast	County					
Market at McKnight	Rock Hill	33	266,978	2,877 (10)	14,350,000	
Mayfair Plaza	St. Louis County	23	124,799	6,055 (10)	-	(4)
Midwest Plaza	St. Louis County	30	20,737	N/A	31,000	
Missouri Bottom Road	Bridgeton	50	R	R	1,758,884	
Natural Bridge/St. Charles Rock	Bridgeton	30	N/A	- (3)	2,474,470	
Road						
North County Festival Square	Ferguson/St. Louis	Perpetual	187,896	948 (10)	500,000	
North Oaks Plaza Shopping	Northwoods	20	104,198	846 (10)	1,500,000	
Center						
NorthPark-Ferguson	Ferguson	40	N/A	71,344 (12)	7,000,000	
NP Kinloch	Kinloch	30	N/A	- (3)	13,000,000	
NP Kinloch II	Kinloch	30	N/A	- (3)	6,000,000	
NWP	St. Ann	24	R	R	6,500,000	
OHM Woodson Terrace	Woodson Terrace/ St. Louis County	Perpetual	R	117,039 (17)	2,751,268	
Old Dorsett Road	Maryland Heights	23	R	R	643,000	(8)
Paddock Forest	St. Louis County	25	64,518	998 (10)	-	(4)
Plaza On the Boulevard -	Jennings	Perpetual	130,970	951 (10)	6,000,000	
Jennings						
Robinwood West	St. Louis County	99	N/A	- (7)	350,000	
Route 141 Marshall Road	Valley Park	Perpetual	R	R	555,000	
St. Charles Rock Road	St. John	20	146,168	3,750 (10)	4,000,000	
Telegraph Crossing North	St. Louis County	50	42,402	561 (10)	1,425,000	
The Crossings at Richmond	Richmond Heights	30	N/A	- (3)	6,957,936	
Heights						
Tori Pines Commons	St. Louis County	21	2,713	1,239 (10)	390,832	
Upper West End Park	Frontenac	15	N/A	- (3)	166,960	
Victoria Crossing	St. Louis County	21	6,935	184 (10)	585,926	
Viking Conference Center	Sunset Hills	20	73,075	401 (10)	1,241,500	
Watson-Laclede Station Road	Village of Marlborough	20	36,653	11 (10)	467,119	
Westport Plaza 1	Maryland Heights	40	366,870	2,974 (10)	2,700,000	(8)
X Westport Plaza 2	Maryland Heights	X	X	X	X	
Subtotal St. Louis County			9,388,425	525,899	286,443,262	

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
City of St. Louis					
14th and Market	St. Louis City	30	268,769	N/A	- (4)
1100 Washington Avenue	St. Louis City	40	R	R	1,000,000 (8)
X 1133 Washington Avenue	St. Louis City	X	R	R	X
1201 Washington	St. Louis City	20	4,913	886 (10)	5,000,000 (8)
1225 Washington	St. Louis City	40	70,060	1,379 (10)	3,000,000 (8)
1601 South Jefferson	St. Louis City	40	35,032	247 (10)	575,000
1831/2000 Sidney Street	St. Louis City	40	R	R	175,000 (8)
2017 Chouteau	St. Louis City	25	57,907	2,652 (10)	1,400,000
212 South Grand	St. Louis City	20	R	R	125,000 (8)
2350 South Grand	St. Louis City	25	R	R	130,000 (8)
4101 Laclede	St. Louis City	20	N/A	- (3)	1,400,000
501 Olive	St. Louis City	22	N/A	- (3)	383,820 (8)
60 Plaza Square	St. Louis City	40	N/A	- (7)	1,500,000
620 Market	St. Louis City	32	R	R	9,000,000
705 Olive	St. Louis City	40	R	N/A	1,163,221 (8)
840 East Taylor	St. Louis City	40	R	R	1,270,000
Ballpark Village	St. Louis City	40	329,526	2,351 (10)	40,000,000
Bevo	St. Louis City	25	N/A	72,226 (12)	127,500 (5)
Broadway Hotel	St. Louis City	32	380,759	N/A	43,625,669 (8)
Carondelet Commons	St. Louis City	30	N/A	- (3)	2,000,000
Carrie Ave	St. Louis City	40	R	N/A	650,000
Cherokee Street	St. Louis City	20	N/A	- (3)	100,000 (5)
Cheshire Annex	St. Louis City	40	R	R	1,000,000 (8)
Chouteau Crossing	St. Louis City	40	R	R	750,000
City Hospital Powerhouse	St. Louis City	20	R	R	634,019 (8)
City Hospital RPA2 Phase 1	St. Louis City	40	R	R	1,881,708 (8)
Cozens/MLK/Grand	St. Louis City	20	30,638	1,443 (10)	- (4)
Crowne Plaza	St. Louis City	25	R	N/A	6,500,000
Cupples Station Building 9	St. Louis City	40	R	R	8,100,000 (8)
CWE Business	St. Louis City	40	786,058	34,609 (10)	4,000,000 (8)
The Downtown St. Louis	St. Louis City	10	N/A	3,190,692 (12)	2,908,877 (8)
East Loop	St. Louis City	24	N/A	173,167 (21)	1,827,000 (8)
Euclid South	St. Louis City	20	389,427	1,405 (10)	350,718
Euclid Laclede	St. Louis City	25	N/A	- (7)	8,613,609
Forsyth Associates	St. Louis City	50	R	N/A	50,000 (5)
Gentry's Landing	St. Louis City	25	N/A	- (3)	31,000,000 (8)
Georgian Square	St. Louis City	32	R	R	7,017,500 (8)
Grand Center Area	St. Louis City	5	N/A	- (7)	348,216 (5)
Grand Center Area Two	St. Louis City	5	N/A	- (7)	76,000 (5)
Grove	St. Louis City	20	232,042	100,607 (13)	1,100,000 (8)
Hadley Dean Building	St. Louis City	40	N/A	R (10)	100,000 (8)
Hampton/Berthold	St. Louis City	40	R	R	13,200,000
Laclede Landing	St. Louis City	30	61,692	1,679 (10)	92,200 (5)
X Lafayette Square Townhouses	St. Louis City	X	X	X	X
Laurel	St. Louis City	25	R	N/A	91,000,000
Loughborough Commons	St. Louis City	20	619,410	N/A	5,000,000
Magnolia	St. Louis City	40	R	R	350,000 (8)
North Broadway Carrie	St. Louis City	40	R	R	500,000
Orpheum Theatre	(9) St. Louis City	-	R	R	X
Park Pacific	St. Louis City	32	R	R	69,700,000
Railway Exchange Building	St. Louis City	40	18,132	1,383 (10)	1,500,000 (8)
Residence Inn Downtown	St. Louis City	40	64,965	11,399 (10)	24,674,927 (8)
St. Louis					
Riverfront Hotel	St. Louis City	Perpetual	495,778	6,811 (10)	43,288,131
Riverside	St. Louis City	Perpetual	N/A	- (7)	365,000 (5)
Soda Fountain Square	St. Louis City	20	24,118	1,912 (10)	400,000
South Grand	St. Louis City	20	122,732	211,195 (13)	178,820 (5)
St. Louis Convention	St. Louis City	35	550,863	N/A	160,000 (5)
Center Hotel 3					
Syndicate Trust	(9) St. Louis City	-	N/A	R	- (4)
Tucker and Cass	St. Louis City	40	N/A	- (3)	900,000
Union Station	St. Louis City	40	362,474	6,810 (10)	3,000,000 (8)
Subtotal City of St. Louis			5,857,133	3,837,719	443,191,935

Appendix

Community Improvement Districts

CID Districts, Approving Municipality, Life of District, Revenues, and Estimated Project Costs for Year Ended December 31, 2017, by County

District Name	(2) Approving Municipality	(2) Life (Years) of District	(1) 2017 Sales Tax Revenues	(1), (2) 2017 Other Revenues	(2) Estimated Project Costs
Ste. Genevieve County					
Ozora	Ste. Genevieve County	23	R	N/A	3,010,000
	Subtotal Ste. Genevieve County		R	N/A	3,010,000
Taney County					
76 Entertainment	Branson	Perpetual	427,724	8,353 (10)	16,608,515
Branson Commerce Park	Branson	35	N/A	- (3)	13,875,000
X Branson Creek	Branson	X	X	X	X
Branson Hills	Branson	50	940,810	N/A	7,253,348 (8)
Branson Hills Infrastructure	Branson	30	31,397	781,078 (12)	15,000,000
Forsythe Road	Branson	25	N/A	- (3)	2,500,000
Historic Downtown Branson	Branson	20	441,115	N/A	300,000 (5)
Southtowne	Hollister	30	260,718	8,412 (10)	3,971,420 (8)
	Subtotal Taney County		2,101,764	797,843	59,508,283
Texas County					
Licking Route 32	Licking	30	- (6)	N/A	244,250
	Subtotal Texas County		-	N/A	244,250
Statewide Totals			\$ 56,939,691	17,364,052	2,312,167,343

R Amount redacted. The Department of Revenue (DOR) asserts that the amount of money collected for CIDs with fewer than 6 businesses must be protected from disclosure to the general public citing Section 32.057, RSMo.

X The CID did not return a completed survey.

N/A Not Applicable

(1) Information was obtained from the DOR and is on a calendar year basis.

(2) Information was obtained from entity survey information filed with the SAO.

(3) No revenues collected as of December 31, 2017.

(4) The CID reported no estimated project cost on survey information filed with the SAO.

(5) The CID reported estimated project cost only for the initial year.

(6) The CID has stopped collections.

(7) The CID revenue was not reported to the SAO for the CID's 2017 fiscal year as of June 25, 2018.

(8) The CID reported estimated project cost was for the first 5 years.

(9) The CID has been abolished/terminated.

(10) Use tax revenue amount; this amount was obtained from the DOR and is on a calendar year basis.

(11) Property tax revenue amount; this amount was obtained from the CID's 2017 financial statements and is based on the CID's fiscal year end. Fiscal year ends vary by CID.

(12) Special assessment revenue amount; this amount was obtained from the CID's 2017 financial statements and is based on the CID's fiscal year end. Fiscal year ends vary by CID.

(13) Use tax and special assessment revenue amounts; these amounts were obtained from the DOR and the CID's 2017 financial statements, which are based on the CID's fiscal year end. Fiscal year ends vary by CID.

(14) Use tax and property tax revenue amounts; these amounts were obtained from the DOR and the CID's 2017 financial statements, which are based on the CID's fiscal year end. Fiscal year ends vary by CID.

(15) Property tax, amusement sales tax, hotel/motel and restaurant/meals tax revenue amounts; all amounts were obtained from the CID's 2017 financial statements. Fiscal year ends vary by CID.

(16) Special assessment revenue amount for the 2017 calendar year. Calculated using information obtained from CID.

(17) Special assessment revenues, use tax redacted.

(18) Real property tax and special assessment revenues.

(19) The CID did not report estimated projects costs on the survey information filed with the SAO; however, the CID reported actual project costs on survey information filed with the SAO. This amount represents the actual project costs.

(20) Interest revenue, obtained from the CID's 2017 financial statements, which are based on the CID's fiscal year end. Fiscal year ends vary by CID.

(21) Rental and other revenues, obtained from the CID's 2017 financial statements, which are based on the CID's fiscal year end. Fiscal year ends vary by CID.



Office of Missouri State Auditor
Nicole Galloway, CPA

Department of Revenue
Sales and Use Tax



CITIZENS SUMMARY

Findings in the review of the Department of Revenue - Sales and Use Tax

Collection of Local Sales Taxes	The computerized mapping system administered by the Department of Revenue (DOR) to assign tax rates to local taxing jurisdictions for motor vehicle sales tax transactions does not always provide accurate information to taxpayers.
Refunds	State law does not require vendors to return sales and use tax refunds and related interest to the original purchaser when applicable, resulting in a windfall for the vendor. The General Revenue Fund does not receive reimbursement from local funds for their proportionate share of interest paid on refunds of sales and use taxes.
Other Sales and Use Tax Issues	The DOR does not adequately capture and track information regarding some sales and use tax exemptions. State laws allowing retailers to retain a portion of sales taxes collected if they remit to the DOR in a timely manner result in state and local governments forgoing significant revenues, are more generous to businesses than surrounding states, and significantly benefit the state's largest retailers. The General Assembly has not passed legislation to allow Missouri to participate in the Streamlined Sales and Use Tax Agreement, costing the state millions in potential sales tax revenue.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Revenue

Sales and Use Tax

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Joel W. Walters, Director
Department of Revenue
Jefferson City, Missouri

We have audited certain operations of the Department of Revenue, sales and use tax collections, as required by Sections 32.087 and 67.525, RSMo, and in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2017, 2016, and 2015. The objectives of our audit were to:

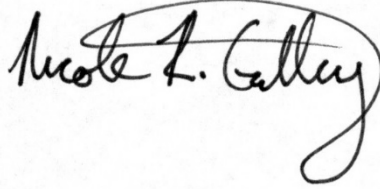
1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; analysis of comparative data obtained from internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Revenue, sales and use tax collections.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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	Kristin A. Clink, MBA

Department of Revenue

Sales and Use Tax

Management Advisory Report - State Auditor's Findings

1. Collection of Local Sales Taxes

The computerized mapping system administered by the Department of Revenue (DOR) to assign tax rates to local taxing jurisdictions for motor vehicle sales tax transactions does not always provide accurate information to taxpayers. As a result, the DOR cannot ensure it is collecting the correct amount of local sales taxes and fully meeting the statutory requirement for the administration, collection, enforcement, and operation of local sales taxes imposed by state law. During the year ended June 30, 2017, the DOR collected approximately \$351 million in local sales taxes from motor vehicle sales tax transactions.

Background information

When a taxpayer purchases a vehicle, the taxpayer is required to title the vehicle and pay motor vehicle state and local sales taxes at a contract license office or the central license office. These transactions are processed by license office personnel in the Titling and Registration Intranet Processing System (TRIPS). This system is linked with DOR's computerized mapping system. Based on the address of the taxpayer, the DOR's computerized mapping system assigns the address of the taxpayer a local site code in the TRIPS. This local site code identifies the applicable local sales tax rate to be charged to the taxpayer. If the mapping system is unable to provide a local site code or if the taxpayer disagrees with the recommended local site code, license office personnel are required to ask the taxpayer to identify the local tax jurisdiction in which the taxpayer lives. The license office personnel can then change the local site code for the motor vehicle sales tax transaction in the TRIPS and must provide one of the following reasons in the TRIPS to support the change:

- Tax receipt - License office personnel review the property tax receipt for county, city, and/or district taxes paid by the taxpayer.
- Letter from tax jurisdiction - License office personnel review the letter from the tax jurisdiction indicating the location of the taxpayer's address.
- None - The DOR will research if the change is appropriate.
- Other - License office personnel will enter the justification for the change (for example, contacted the county collector, verified with the county assessor, etc.)

According to DOR procedures, all local site codes in the computerized mapping system will be changed when justification has been witnessed by license office personnel or the DOR has confirmed a local site code change was appropriate. Once the change is confirmed as appropriate, department personnel forward the address to the Office of Administration - Information Technology Services Division (OA-ITSD) for entry into the department's computerized mapping system. Updating the mapping system should ensure the correct local site code and local sales tax rate are identified for any future transactions involving that address in the TRIPS.



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The state has 15 counties¹ where DOR officials acknowledge the mapping system is not sufficient for determining proper sales tax rates for addresses. Rather, the DOR uses other means to verify the local sales tax rate, such as contacting the applicable county assessor's office or reviewing online maps, to determine the local tax jurisdictions for addresses.

Incorrect local site codes

During our audits of several contract license offices conducted during 2017, we noted 3 instances where license office personnel had changed the local site code in the TRIPS on a motor vehicle sales tax transaction for an address, but the DOR had not updated the computerized mapping system to reflect the correct local site code. We discussed these transactions with DOR personnel during the license office audits and they indicated the computerized mapping system would be updated to reflect the correct local site codes. However, during this audit, we reviewed these transactions again and determined the system had not been updated.

We performed an additional review of 60 motor vehicle sales tax transactions where the local site code had been changed by license office personnel during the year ended June 30, 2017. For 43 of the 60 transactions reviewed (72 percent), local site codes had not been updated in the DOR's computerized mapping system. Common reasons for these transactions having local site code changes include: a tax receipt provided by the taxpayer; a letter from the tax jurisdiction, verification with county assessor; and the personal knowledge of license office personnel. During the year ended June 30, 2017, the DOR collected approximately \$33.8 million in local sales taxes from motor vehicle sales tax transactions for which license office personnel had changed the local site code.

System limitations

DOR personnel indicated system limitations prevented the local site codes from being updated in the computerized mapping system. For example, for some addresses, such as those in the 15 counties previously mentioned, the OA-ITSD would enter the correct local site code, but the local site code would not update because the system did not recognize the validity of the address. Therefore, the DOR eventually stopped working those addresses because it was time prohibitive and both the DOR and OA-ITSD had determined nothing could be done to update the system.

In addition, in September 2016, the DOR stopped forwarding addresses to the OA-ITSD in anticipation of implementing a new computerized mapping system and planned to restart the process once the new system was operational. The new system was implemented in September 2017, and the

¹ The counties are Benton, Camden, Cedar, Crawford, Douglas, McDonald, Madison, Maries, Miller, Ozark, Pulaski, Schuyler, Shannon, Stone, and Webster.



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DOR and OA-ITSD are currently working on how addresses need to be provided by the DOR to update the new system.

Conclusion

DOR procedures indicate all local site codes in the computerized mapping system will be changed when justification has been witnessed; however, department personnel cannot ensure they are assigning proper local sales tax rates to all taxpayers due to limitations within the system. Section 32.087.6, RSMo, requires the DOR to perform all functions incident to the administration, collection, enforcement, and operation of local sales taxes imposed by state law. Since the DOR is unable to ensure it is assigning proper local sales tax rates to all taxpayers, this statutory requirement cannot be fully met and the DOR cannot ensure the correct amount of local sales taxes are collected.

Recommendation

The DOR should ensure addresses are assigned the correct local site code in the computerized mapping system, taxpayers are charged the correct local sales tax rate, and the correct amount of local sales taxes are collected as required by state law.

Auditee's Response

The Department of Revenue's computerized system relies heavily on tax data sent by local jurisdictions; however, all taxing jurisdictions do not have robust addressing systems that pinpoint the 'exact' address in some instances. To the extent possible, the department will make changes accordingly when local site codes can be verified.

2. Refunds

Under Missouri law, vendors are not required to return sales and use tax refunds to the original purchaser when applicable, and local funds are not charged a proportionate share of interest paid on refunds of sales and use taxes.

2.1 Refunds to the original purchaser

State law does not require vendors to return sales and use tax refunds and related interest to the original purchaser when applicable, resulting in a potential windfall for the vendor. In addition, in many instances, the vendor may not be able to identify the original purchasers to whom the refunds are due, further increasing the likelihood of a windfall. The DOR distributed sales and use tax refunds, including interest, of approximately \$36 million, \$41 million, and \$27 million during fiscal years 2017, 2016, and 2015, respectively.

Vendors collect sales and use taxes from their customers and remit the taxes to the DOR. Section 144.190, RSMo, authorizes the DOR to issue sales and use tax refunds due to an overpayment of these taxes. For some refunds the vendor is the original purchaser. Other refunds are the result of vendor reporting errors, incorrect quarter-monthly filer estimates, or other circumstances in which sales and use taxes should be retained by the vendor.



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However, in many cases, the refund is the result of an over collection of tax by the vendor and the refund is due back to the original purchaser.

Section 144.190, RSMo, allows for various refunds to be issued on sales and use taxes paid to the DOR. However, this section does not state refunds must be returned to the original purchaser when the refund is the result of the original purchaser overpaying taxes due. In addition, a vendor may not be able to identify the original purchaser in some cases, such as cash transactions or other point of sale settings where purchaser name or contact information is not captured. In these situations, the vendor would be unable to forward the refund to the original purchaser and would receive the windfall refund.

The legislature partially addressed this issue in 2012 by updating Section 144.190.4, RSMo, to allow the original purchaser to submit a refund claim directly to the DOR for sales or use taxes paid to a vendor and remitted to the DOR. However, if both the vendor and the original purchaser file for the refund, the DOR will pay the refund to the first filer, and vendors are not required to distribute any refunds to the original purchasers.

Additional legislation is needed to ensure sales and use tax refunds are returned to the original purchaser. This legislation should address how the refund should be handled when the original purchasers cannot be identified.

2.2 Interest paid on refunds from local funds

The General Revenue Fund (GRF) does not receive reimbursement from local funds for its proportionate share of interest paid on refunds of sales and use taxes.

Based on the percentage of distributions to local funds to total distributions to state and local funds (exclusive of the GRF), interest payments of approximately \$21,000, \$297,000, and \$293,000 should have been allocated to local funds during fiscal years 2017, 2016, and 2015, respectively, and are due to the GRF from local funds.

Sales and use tax refunds are issued from the GRF. To reimburse the GRF, adjustments are automatically made in the DOR tax system for the principal and interest amount of the refunds due from other state funds and the principal amount of the refunds due from local funds. However, adjustments are not automatically made to local funds for the interest paid on sales and use tax refunds.

Although DOR officials previously agreed local funds should pay their proportionate share of interest paid on refunds, they have been unable to develop any alternatives for recovering this interest from local governments. In the response to our prior audit recommendation, they indicated this requirement was included in the request for proposal for a new computerized integrated tax system, with this process scheduled for implementation when



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the sales and use tax portion of the new system was installed. However, this portion of the new system, installed in September 2017, does not currently have the capability to calculate applicable interest reimbursements to the GRF. DOR personnel indicated this requirement in the new system still needs to be developed.

Similar conditions
previously reported

Similar conditions were noted in at least our seven previous audit reports.

Recommendations

- 2.1 Continue to support legislation that would require sales and use tax refunds and related interest to be returned to the original purchaser. Such legislation should also address whether a refund should be made when the original purchaser is not known.
- 2.2 Continue to work with the vendor to ensure the new integrated system has the capability to calculate the reimbursement to the GRF for local funds' proportionate share of interest paid on sales and use tax refunds.

Auditee's Response

- 2.1 *Section 144.190.4, RSMo, allows purchasers to submit a refund claim for sales or use taxes paid to a vendor directly to the Department of Revenue. If legislation is passed that requires all refunds to be returned to the original purchaser, the department will incorporate those provisions into our refund processing procedures.*
- 2.2 *The department implemented sales and use tax in the integrated system in September 2017. The complexity related to apportioning refund interest to local government accounts prevented the department from implementing this provision prior to the September 2017 release. In addition, the amount paid in refund interest has steadily declined over the last few years and the cost of state resources needed for development and testing may outweigh the actual savings to state funds. The department logged a request with our vendor for a future review of this process.*

3. Other Sales and Use Tax Issues

Our prior audit report (No. 2015-080, *Sales and Use Tax*, issued in September 2015) included concerns and recommendations relating to sales and use tax exemptions, timely sales and use tax discounts, and internet sales. In October 2017, we issued Report No. 2017-113, *Cost of Tax Incentives and Exemptions*. That report included findings covering the issues summarized in the following sections.

Sales and use tax
exemptions

The DOR does not adequately capture and track information regarding some sales and use tax exemptions. As a result, the fiscal impact of each sales tax exemption and the cumulative fiscal impact of all sales tax exemptions on state and local revenues cannot be determined.



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

Timely sales and use tax discounts

State laws, allowing retailers to retain a portion of sales taxes collected if they remit the taxes to the DOR timely, result in state and local governments forgoing significant revenues, are more generous to businesses than surrounding states, and significantly benefit the state's largest retailers. In addition, the DOR does not routinely report to the General Assembly (GA) the amount of timely sales and use tax discounts taken by businesses.

Internet sales

The GA has not passed legislation to allow Missouri to participate in the Streamlined Sales and Use Tax Agreement (SSUTA), costing the state millions in potential sales tax revenue. Implementation of the SSUTA would allow Missouri to collect a portion of online sales taxes the state is currently forgoing.²

Complete findings, recommendations, and auditee responses are contained in that report.

² On June 21, 2018, the United States Supreme Court ruled in *South Dakota v. Wayfair, Inc.*, 585 U.S. ____ (2018), that states may charge tax on purchases made from out-of-state sellers, even if the seller does not have a physical presence in the taxing state. This decision overturned *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), which restricted state taxation of interstate commerce. The DOR is currently reviewing the recent Supreme Court ruling to determine if any administrative or legislative changes are needed in Missouri.

Department of Revenue

Sales and Use Tax

Organization and Statistical Information

The Department of Revenue (DOR) was created by Article IV, Section 12, Missouri Constitution as the central collection agency for state revenues. The Director of Revenue is appointed by the Governor, with the advice and consent of the Senate, and is responsible for all operations and policies. DOR responsibilities include:

- 1) Administering and collecting state taxes and fees, including sales and use tax, motor vehicle sales tax, and highway use tax.
- 2) Collecting certain taxes and fees for local governments, including local sales and use tax.
- 3) Titling and licensing motor vehicles, trailers, and boats.
- 4) Licensing motor vehicle operators.

The DOR consists of 3 divisions, the General Counsel's office, and the Director's office.

Motor Vehicle and Driver Licensing Division: The division consists of 3 bureaus. 1) The Motor Vehicle Bureau issues titles and registers motor vehicles, trailers, all-terrain vehicles, manufactured homes, and marine craft. The bureau also issues registration certificates to motor vehicle and salvage dealers and leasing companies. 2) The Driver License Bureau issues, renews, suspends, revokes, and reinstates driver and nondriver licenses and driving permits. The bureau processes and maintains records relating to license issuance, traffic violation point assessments, failure to appear in court for traffic violations, and administers the alcohol and abuse laws for alcohol/drug offenders. 3) The License Offices Bureau manages the operations of the contract license offices throughout the state. These local offices provide driver licensing and motor vehicle services and are operated by individuals or businesses approved through the state of Missouri bid process. This division collects motor vehicle sales and use taxes.

Taxation Division: This division consists of 4 bureaus which collect taxes and administer state tax law. 1) The Business Tax Bureau administers sales and use, financial institutions, insurance premiums, franchise, excise, cigarette and other tobacco products, motor fuel, corporate income, withholding, and county taxes and fees. 2) The Personal Tax Bureau administers individual income, partnership, fiduciary, and estate taxes. 3) The Collections and Tax Assistance Bureau provides tax assistance to individuals and businesses and performs appropriate procedures for unpaid tax liabilities. 4) The Field Compliance Bureau audits businesses both in-state and out-of-state to ensure compliance with Missouri's tax laws.

Administration Division: This division consists of 3 bureaus. 1) The Personnel Services Bureau is responsible for the DOR's personnel matters, forms, process improvements, administrative policies and procedures, training, and written communications. 2) The Financial Services Bureau is



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State and Local Sales and Use Tax
Organization and Statistical Information

responsible for all accounting, procurement, and banking activities. 3) The General Services Bureau is responsible for coordinating space and location needs, telecommunications, safety issues, maintenance, and improvement of the work environment within the DOR.

General Counsel's Office: This office ensures DOR compliance with law and internal policies, advises the director and divisions on legal matters relative to the DOR, and represents the DOR in courts and administrative tribunals. This office consists of 2 bureaus. 1) The Criminal Tax Investigation Bureau investigates and develops information leading to local prosecution of individuals and businesses suspected of violating state statutes related to sales, withholding, and income tax. 2) The Compliance and Investigation Bureau conducts investigations involving allegations of fraud relating to motor vehicle sales tax, titling and registration, odometer, and motor fuel sales tax as well as cigarette tax fraud, driver's license fraud and license plate fraud. The bureau also ensures the compliance of motor vehicle dealers, salvage businesses, and marine dealers with statutes and licensure regulations. In addition to external investigations, the bureau conducts internal audits and investigations of the DOR and contract license offices.

Director's Office: This office includes the Director, Chief Operating Officer, and key administrative staff responsible for the overall guidance and direction of the DOR. This office includes the Public Information Office and the Legislative Office. The Public Information Office develops and maintains positive media and public relations for the DOR. The Legislative Office serves as the department's liaison to the General Assembly. The office provides technical assistance, develops fiscal and revenue estimates on proposed legislation and monitors the progress of bills through the Legislature.

The Directors of Revenue from July 2014 through June 2017 include:

John R. Mollenkamp, (Acting) April 2013 to November 2014
Nia Ray, December 2014 to August 2016
John R. Mollenkamp, (Acting) August 2016 to January 2017
Dale (Wood) Miller, (Acting) January 2017 to March 2017

In April 2017, Joel W. Walters was appointed Director.

Appendix A-1

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts and Distributions - State Funds
Year Ended June 30, 2017

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	State Highways and Transportation Department Fund	Parks Sales Tax Fund	School District Trust Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Marine/ATV/Manufactured sales and use tax ¹	\$ 7,996,788	0	328,899	0	131,559	2,630,664	131,560	0	0	0	11,219,470
Motor vehicle sales and use tax ²	3,653,796	0	14,081,049	22,152	5,632,425	56,322,447	5,632,428	168,967,339	164,466,382	4,505,796	423,283,814
Sales and use tax	<u>2,132,843,283</u>	<u>3,889,020</u>	<u>102,667,465</u>	<u>0</u>	<u>41,066,989</u>	<u>817,728,093</u>	<u>41,066,989</u>	<u>10,821,020</u>	<u>10,530,675</u>	<u>287,820</u>	<u>3,160,901,354</u>
Total Receipts	<u>2,144,493,867</u>	<u>3,889,020</u>	<u>117,077,413</u>	<u>22,152</u>	<u>46,830,973</u>	<u>876,681,204</u>	<u>46,830,977</u>	<u>179,788,359</u>	<u>174,997,057</u>	<u>4,793,616</u>	<u>3,595,404,638</u>
DISTRIBUTIONS											
Transmitted to State Treasurer	<u>2,144,493,867</u>	<u>3,889,020</u>	<u>117,077,413</u>	<u>22,152</u>	<u>46,830,973</u>	<u>876,681,204</u>	<u>46,830,977</u>	<u>179,788,359</u>	<u>174,997,057</u>	<u>4,793,616</u>	<u>3,595,404,638</u>
Total Distributions	<u>2,144,493,867</u>	<u>3,889,020</u>	<u>117,077,413</u>	<u>22,152</u>	<u>46,830,973</u>	<u>876,681,204</u>	<u>46,830,977</u>	<u>179,788,359</u>	<u>174,997,057</u>	<u>4,793,616</u>	<u>3,595,404,638</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

¹ In fiscal year 2017, the Department of Revenue revised this receipt description to include "manufactured". Sales and use tax receipts for manufactured homes were included in this receipt category for fiscal years 2016 and 2015.

² In fiscal year 2017, the Department of Revenue combined motor vehicle sales tax receipts and highway use tax receipts.

Appendix A-2

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts and Distributions - State Funds
Year Ended June 30, 2016

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	State Highways and Transportation Department Fund	Parks Sales Tax Fund	School District Trust Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Highway use tax	\$ 0	0	2,467	62,414	986	0	987	0	14,801	0	81,655
Marine and ATV sales and use tax	7,071,945	0	291,039	0	116,415	2,327,873	116,417	0	0	0	9,923,689
Motor vehicle sales tax	3,125,220	0	13,329,786	0	5,331,920	53,320,442	5,331,921	159,961,324	155,617,385	4,263,490	400,281,488
Sales and use tax	2,090,152,640	4,663,184	101,806,482	0	40,722,182	810,944,716	40,722,183	10,498,444	10,216,758	279,241	3,110,005,830
Total Receipts	<u>2,100,349,805</u>	<u>4,663,184</u>	<u>115,429,774</u>	<u>62,414</u>	<u>46,171,503</u>	<u>866,593,031</u>	<u>46,171,508</u>	<u>170,459,768</u>	<u>165,848,944</u>	<u>4,542,731</u>	<u>3,520,292,662</u>
DISTRIBUTIONS											
Transmitted to State Treasurer	<u>2,100,349,805</u>	<u>4,663,184</u>	<u>115,429,774</u>	<u>62,414</u>	<u>46,171,503</u>	<u>866,593,031</u>	<u>46,171,508</u>	<u>170,459,768</u>	<u>165,848,944</u>	<u>4,542,731</u>	<u>3,520,292,662</u>
Total Distributions	<u>2,100,349,805</u>	<u>4,663,184</u>	<u>115,429,774</u>	<u>62,414</u>	<u>46,171,503</u>	<u>866,593,031</u>	<u>46,171,508</u>	<u>170,459,768</u>	<u>165,848,944</u>	<u>4,542,731</u>	<u>3,520,292,662</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Appendix A-3

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts and Distributions - State Funds
Year Ended June 30, 2015

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	State Highways and Transportation Department Fund	Parks Sales Tax Fund	School District Trust Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Highway use tax	\$ 0	0	1,218	93,734	487	0	487	0	7,308	0	103,234
Marine and ATV sales and use tax	6,990,497	0	287,650	0	115,060	2,300,760	115,061	0	0	0	9,809,028
Motor vehicle sales tax	3,523,166	0	12,728,849	0	5,091,546	50,916,636	5,091,547	152,749,907	148,754,877	4,075,476	382,932,004
Sales and use tax	2,001,265,736	4,823,355	97,511,024	0	39,004,481	776,713,537	39,004,481	10,107,965	9,836,753	268,854	2,978,536,186
Total Receipts	<u>2,011,779,399</u>	<u>4,823,355</u>	<u>110,528,741</u>	<u>93,734</u>	<u>44,211,574</u>	<u>829,930,933</u>	<u>44,211,576</u>	<u>162,857,872</u>	<u>158,598,938</u>	<u>4,344,330</u>	<u>3,371,380,452</u>
DISTRIBUTIONS											
Transmitted to State Treasurer	<u>2,011,779,399</u>	<u>4,823,355</u>	<u>110,528,741</u>	<u>93,734</u>	<u>44,211,574</u>	<u>829,930,933</u>	<u>44,211,576</u>	<u>162,857,872</u>	<u>158,598,938</u>	<u>4,344,330</u>	<u>3,371,380,452</u>
Total Distributions	<u>2,011,779,399</u>	<u>4,823,355</u>	<u>110,528,741</u>	<u>93,734</u>	<u>44,211,574</u>	<u>829,930,933</u>	<u>44,211,576</u>	<u>162,857,872</u>	<u>158,598,938</u>	<u>4,344,330</u>	<u>3,371,380,452</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Appendix B-1

Department of Revenue

Sales and Use Tax

Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds

Year Ended June 30, 2017

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	\$ 215,435,802	0	215,435,802
Sales tax	56,322,446	3,179,661,867	3,235,984,313
Use tax	1,613	131,685,343	131,686,956
Miscellaneous tax	0	62,631,213	62,631,213
Protested tax	0	1,144,681	1,144,681
Motor fuel bond	8,000	0	8,000
Motor fuel pool bond	17,670	0	17,670
Interest income	49,839	875,303	925,142
Total Receipts	<u>271,835,370</u>	<u>3,375,998,407</u>	<u>3,647,833,777</u>
DISTRIBUTIONS			
Political subdivisions	274,347,947	3,232,690,160	3,507,038,107
General Revenue Fund	0	31,384,356	31,384,356
Refunds to taxpayers	1,603	6,302	7,905
Protest settlements	0	487,898	487,898
Total Distributions	<u>274,349,550</u>	<u>3,264,568,716</u>	<u>3,538,918,266</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	(2,514,180)	111,429,691	108,915,511
CASH AND INVESTMENTS, JULY 1	<u>28,074,825</u>	<u>321,144,745</u>	<u>349,219,570</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 25,560,645</u>	<u>432,574,436</u>	<u>458,135,081</u>

Appendix B-2

Department of Revenue

Sales and Use Tax

Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds

Year Ended June 30, 2016

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	\$ 216,099,381	0	216,099,381
Sales tax	53,293,625	3,148,145,731	3,201,439,356
Use tax	4,933	129,469,434	129,474,367
Miscellaneous tax ¹	0	(20,979,270)	(20,979,270)
Protested tax	0	379,988	379,988
Motor fuel bond	2,100	0	2,100
Motor fuel pool bond	20,177	0	20,177
Interest income	39,311	467,797	507,108
Total Receipts	<u>269,459,527</u>	<u>3,257,483,680</u>	<u>3,526,943,207</u>
DISTRIBUTIONS			
Political subdivisions	270,172,669	2,932,445,047	3,202,617,716
General Revenue Fund	0	35,992,287	35,992,287
Refunds to taxpayers	0	1,916	1,916
Protest settlements	0	251,512	251,512
Total Distributions	<u>270,172,669</u>	<u>2,968,690,762</u>	<u>3,238,863,431</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	(713,142)	288,792,918	288,079,776
CASH AND INVESTMENTS, JULY 1	<u>28,787,967</u>	<u>32,351,827</u>	<u>61,139,794</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 28,074,825</u>	<u>321,144,745</u>	<u>349,219,570</u>

¹ The amount is a negative number due to more sales and use taxes distributed from than deposited to the Suspense Holding Account.

Appendix B-3

Department of Revenue

Sales and Use Tax

Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds

Year Ended June 30, 2015

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	\$ 220,546,409	0	220,546,409
Sales tax	50,943,451	3,011,336,665	3,062,280,116
Use tax	2,436	122,415,888	122,418,324
Miscellaneous tax ¹	0	(3,698,552)	(3,698,552)
Protested tax	0	398,712	398,712
Motor fuel bond	158,000	0	158,000
Motor fuel pool bond	27,437	0	27,437
Interest income	82	84,241	84,323
Total Receipts	<u>271,677,815</u>	<u>3,130,536,954</u>	<u>3,402,214,769</u>
DISTRIBUTIONS			
Political subdivisions	266,004,634	3,438,011,517	3,704,016,151
General Revenue Fund	0	33,477,581	33,477,581
Refunds to taxpayers	1,500	0	1,500
Protest settlements	0	973,023	973,023
Total Distributions	<u>266,006,134</u>	<u>3,472,462,121</u>	<u>3,738,468,255</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	5,671,681	(341,925,167)	(336,253,486)
CASH AND INVESTMENTS, JULY 1	<u>23,116,286</u>	<u>374,276,994</u>	<u>397,393,280</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 28,787,967</u>	<u>32,351,827</u>	<u>61,139,794</u>

¹ The amount is a negative number due to more sales and use taxes distributed from than deposited to the Suspense Holding Account.

Appendix C-1

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2017

	Compliance Clearing Account ¹	Motor Vehicle Clearing Account ¹	Protested Sales Tax General Revenue Account ²	Sales Tax Bond Account ²	Total (Memorandum Only)
ADDITIONS					
Miscellaneous tax collections	\$ 23,891,169	1,085,546,485	0	0	1,109,437,654
Protested tax collections	0	0	1,079,334	0	1,079,334
Bond collections	0	0	0	6,694,830	6,694,830
Interest income	8,840	98,982	5,390	0	113,212
Total Additions	<u>23,900,009</u>	<u>1,085,645,467</u>	<u>1,084,724</u>	<u>6,694,830</u>	<u>1,117,325,030</u>
DEDUCTIONS					
Miscellaneous taxes and interest	21,452,183	1,088,486,301	0	0	1,109,938,484
Protested taxes and interest	0	0	303,913	0	303,913
Bonds and interest	0	0	0	25,368,984	25,368,984
Total Deductions	<u>21,452,183</u>	<u>1,088,486,301</u>	<u>303,913</u>	<u>25,368,984</u>	<u>1,135,611,381</u>
ADDITIONS OVER (UNDER) DEDUCTIONS	2,447,826	(2,840,834)	780,811	(18,674,154)	(18,286,351)
CASH AND INVESTMENTS, JULY 1	<u>1,485,487</u>	<u>26,965,373</u>	<u>605,385</u>	<u>44,651,956</u>	<u>73,708,201</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 3,933,313</u>	<u>24,124,539</u>	<u>1,386,196</u>	<u>25,977,802</u>	<u>55,421,850</u>

¹ Held by the department in trust.

² Held by the State Treasurer in trust.

Appendix C-2

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2016

	Compliance Clearing Account ¹	Motor Vehicle Clearing Account ¹	Protested Sales Tax General Revenue Account ²	Sales Tax Bond Account ²	Total (Memorandum Only)
ADDITIONS					
Miscellaneous tax collections	\$ 30,089,835	1,049,208,181	0	0	1,079,298,016
Protested tax collections	0	0	248,448	0	248,448
Bond collections	0	0	0	7,823,294	7,823,294
Interest income	14,798	14,379	2,822	0	31,999
Total Additions	<u>30,104,633</u>	<u>1,049,222,560</u>	<u>251,270</u>	<u>7,823,294</u>	<u>1,087,401,757</u>
DEDUCTIONS					
Miscellaneous taxes and interest	30,606,233	1,039,916,892	0	0	1,070,523,125
Protested taxes and interest	0	0	163,075	0	163,075
Bonds and interest	0	0	0	21,668,893	21,668,893
Total Deductions	<u>30,606,233</u>	<u>1,039,916,892</u>	<u>163,075</u>	<u>21,668,893</u>	<u>1,092,355,093</u>
ADDITIONS OVER (UNDER) DEDUCTIONS	(501,600)	9,305,668	88,195	(13,845,599)	(4,953,336)
CASH AND INVESTMENTS, JULY 1	<u>1,987,087</u>	<u>17,659,705</u>	<u>517,190</u>	<u>58,497,555</u>	<u>78,661,537</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 1,485,487</u>	<u>26,965,373</u>	<u>605,385</u>	<u>44,651,956</u>	<u>73,708,201</u>

¹ Held by the department in trust.

² Held by the State Treasurer in trust.

Appendix C-3

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2015

	Compliance Clearing Account ¹	Motor Vehicle Clearing Account ¹	Protested Sales Tax General Revenue Account ²	Sales Tax Bond Account ²	Total (Memorandum Only)
ADDITIONS					
Miscellaneous tax collections	\$ 22,232,733	995,950,074	0	0	1,018,182,807
Protested tax collections	0	0	252,144	0	252,144
Bond collections	0	0	0	8,531,767	8,531,767
Interest income ³	44,830	(876)	3,498	0	47,452
Total Additions	<u>22,277,563</u>	<u>995,949,198</u>	<u>255,642</u>	<u>8,531,767</u>	<u>1,027,014,170</u>
DEDUCTIONS					
Miscellaneous taxes and interest	25,513,139	996,672,115	0	0	1,022,185,254
Protested taxes and interest	0	0	701,437	0	701,437
Bonds and interest	0	0	0	6,794,998	6,794,998
Total Deductions	<u>25,513,139</u>	<u>996,672,115</u>	<u>701,437</u>	<u>6,794,998</u>	<u>1,029,681,689</u>
ADDITIONS OVER (UNDER) DEDUCTIONS	(3,235,576)	(722,917)	(445,795)	1,736,769	(2,667,519)
CASH AND INVESTMENTS, JULY 1	<u>5,222,663</u>	<u>18,382,622</u>	<u>962,985</u>	<u>56,760,786</u>	<u>81,329,056</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 1,987,087</u>	<u>17,659,705</u>	<u>517,190</u>	<u>58,497,555</u>	<u>78,661,537</u>

¹ Held by the department in trust.

² Held by the State Treasurer in trust.

³ Negative numbers are due to bank service charges exceeding interest earnings.

Appendix D-1

Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2017

	Local Fuel Tax and Bond Trust Fund	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	St. Louis Capital Improvements Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Total (Memorandum Only)
Cities ¹	\$ 157,776,506	611,007,346	555,341,035	60,328,491	265,919,269	92,743,090	0	0	0	1,743,115,737
Counties ¹	116,571,430	0	0	0	214,155,511	37,029,868	475,282,832	677,115,677	0	1,520,155,318
Districts ¹ :										
Ambulance Districts	0	0	0	0	0	0	0	0	54,854,636	54,854,636
Emergency Service Districts	0	0	0	0	0	0	0	0	14,101,642	14,101,642
Fire Protection Districts	0	0	0	0	0	0	0	0	17,955,973	17,955,973
Hospital Districts	0	0	0	0	0	0	0	0	403,102	403,102
Public Library Districts	0	0	0	0	0	0	0	0	1,194,950	1,194,950
Regional Jail Districts	0	0	0	0	0	0	0	0	1,081,865	1,081,865
Regional Recreation Districts	0	0	0	0	0	0	0	0	4,639	4,639
Tourism Community Districts	0	0	0	0	0	0	0	0	8,127,822	8,127,822
Zoological Districts	0	0	0	0	0	0	0	0	17,131,267	17,131,267
Transportation Development Districts	0	0	0	0	0	0	0	0	74,945,567	74,945,567
Community Improvement Districts	0	0	0	0	0	473,113	0	0	49,432,397	49,905,510
Community Development Districts	0	0	0	0	0	261,410	0	0	3,592,812	3,854,222
Port Improvement Districts	0	0	0	0	0	19,496	0	0	186,353	205,849
TOTAL	\$ 274,347,936	611,007,346	555,341,035	60,328,491	480,074,780	130,526,977	475,282,832	677,115,677	243,013,025	3,507,038,099

¹ Local sales and use tax distributions by political subdivision are available in the Department of Revenue's annual Financial and Statistical Report. However, the Department of Revenue does not report distributions for political subdivisions with less than 6 taxpayers. For the schedule above, all local sales and use tax distributions have been included in the amounts reported. The Department of Revenue's annual Financial and Statistical Report is accessible through the Department of Revenue's website at <http://www.dor.mo.gov>.

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Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2016

	Local Fuel Tax and Bond Trust Fund	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	St. Louis Capital Improvements Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Total (Memorandum Only)
Cities ¹	\$ 155,369,739	619,199,893	557,613,098	60,975,298	267,889,470	90,766,430	0	0	0	1,751,813,928
Counties ¹	114,802,931	0	0	0	216,824,581	35,591,639	480,911,948	673,294,640	0	1,521,425,739
Districts ¹ :										
Ambulance Districts	0	0	0	0	0	0	0	0	53,054,189	53,054,189
Emergency Service Districts	0	0	0	0	0	0	0	0	13,813,028	13,813,028
Fire Protection Districts	0	0	0	0	0	0	0	0	17,701,780	17,701,780
Hospital Districts	0	0	0	0	0	0	0	0	417,350	417,350
Public Library Districts	0	0	0	0	0	0	0	0	1,227,514	1,227,514
Regional Jail Districts	0	0	0	0	0	0	0	0	1,058,124	1,058,124
Regional Recreation Districts	0	0	0	0	0	0	0	0	3,528	3,528
Tourism Community Districts	0	0	0	0	0	0	0	0	8,217,319	8,217,319
Zoological Districts	0	0	0	0	0	0	0	0	17,239,588	17,239,588
Transportation Development Districts	0	0	0	0	0	0	0	0	74,911,843	74,911,843
Community Improvement Districts	0	0	0	0	0	346,410	0	0	46,110,379	46,456,789
Community Development Districts	0	0	0	0	0	180,925	0	0	3,589,238	3,770,163
Port Improvement Districts	0	0	0	0	0	2,147	0	0	129,121	131,268
TOTAL	\$ 270,172,670	619,199,893	557,613,098	60,975,298	484,714,051	126,887,551	480,911,948	673,294,640	237,473,001	3,511,242,150

¹ Local sales and use tax distributions by political subdivision are available in the Department of Revenue's annual Financial and Statistical Report. However, the Department of Revenue does not report distributions for political subdivisions with less than 6 taxpayers. For the schedule above, all local sales and use tax distributions have been included in the amounts reported. The Department of Revenue's annual Financial and Statistical Report is accessible through the Department of Revenue's website at <http://www.dor.mo.gov>.

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Department of Revenue
Sales and Use Tax
Combined Schedule of Distributions - Local Funds
Year Ended June 30, 2015

	Local Fuel Tax and Bond Trust Fund	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	St. Louis Capital Improvements Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Total (Memorandum Only)
Cities ¹	\$ 152,273,843	602,970,805	537,808,033	60,505,019	259,924,721	89,121,240	0	0	0	1,702,603,661
Counties ¹	113,120,061	0	0	0	214,455,554	33,624,481	469,780,620	646,168,662	0	1,477,149,378
Districts ¹ :										
Ambulance Districts	0	0	0	0	0	0	0	0	49,247,153	49,247,153
Emergency Service Districts	0	0	0	0	0	0	0	0	13,184,536	13,184,536
Fire Protection Districts	0	0	0	0	0	0	0	0	16,945,905	16,945,905
Hospital Districts	0	0	0	0	0	0	0	0	394,732	394,732
Public Library Districts	0	0	0	0	0	0	0	0	1,202,701	1,202,701
Regional Jail Districts	0	0	0	0	0	0	0	0	1,035,556	1,035,556
Regional Recreation Districts	0	0	0	0	0	0	0	0	5,383	5,383
Tourism Community Districts	0	0	0	0	0	0	0	0	7,936,743	7,936,743
Zoological Districts	0	0	0	0	0	0	0	0	16,515,801	16,515,801
Transportation Development Districts	0	0	0	0	0	0	0	0	71,639,918	71,639,918
Community Improvement Districts	0	0	0	0	0	364,524	0	0	40,348,375	40,712,899
Community Development Districts	0	0	0	0	0	220,306	0	0	3,387,469	3,607,775
TOTAL	\$ 265,393,904	602,970,805	537,808,033	60,505,019	474,380,275	123,330,551	469,780,620	646,168,662	221,844,272	3,402,182,141

¹ Local sales and use tax distributions by political subdivision are available in the Department of Revenue's annual Financial and Statistical Report. However, the Department of Revenue does not report distributions for political subdivisions with less than 6 taxpayers. For the schedule above, all local sales and use tax distributions have been included in the amounts reported. The Department of Revenue's annual Financial and Statistical Report is accessible through the Department of Revenue's website at <http://www.dor.mo.gov>.

Appendix E

Department of Revenue Sales and Use Tax Description of Sales and Use Tax Funds and Accounts

Sales and use tax receipts collected from businesses, motor vehicle sales tax receipts collected from businesses and individuals, and highway use tax receipts collected on vehicles purchased outside of Missouri but titled in Missouri, are deposited into various state and local funds. Marine and ATV sales and use tax collections are deposited into the same funds as state sales and use tax. Motor vehicle leasing sales tax collections are deposited into the same funds as motor vehicle sales tax.

For operating purposes, the Department of Revenue (DOR) has been charged with the responsibility of administering transactions in the funds and accounts listed below.

State Funds

The State Treasurer, as fund custodian, and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly for all state funds.

General Revenue Fund: This fund, authorized by Section 144.700, RSMo, receives a general 3 percent state sales and use tax. State sales tax is collected pursuant to Section 144.020, RSMo, and state use tax is collected pursuant to Section 144.610, RSMo. Retail sales of food are exempt from this 3 percent tax as defined in Section 144.014, RSMo. This fund also receives payments from common carriers in interstate air transportation, as authorized by Section 144.807, RSMo. In addition, the General Revenue Fund pays all motor vehicle sales tax refunds and receives motor vehicle sales tax collections as reimbursement from other state funds for their applicable share of the refunds.

Aviation Trust Fund: This fund, authorized by Section 144.805, RSMo, receives sales and use tax on aviation jet fuel from common carriers. These taxes are paid as a result of exemptions to General Revenue sales tax. The exemptions are a result of direct-pay agreements between common carriers and the DOR.

Conservation Commission Fund: This fund, authorized by Article IV, Section 43(a), Missouri Constitution, receives collections of the 0.125 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

State Highways and Transportation Department Fund: This fund received 75 percent of the collections from the 4 percent highway use tax during fiscal years 2013 and 2012. Effective July 5, 2013, the highway use tax was repealed and all motor vehicle transactions are now assessed a sales tax as authorized by Section 144.020, RSMo, which goes into the State Road Fund and the State Road Bond Fund. This fund continues to receive some residual highway use tax collections.

Parks Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

School District Trust Fund: This fund, authorized by Section 144.701, RSMo, receives collections from a 1 percent state sales and use tax and receives 12.5 percent of collections from the 4 percent motor vehicle sales tax. This tax is collected pursuant to Section 144.701, RSMo, and Article IV, Section 30(b)2, Missouri Constitution, respectively.

Soil and Water Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax and motor vehicle sales tax.

State Road Bond Fund: This fund, authorized by Article IV, Section 30(b), Missouri Constitution (Amendment 3), receives 37.5 percent of the collections from the 4 percent motor vehicle sales tax.

State Road Fund and State Transportation Fund: These funds, authorized by Article IV, Section 30(b), Missouri Constitution, receive 37.5 percent of the collections from the 4 percent motor vehicle sales tax, which is deposited 36.5 percent to the State Road Fund and 1 percent to the State Transportation Fund.

Local Funds

Actual tax proceeds for local funds are deposited into interest-bearing bank accounts until distributed. Subsequently 99 percent of the collections and earned interest are distributed to the various political subdivisions with the remaining 1 percent going to the General Revenue Fund for a collection fee, except for the Local Fuel Tax and Bond Trust Fund, which has no collection fee withheld from distributions to the fund. The DOR has sole responsibility for maintaining and disbursing fund resources for all local funds.

Local Fuel Tax and Bond Trust Fund: This fund receives 12.5 percent of the collections from the 4 percent motor vehicle sales tax, pursuant to Section 144.020, RSMo. In addition, this fund receives collections from the motor fuel tax authorized by Section 142.803, RSMo.

Local Sales and Use Tax Trust Fund:

This fund:

- Receives collections generated from local sales taxes imposed by local political subdivisions, as authorized by Chapters 66, 67, 70, 92, 94, 162, 190, 238, 321, and 644, RSMo.
- Receives collections generated by a use tax, authorized by Section 144.757, RSMo, based on the local sales tax in effect, upon all transactions subject to taxes imposed under Sections 144.600 to 144.745, RSMo, except as otherwise provided. Net taxes and interest are subsequently distributed to the counties and cities.
- Receives collections from motor vehicle sales and use tax paid under protest. Protested motor vehicle sales and use taxes and the related earned interest, are either returned to the taxpayer or remitted to the state and the appropriate political subdivisions, based upon decisions reached by the DOR, the Administrative Hearing Commission, or various courts.
- Receives collections from local sales and use taxes paid under protest. These monies are either returned to the taxpayer or remitted to the state and the appropriate political subdivisions, based upon decisions reached by the DOR, the Administrative Hearing Commission, or various courts.
- Receives collections from Web/Internet based sales and use tax filings. These collections are paid through ACH debit transactions initiated by the taxpayer through a DOR approved service provider. The DOR transfers the collections to the appropriate state and local funds after processing the corresponding sales tax returns.

- Receives unidentified sales and use tax collections when these collections are unable to post to the automated Missouri Integrated Tax System (MITS). When these collections become identifiable, they are posted to MITS and are then transferred to the appropriate sales tax funds.

Custodial Accounts

The DOR has been charged with the responsibility of administering transactions in the custodial accounts. Except for the Protested Sales Tax General Revenue Account and Sales Tax Bond Account held by the State Treasurer, actual custody of accounts' resources rests with the DOR. Collections for the custodial accounts held by the DOR are deposited in interest-bearing bank accounts.

Compliance Clearing Account: This account receives tax payments from taxpayer audits. The DOR holds these payments in this account pending final audit review. Depending on the results of the audit review, the DOR transfers the tax payment to the appropriate state and local funds or issues a refund to the taxpayer.

Motor Vehicle Clearing Account: This account receives collections from motor vehicle agent offices and the central office for various taxes and fees. These receipts are subsequently transferred to various state and local funds.

Protested Sales Tax General Revenue Account: This account receives the 3 percent General Revenue Fund portion of the state sales taxes paid under protest. These protested monies are deposited in the General Revenue Fund. However, these protested monies are reported by the DOR in this account.

Sales Tax Bond Account: The DOR receives cash bonds posted by taxpayers as authorized by Section 144.087, RSMo. All bond collections are deposited in the General Revenue Fund and reported by the DOR in this account. Cash bonds and related interest are to be refunded to the taxpayer after 1 year if the taxpayer is determined to have satisfactory tax compliance and if the bond was posted before January 1, 1984. If the bond was posted on or after January 1, 1984, the Attorney General has determined that no interest should be refunded. In the event of uncollectible sales tax liabilities, the bonds and related interest, if any, are forfeited to the DOR which subsequently distributes the monies to the state and the appropriate political subdivisions.



Office of Missouri State Auditor
Nicole Galloway, CPA

Shannon County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Shannon County

Financial Condition and Sales Tax Rollback	The General Revenue Fund is in poor financial condition, and the county has not sufficiently reduced the property tax levy to offset 50 percent of sales tax monies received resulting in approximately \$333,000 of excess property taxes collected that were not sufficiently adjusted in subsequent years.
County Collector's Controls and Procedures	The County Collector has only filed 1 annual settlement, out of the 11 required by law, since taking office in March 2007. The County Collector does not prepare bank reconciliations and lists of liabilities or maintain a running checkbook balance. Collections received by the County Collector are not disbursed timely.
Property Tax System	The County Clerk does not prepare or verify the accuracy of the current and delinquent tax books.
Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not perform documented supervisory reviews of detailed accounting and bank records. The Sheriff's office has not remitted net proceeds to the County Treasurer from the inmate commissary account for deposit into the Inmate Prisoner Detainee Security Fund, and the County Commission has not established that fund. Receipt slips were not issued for some receipts, and deposits are not always made timely or intact. The Sheriff maintains a concealed carry weapon bank account outside the county treasury. Commissary inventory records are not accurate.
Public Administrator's Annual Settlements	The Public Administrator did not include \$17,747 in paychecks received by 5 wards on their annual settlements filed during the year ending December 31, 2017.
County Boards	The Senate Bill 40 Board Treasurer does not prepare bank reconciliations. The County Commission did not hold a public hearing and approve the Senate Bill 40 or the Senior Services property tax rates. The County Commission does not appoint individuals to fill vacancies on the Senate Bill 40 Board as required by state law.
Personnel Policies, Leave Records, and Conflict of Interest	County officials do not always follow personnel policies or update the policies when related procedures change. The County Clerk does not maintain leave records for county employees and does not ensure leave is accrued in accordance with county policy. The Northern District Associate Commissioner supervises his brother, a Northern District road and bridge employee, which presents a conflict of interest.
Capital Assets	Procedures and records to account for county property are not adequate.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was Fair .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Shannon County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Shannon County

We have audited certain operations of Shannon County in fulfillment of our duties under Section 29.230, RSMo. In addition, Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, has been engaged to audit the financial statements of Shannon County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

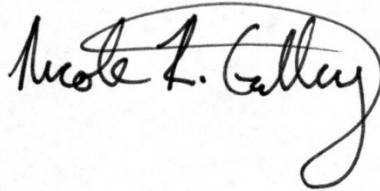
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Shannon County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	David Olson
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	Dacia Rush, M.Acct., CFE
	Tori L. Brandt, MBA

Shannon County Management Advisory Report State Auditor's Findings

1. Financial Condition and Sales Tax Rollback

The General Revenue Fund is in poor financial condition, and property tax reductions were not sufficient to offset 50 percent of sales tax monies received.

1.1 Financial condition

The financial condition of the General Revenue Fund continues to be weak. Disbursements exceeded receipts in 3 of the last 4 years and, according to the 2018 budget, are projected to exceed receipts for 2018. The General Revenue Fund has significant liabilities not reflected in the cash balances shown in the county budget. As discussed in our prior audit, the General Revenue Fund owed \$139,898 to the Special Road and Bridge Fund for excess administrative transfers and incorrect payment of payroll taxes from the Special Road and Bridge Fund for non-road and bridge department employees. The General Revenue Fund still owed \$20,298 to the Special Road and Bridge Fund at December 31, 2017. The County Commission did not budget to pay any of the amount owed to the Special Road and Bridge Fund in 2018.

The following table shows the ending cash balances for the General Revenue Fund over the last 4 years and the projected ending cash balance for 2018 (as reported in the county's budget documents), the adjustments to account for the amount owed to the Special Road and Bridge Fund, and the adjusted ending cash balances.

General Revenue Fund Year Ended December 31,					
	2018 Budgeted	2017 Actual	2016 Actual	2015 Actual	2014 Actual
Ending Cash Balance	\$ 889	121,562	46,420	174,438	238,406
Amount Owed to Special Road and Bridge Fund	(20,298)	(20,298)	(57,598)	(88,748)	(139,898)
Adjusted Ending Cash Balance	\$ (19,409)	101,264	(11,178)	85,690	98,508

These cash balances do not take into account an additional liability of approximately \$333,000 caused by an insufficient reduction of the property tax levy (see section 1.2).

The County Commission and County Clerk indicated they are aware of the General Revenue Fund financial concerns. In 2017, voters rejected sales taxes for law enforcement and road maintenance.

It is essential the County Commission continue to address the condition of the General Revenue Fund both in the immediate and long-term future. To ensure the financial condition of the General Revenue Fund is improved, the County Commission should reduce spending as much as possible, evaluate controls



Shannon County
Management Advisory Report - State Auditor's Findings

and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.

1.2 Reduction of property tax
levy

The county has not sufficiently reduced the property tax levy to offset 50 percent of sales tax monies received resulting in excess property taxes collected that were not sufficiently adjusted in subsequent years. At December 31, 2013, the total insufficient property tax reduction was approximately \$260,000. The amount has since increased by more than \$73,000, and at December 31, 2017, the insufficient reduction was approximately \$333,000. In 2017, the County Commission elected to assess a property tax rate higher than allowed per the County Clerk's sales tax rollback calculation because the County Commission had concerns that severe flooding in early 2017 would negatively impact tourism and sales tax revenues for the county in the summer of 2017.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Shannon County voters enacted a one-half of 1 percent general sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet the 50 percent reduction requirement and in the following year calculate any excess property taxes collected based upon actual sales taxes collected. Any excess should be included as an adjustment in the next year's property tax levy calculation to ensure property taxes are reduced in the subsequent year by the amount of the excess collection.

Similar conditions
previously reported

A similar condition to section 1.1 was noted in our 3 prior audit reports. A similar condition to section 1.2 was noted in our prior audit report.

Recommendations

The County Commission:

- 1.1 Closely monitor the financial condition of the General Revenue Fund and take the necessary steps to improve the financial condition of the fund. The County Commission should also perform long-term planning and ensure receipts are maximized and disbursements are closely monitored.
- 1.2 Work with the County Clerk to reduce property tax levies for 50 percent of sales tax revenue and develop a plan to correct for the accumulation of prior years' insufficient property tax levy reductions.

Auditee's Response

- 1.1 *The County Commission will attempt passing sales tax issues in the future to address the need for additional revenues. The County Commission will budget to pay the remaining \$20,298 to the Special Road and Bridge Fund from the General Revenue Fund. Budgets will be monitored in an attempt to reduce spending as much as possible.*



Shannon County
Management Advisory Report - State Auditor's Findings

1.2 *The County Commission will attempt to reduce the property taxes if possible.*

2. County Collector's Controls and Procedures

2.1 Annual settlements

Controls and procedures in the County Collector's office need improvement. The County Collector's office collected approximately \$3.2 million in property taxes and other receipts during the year ended February 28, 2018.

The County Collector is consistently not performing one of her main responsibilities, which also violates state law. The County Collector has only filed 1 annual settlement, out of the 11 required by law, since taking office in March 2007. That annual settlement, for the year ended February 28, 2014, was prepared with guidance from the State Auditor's Office. The County Collector indicated she cannot get her monthly settlements to properly compile into an annual settlement.

Because the County Collector does not file annual settlements, the County Clerk is unable to ensure taxes charged and credited to the County Collector each year are accounted for properly, and the County Clerk and County Commission are unable to verify the County Collector's accounts.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file annual settlements. Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector and the County Clerk to certify the amounts to the state. Such procedures are intended to establish checks and balances related to the collection of property taxes.

2.2 Bank reconciliations and liabilities

The County Collector does not prepare bank reconciliations and lists of liabilities or maintain a running checkbook balance.

At our request in January 2018, the County Collector began reconciling her bank account to monthly collections, starting with the November 2017 collections. In March 2018, the County Collector prepared a list of liabilities as of February 28, 2018. At February 28, 2018, the reconciled bank balance was \$157,833 and known liabilities were \$147,402, resulting in an unidentified balance of \$10,431. The County Collector did not attempt to investigate differences between liabilities and the reconciled bank balance.

Without preparing monthly bank reconciliations and lists of liabilities, and maintaining cumulative book balances there is less assurance receipts and disbursements have been properly handled and recorded. In addition, accounting and bank errors may not be detected and corrected timely. Further,



Shannon County Management Advisory Report - State Auditor's Findings

without regular identification and comparison of liabilities to the reconciled bank balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Various statutory provisions provide for the disposition of unidentified monies.

2.3 Distributions

Collections received by the County Collector are not disbursed timely. For example, monthly collections from December 2017, January 2018, and February 2018 were each distributed approximately 1.5 months after the end of the month. Collections for these months totaled approximately \$2.3 million or approximately 72 percent of total collections for the year ended February 28, 2018.

Section 139.210, RSMo, requires all collections to be distributed to the political subdivisions by the fifteenth day of the following month. In addition, timely and proper distribution of property tax collections to the political subdivisions is important because the political subdivisions rely on property tax revenues to fund operations. Further, pursuant to Section 50.380, RSMo, the County Collector may be subject to penalties for failure to timely disburse monies.

Similar conditions previously reported

A similar condition to section 2.1 was noted in our 2 prior audit reports and a similar condition to section 2.2 was noted in our 4 prior audit reports.

Recommendations

The County Collector:

- 2.1 Prepare and file annual settlements in accordance with state law. In addition, the County Commission should ensure the annual settlements are filed and are carefully and fully examined to ensure the tax book charges and credits are accurately reported.
- 2.2 Ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled, and maintain cumulative book balances for the bank account. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, if any monies remain unidentified, the monies should be disbursed in accordance with state law.
- 2.3 Ensure monies are disbursed timely in accordance with state law.

Auditee's Response

The County Collector provided the following responses:

- 2.1 *The annual settlement for the year ended February 28, 2018, has been prepared and will be filed.*
- 2.2 *This recommendation has been implemented.*



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2.3 *Monies are now being disbursed monthly.*

The County Commission provided the following response:

2.1 *The County Commission will work with the County Collector to ensure annual settlements are filed. The County Commission will review the annual settlements to ensure the settlements report accurate information.*

3. Property Tax System

As indicated in our prior audit report, the County Clerk does not prepare or verify the accuracy of the current and delinquent tax books. The County Collector uses the property tax system to prepare the current tax books based on assessed valuations provided by the County Assessor and tax levies provided by the County Clerk. The County Clerk does not adequately review the tax books, which should include verification of individual entries in the tax books and recalculating tax book totals and charges. Failure to prepare and/or review the tax books and test individual tax statement computations may result in errors or irregularities going undetected.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector should be documented.

Recommendation

The County Clerk prepare the current and delinquent tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be documented.

Auditee's Response

The County Clerk will verify the accuracy of the tax books by having the County Collector print copies from the compact disc (CD) provided by the property tax system vendor.

4. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office collects monies for civil paper service, bonds, boarding and transporting prisoners, concealed carry weapon (CCW) permits, inmate monies, and other miscellaneous receipts. The Sheriff collected approximately \$56,000 for the year ended December 31, 2017.

4.1 Segregation of duties and supervisory review

The Sheriff has not adequately segregated accounting duties and does not perform documented supervisory reviews of detailed accounting and bank records. The Sheriff's Office Administrator is responsible for receipting, recording, depositing monies, preparing disbursements, and reconciling the



Shannon County Management Advisory Report - State Auditor's Findings

bank accounts. The Sheriff indicated he reviews the monthly turnover report given to the County Treasurer; however, his reviews are not documented.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, disbursing, and reconciling monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential.

4.2 Inmate commissary account

The Sheriff's office has not remitted net proceeds to the County Treasurer from the inmate commissary account for deposit into the Inmate Prisoner Detainee Security Fund, and the County Commission has not established that fund. The inmate commissary account consists of inmate monies and the net proceeds from commissary sales. The inmate commissary account balance was \$11,662 at December 31, 2017.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

4.3 Receipting and depositing

Controls and procedures over receipting and depositing need improvement.

- Receipt slips were not issued for \$2,911 of the \$7,476 deposited during our review of receipts and deposits in February and June 2017.
- Deposits are not always made timely or intact. For example, \$562 receipted from June 4, 2017, through July 2, 2017, was not deposited until a \$1,116 deposit was made on July 5, 2017. In addition, \$30 receipted on January 9, 2017, and \$53 receipted on January 25, 2017, was not deposited until February 6, 2017, even though a deposit of \$1,069 was made on January 30, 2017.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected.

A similar condition was noted in our prior report.

4.4 CCW bank account

The Sheriff maintains a CCW bank account outside the county treasury.

There is no statutory authority allowing the Sheriff to maintain this account outside the county treasury. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the County Treasurer. In addition, Attorney General's



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Opinion 45-1992 (April 23, 1992) states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.

4.5 Commissary inventory

Commissary inventory records are not accurate. The deputy in charge of commissary items does not maintain accurate records of inventory purchased and sold, and inventory remaining on hand. We performed a test of 12 commissary items on March 5, 2018, and noted the quantity on hand did not agree to the inventory records for 5 of the items tested (42 percent).

Loss, theft, or misuse of the commissary inventory may go undetected without adequate inventory records and procedures. Detailed inventory records are necessary to adequately account for commissary inventory.

Recommendations

The Sheriff:

- 4.1 Segregate accounting duties or ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.
- 4.2 Work with the County Commission to establish an Inmate Prisoner Detainee Security Fund, and disburse net proceeds not necessary to meet cash flow needs or current operating expenses to the County Treasurer for deposit into that fund.
- 4.3 Issue receipt slips for all monies received and deposit monies timely and intact.
- 4.4 Transfer the balance of the CCW bank account to the County Treasurer and close the account.
- 4.5 Maintain accurate commissary transaction records and reconcile these records to inventory purchased and sold.

Auditee's Response

The Sheriff provided the following responses:

- 4.1 *The Sheriff has started documenting the review of the accounting and bank records.*
- 4.2 *The Sheriff will work with the County Commission to establish the Inmate Prisoner Detainee Security Fund and will disburse the net proceeds from the commissary into that fund.*
- 4.3 *This recommendation has been implemented.*



Shannon County
Management Advisory Report - State Auditor's Findings

4.4&

4.5 *The Sheriff will implement these recommendations.*

The County Commission provided the following response:

4.2 *The County Commission will establish the Inmate Prisoner Detainee Security Fund as required.*

5. Public Administrator's Annual Settlements

The Public Administrator did not include \$17,747 in paychecks received by 5 wards on their annual settlements filed during the year ending December 31, 2017. The wards' employers give the paychecks to the wards' residential facilities instead of to the Public Administrator. The Probate Clerk indicated there is no court order approving this omission from the settlement. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division, and was responsible for the financial activity of 14 wards and estates during the year ended December 31, 2017.

To ensure the financial activity of the wards is accurately and completely reported to the court and to reduce the risk of loss, theft, or misuse of funds, Section 475.270, RSMo, requires the total amount of money or property on hand be reflected on the annual settlements.

Recommendation

The Public Administrator prepare annual settlements that include all financial activity, including paychecks.

Auditee's Response

This audit was based on the previous Public Administrator's annual reports. The current appointed Public Administrator has not filed annual settlements, pertaining to these 5 wards.

It has been common practice of the county to not list wages earned on the annual statements. These funds are paid directly to and used by the wards for personal spending money. These funds are reported to the Social Security Administration and the wards' benefit checks are adjusted according to income earned. The funds are also tracked by W-2s sent to the Public Administrator and are used in filing their annual tax returns by the Public Administrator.

The current Public Administrator is in the process of filing motions with the court to deem how the court wants these funds handled and reported.

6. County Boards

The Senate Bill 40 (SB40) Board does not prepare bank reconciliations, the County Commission did not hold a public hearing and approve the SB40 and Senior Services property tax rates, and the County Commission does not appoint SB40 Board members.



Shannon County
Management Advisory Report - State Auditor's Findings

6.1 SB40 Board bank reconciliations

The SB40 Board Treasurer does not prepare bank reconciliations. At December 31, 2017, the bank account balance was \$184,182 and the book balance was \$182,917, resulting in a difference of \$1,265. This difference was caused by 3 items that had not been recorded in the check register. One item was a \$600 check voided in October 2017, the second item was a \$487 deposit that cleared on December 19, 2017, and the third item was \$178 in monthly interest earned on the bank account during 2017. The Board Treasurer was unaware of these issues until we brought them to her attention in March 2018.

Performing adequate monthly bank reconciliations helps ensure records are accurate and increases the likelihood errors will be identified. Regular reconciliation of the ending bank balance to the ending book balance is necessary to ensure records are in balance.

6.2 Tax rates

The County Commission did not hold a public hearing and approve the SB40 or the Senior Services property tax rates. The property tax rates were approved by the SB40 Board and Senior Citizens' Service Board, respectively; however, these boards do not have the legal authority to set the property tax rates.

Section 137.055, RSMo, states the county governing body shall hold a public hearing prior to approving the tax rates of the county. In addition, the Missouri Supreme Court issued an opinion in the case of *State ex rel. Indus. Services Contractors, Inc. v. County Comm'n of Johnson County*, 918 S.W.2d 252 (Mo. Banc 1996), that there is no statutory authority allowing Senate Bill 40 Boards to set the property tax levy.

6.3 Appointment of SB40 Board members

The County Commission does not appoint individuals to fill vacancies on the SB40 Board as required by state law. Appointments are made by the SB40 Board. The County Commission indicated it was unaware the SB40 Board was appointing its own members.

Section 205.970, RSMo, states that the SB40 Board Chairman shall report vacancies to the County Commission and the vacancies shall be filled by appointments made by the governing body of the county.

Recommendations

- 6.1 The Senate Bill 40 Board ensure the Board Treasurer performs bank reconciliations monthly. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 6.2 The County Commission approve the Senate Bill 40 and Senior Services property tax rates in accordance with state law.
- 6.3 The County Commission appoint the Senate Bill 40 Board members in accordance with state law.



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Auditee's Response

The Senate Bill 40 Board provided the following response:

- 6.1 *The Senate Bill 40 Board Treasurer will perform and record monthly bank reconciliations, and retain records indicating that the reconciliations were completed.*

The County Commission provided the following responses:

- 6.2 *The County Commission will include the SB40 Board and Senior Services property tax rates during the county public hearing.*
- 6.3 *The County Commission will appoint SB40 Board members as recommended.*

7. Personnel Policies, Leave Records, and Conflict of Interest

Personnel policies and leave records need improvement, and there is a conflict of interest between the Northern District Associate Commissioner and a road and bridge department employee.

7.1 Personnel policies

County officials do not always follow personnel policies or update the policies when related procedures change. The personnel policies also do not address several key issues.

- County employees are given all their annual leave for the year on January 1, instead of at a monthly rate as allowed by the related personnel policy. We could not find approval of this policy change in the County Commission minutes; however, the County Clerk indicated this change was approved by the County Commission.
- The personnel policies do not address key issues such as work schedules, overtime, and conflicts of interest and related parties (see section 7.3).

Compliance with county policy is necessary to limit any potential liability for annual leave not properly earned and ensures county employees are credited with the leave they have earned. Personnel policies should be updated to provide guidance to county employees, provide a basis for proper compensation, and avoid misunderstandings.

7.2 Leave records

The County Clerk does not maintain leave records for county employees and does not ensure leave is accrued in accordance with county policy. The County Clerk's office also does not review the leave balances of the Sheriff's office and Southern District road and bridge employees for accuracy and compliance with county policy even though those offices provide leave information to the County Clerk.



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Without centralized leave records, the County Commission cannot ensure employees' vacation, sick, and compensatory leave balances are accurate and in compliance with county policy. Centralized records also limit potential disputes over amounts owed when an employee stops working for the county, and help demonstrate compliance with the Fair Labor Standards Act.

7.3 Conflict of interest

The Northern District Associate Commissioner supervises his brother, a Northern District road and bridge employee, which presents a conflict of interest. The Associate Commissioner reviews and approves his brother's timesheet.

To avoid the appearance of a conflict of interest, the County Commission should consider having someone independent review the timesheet of the Northern District Associate Commissioner's brother.

Recommendations

- 7.1 The County Commission and the County Clerk ensure compliance with county personnel policies and revise the personnel policies to be more comprehensive and to reflect changes in current procedures.
- 7.2 The County Clerk maintain leave records for all county employees.
- 7.3 The County Commission avoid the appearance of a conflict of interest by not allowing the Northern District Associate Commissioner to approve his brother's timesheet.

Auditee's Response

The County Commission provided the following responses:

- 7.1 *The County Commission and County Clerk will update the personnel policies.*
- 7.3 *All road employees have knowledge of the hours worked by the Northern Road District Associate Commissioner's brother. No other supervisor would have knowledge of the timesheets for the road and bridge department.*

The County Clerk provided the following responses:

- 7.1 *The County Commission and County Clerk will update the personnel policies.*
- 7.2 *County leave hours will be maintained through the payroll system.*

8. Capital Assets

Procedures and records to account for county property are not adequate. The County Clerk did not request annual physical inventory lists from county officials and those officials have not conducted annual physical inventories or provided inventory lists to the County Clerk as required. In addition, the



Shannon County
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county does not have adequate procedures in place to identify capital asset purchases and dispositions throughout the year, or ensure assets are tagged, identifying them as county property. As a result, the county's capital asset records are not complete and up to date.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. In addition, property control tags should be affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the county. Section 49.093, RSMo, provides that the officer or designee of each county department is responsible for performing annual inspections and inventories of county property used by his/her department and for submitting an inventory report to the County Clerk.

A similar condition was noted in our 4 prior audit reports. Although the County Commission indicated in the prior audit reports it would implement the recommendations, no action has been taken.

Recommendation

The County Commission and the County Clerk work with other county officials to perform annual inventories as required by law, ensure complete and accurate inventory records are maintained, implement procedures for tracking capital asset purchases and dispositions throughout the year, and ensure assets are tagged as county property.

Auditee's Response

The County Commission and County Clerk will implement a program to tag and track capital assets.

Shannon County

Organization and Statistical Information

Shannon County is a county-organized, third-class county. The county seat is Eminence.

Shannon County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 25 full-time employees and 9 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board and the Senior Citizens' Service Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Jeff Cowen, Presiding Commissioner	\$	24,440
Dale Counts, Associate Commissioner		22,440
Herman Kelly, Associate Commissioner		22,440
Melany Williams, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Shelly McAfee, County Clerk		34,000
Jodie R. Brumble, Prosecuting Attorney		41,000
Darrin W. Brawley, Sheriff		39,000
Michelle Shedd, County Treasurer		34,000
Tim Denton, County Coroner		9,500
Teresa Acord, Public Administrator (2)		6,250
Matt Derryberry, Public Administrator (2)		9,375
Susie Needels, County Collector (3), year ended February 28,	34,829	
Jimile J. Voyles, County Assessor, year ended August 31,		32,299

- (1) Compensation is paid by the state.
- (2) Matt Derryberry resigned as Public Administrator in July 2017. Teresa Acord was appointed as Public Administrator in August 2017.
- (3) Includes \$829 of commissions earned for collecting city property taxes.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Gasconade County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Gasconade County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2017, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2018
Report No. 2018-053

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017 AND 2016

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Gasconade, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Gasconade ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2017, and 2016, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2017, and 2016, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2018, on our consideration of the County of Gasconade’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Gasconade’s internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 14, 2018

FINANCIAL STATEMENTS

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH BALANCES JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH BALANCES DECEMBER 31, 2017
General Revenue Fund	\$ 238,934.70	\$ 2,355,592.06	\$ 2,305,223.87	\$ 289,302.89
Special Road and Bridge Fund	746,052.37	2,221,828.25	2,115,901.47	851,979.15
Assessment Fund	594,099.89	259,018.80	245,212.96	607,905.73
Union Electric SOP Fund	183,435.96	51,625.72	166,869.50	68,192.18
Law Enforcement Training Fund	1,651.73	1,880.44	2,316.00	1,216.17
Prosecuting Attorney Training Fund	682.48	423.48	270.00	835.96
Administration Handling Costs Fund	18,284.77	34,076.75	23,468.83	28,892.69
Election Services Fund	6,255.17	5,412.78	6,093.59	5,574.36
Election Technology Fund	2.81	-	-	2.81
Recorder's Retention of Records Fund	29,232.61	25,852.65	15,324.81	39,760.45
Recorder's Technology Fund	6,620.44	4,597.48	5,750.00	5,467.92
Family Service and Justice Fund	22,161.37	3,298.75	5,200.00	20,260.12
Victims of Domestic Violence Fund	295.26	568.95	-	864.21
Sheriff's Law Enforcement Civil Fee Fund	1,639.87	46,758.65	42,932.51	5,466.01
Sheriff's Revolving CCW Fees Fund	22,488.76	1,144.59	1,217.00	22,416.35
Courthouse Restoration Fund	198,880.21	548,541.17	698,782.50	48,638.88
Collector's Tax Maintenance Fund	84,456.97	22,489.00	16,162.39	90,783.58
TOTAL	<u>\$ 2,155,175.37</u>	<u>\$ 5,583,109.52</u>	<u>\$ 5,650,725.43</u>	<u>\$ 2,087,559.46</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

FUND	CASH BALANCES JANUARY 1, 2016	RECEIPTS 2016	DISBURSEMENTS 2016	CASH BALANCES DECEMBER 31, 2016
General Revenue Fund	\$ 284,393.35	\$ 2,166,247.21	\$ 2,211,705.86	\$ 238,934.70
Special Road and Bridge Fund	607,018.53	2,135,375.45	1,996,341.61	746,052.37
Assessment Fund	555,945.24	255,953.36	217,798.71	594,099.89
Union Electric SOP Fund	241,082.33	56,473.77	114,120.14	183,435.96
Law Enforcement Training Fund	1,354.08	2,133.79	1,836.14	1,651.73
Prosecuting Attorney Training Fund	373.73	308.75	-	682.48
Administration Handling Costs Fund	20,233.84	6,090.24	8,039.31	18,284.77
Election Services Fund	3,950.48	17,197.92	14,893.23	6,255.17
Election Technology Fund	370.19	0.62	368.00	2.81
Recorder's Retention of Records Fund	25,591.53	20,324.63	16,683.55	29,232.61
Recorder's Technology Fund	7,910.98	3,959.46	5,250.00	6,620.44
Family Service and Justice Fund	22,525.25	3,006.12	3,370.00	22,161.37
Victims of Domestic Violence Fund	361.61	433.65	500.00	295.26
Sheriff's Law Enforcement Civil Fee Fund	9,818.93	22,722.10	30,901.16	1,639.87
Sheriff's Revolving CCW Fees Fund	15,731.66	22,720.22	15,963.12	22,488.76
Courthouse Restoration Fund	-	198,880.21	-	198,880.21
Collector's Tax Maintenance Fund	85,577.70	24,863.00	25,983.73	84,456.97
TOTAL	<u>\$ 1,882,239.43</u>	<u>\$ 4,936,690.50</u>	<u>\$ 4,663,754.56</u>	<u>\$ 2,155,175.37</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	GENERAL REVENUE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 362,800.00	\$ 373,605.93	\$ 338,700.00	\$ 353,596.53
Sales Taxes	1,200,000.00	1,206,969.46	1,187,500.00	1,165,817.92
Intergovernmental	70,462.00	120,524.39	124,107.00	84,735.47
Charges for Services	460,685.00	516,484.88	446,630.00	434,322.35
Interest	9,100.00	12,720.43	8,100.00	8,873.47
Other	8,000.00	19,018.47	18,000.00	19,897.76
Transfers In	111,000.00	106,268.50	106,000.00	99,003.71
TOTAL RECEIPTS	2,222,047.00	2,355,592.06	2,229,037.00	2,166,247.21
DISBURSEMENTS				
County Commission	125,923.00	125,096.45	127,009.00	120,792.17
County Clerk	87,452.00	77,812.05	82,812.00	75,875.78
Elections	91,403.00	86,394.46	185,782.00	174,529.45
Buildings and Grounds	78,867.00	141,995.31	135,859.00	139,766.74
County Treasurer	52,978.00	51,345.41	52,506.00	51,029.92
Collector	159,330.00	145,349.73	159,533.00	140,514.74
Circuit Clerk/Recorder	130,208.00	98,241.78	129,139.00	92,687.69
Associate Circuit Court	10,800.00	3,462.80	11,300.00	5,133.72
Family Court/Juvenile Office	33,750.00	28,204.68	43,800.00	28,501.67
Public Administrator	55,484.00	48,872.96	54,386.00	46,286.43
Sheriff	756,591.00	755,543.19	666,259.00	645,090.07
Jail	245,265.00	269,424.31	218,629.00	223,809.66
Prosecuting Attorney	185,682.00	181,518.91	181,464.00	180,595.18
County Coroner	38,926.00	38,818.89	30,126.00	28,690.90
Surveyor	11,500.00	5,323.79	21,853.00	20,313.13
Swiss Shed	12,000.00	11,804.29	7,500.00	10,446.41
Other	296,294.00	236,014.86	292,467.00	227,642.20
Transfers Out	-	-	-	-
Emergency Fund	66,661.00	-	66,871.00	-
TOTAL DISBURSEMENTS	2,439,114.00	2,305,223.87	2,467,295.00	2,211,705.86
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(217,067.00)	50,368.19	(238,258.00)	(45,458.65)
CASH BALANCES, JANUARY 1	238,934.70	238,934.70	284,393.35	284,393.35
CASH BALANCES, DECEMBER 31	\$ 21,867.70	\$ 289,302.89	\$ 46,135.35	\$ 238,934.70

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SPECIAL ROAD AND BRIDGE FUND			
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 610,000.00	\$ 611,179.80	\$ 522,432.00	\$ 599,705.44
Sales Taxes	836,000.00	843,659.20	836,500.00	814,186.99
Intergovernmental	481,300.00	481,044.93	481,300.00	476,467.24
Charges for Services	-	-	-	-
Interest	5,100.00	5,294.00	4,300.00	4,822.12
Other	194,700.00	280,650.32	173,500.00	240,193.66
Transfers In	-	-	-	-
TOTAL RECEIPTS	2,127,100.00	2,221,828.25	2,018,032.00	2,135,375.45
DISBURSEMENTS				
Salaries and Employee Fringe Benefits	649,208.00	610,050.45	604,219.00	584,930.04
Office	17,050.00	9,503.68	26,970.00	19,549.70
Construction & Repairs	1,841,800.00	1,395,634.31	1,719,300.00	1,296,797.98
Other	-	-	-	-
Transfers Out	105,000.00	100,713.03	100,000.00	95,063.89
TOTAL DISBURSEMENTS	2,613,058.00	2,115,901.47	2,450,489.00	1,996,341.61
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(485,958.00)	105,926.78	(432,457.00)	139,033.84
CASH BALANCES, JANUARY 1	746,052.37	746,052.37	607,018.53	607,018.53
CASH BALANCES, DECEMBER 31	\$ 260,094.37	\$ 851,979.15	\$ 174,561.53	\$ 746,052.37

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ASSESSMENT FUND				UNION ELECTRIC SOP FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 47,175.00	\$ 44,028.00	\$ 45,898.00	\$ 47,174.79	\$ -	\$ -	\$ -	\$ -
Charges for Services	193,300.00	211,675.27	183,480.00	205,612.27	50,000.00	50,449.00	58,600.00	54,769.18
Interest	3,200.00	3,315.53	3,000.00	3,166.30	1,200.00	679.22	1,200.00	1,255.59
Other	-	-	-	-	2,000.00	497.50	-	449.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	243,675.00	259,018.80	232,378.00	255,953.36	53,200.00	51,625.72	59,800.00	56,473.77
DISBURSEMENTS								
Salaries and Employee Fringe Benefits	231,331.00	194,434.50	226,388.00	184,011.47	13,250.00	20,337.73	12,856.00	7,417.58
Office	73,801.00	50,778.46	61,875.00	33,787.24	195,600.00	140,976.30	160,074.00	102,762.74
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	6,000.00	5,555.47	6,000.00	3,939.82
TOTAL DISBURSEMENTS	305,132.00	245,212.96	288,263.00	217,798.71	214,850.00	166,869.50	178,930.00	114,120.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	(61,457.00)	13,805.84	(55,885.00)	38,154.65	(161,650.00)	(115,243.78)	(119,130.00)	(57,646.37)
CASH BALANCES, JANUARY 1	594,099.89	594,099.89	555,945.24	555,945.24	183,435.96	183,435.96	241,082.33	241,082.33
CASH BALANCES, DECEMBER 31	<u>\$ 532,642.89</u>	<u>\$ 607,905.73</u>	<u>\$ 500,060.24</u>	<u>\$ 594,099.89</u>	<u>\$ 21,785.96</u>	<u>\$ 68,192.18</u>	<u>\$ 121,952.33</u>	<u>\$ 183,435.96</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,230.00	1,280.00	1,700.00	1,220.00	268.00	321.75	330.00	305.09
Interest	10.00	9.44	10.00	77.65	3.00	5.48	4.00	3.66
Other	900.00	591.00	1,500.00	836.14	-	96.25	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,140.00	1,880.44	3,210.00	2,133.79	271.00	423.48	334.00	308.75
DISBURSEMENTS								
Training	3,600.00	2,316.00	4,500.00	1,836.14	271.00	270.00	300.00	-
Services and Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	3,600.00	2,316.00	4,500.00	1,836.14	271.00	270.00	300.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(1,460.00)	(435.56)	(1,290.00)	297.65	-	153.48	34.00	308.75
CASH BALANCES, JANUARY 1	1,651.73	1,651.73	1,354.08	1,354.08	682.48	682.48	373.73	373.73
CASH BALANCES, DECEMBER 31	\$ 191.73	\$ 1,216.17	\$ 64.08	\$ 1,651.73	\$ 682.48	\$ 835.96	\$ 407.73	\$ 682.48

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ADMINISTRATION HANDLING COSTS FUND				ELECTION SERVICES FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 45,780.00	\$ 30,398.26	\$ -	\$ -	\$ 7,098.00	\$ 5,368.65	\$ 18,346.00	\$ 17,178.10
Charges for Services	3,515.00	3,587.00	6,916.00	5,978.00	-	-	-	-
Interest	100.00	91.49	84.00	112.24	20.00	44.13	40.00	19.82
Other	-	-	-	-	250.00	-	500.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	49,395.00	34,076.75	7,000.00	6,090.24	7,368.00	5,412.78	18,886.00	17,197.92
DISBURSEMENTS								
Salaries and Employee Fringe Benefits	44,886.00	21,161.80	-	-	-	-	-	-
Training	2,000.00	740.00	2,000.00	810.11	-	-	-	-
Supplies	496.00	360.69	-	-	6,200.00	1,915.59	10,600.00	3,561.75
Equipment	9,675.00	1,206.34	6,039.31	7,229.20	2,553.00	-	12,000.00	11,331.48
Software	-	-	-	-	4,500.00	4,178.00	200.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	57,057.00	23,468.83	8,039.31	8,039.31	13,253.00	6,093.59	22,800.00	14,893.23
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(7,662.00)	10,607.92	(1,039.31)	(1,949.07)	(5,885.00)	(680.81)	(3,914.00)	2,304.69
CASH BALANCES, JANUARY 1	18,284.77	18,284.77	20,233.84	20,233.84	6,255.17	6,255.17	3,950.48	3,950.48
CASH BALANCES, DECEMBER 31	<u>\$ 10,622.77</u>	<u>\$ 28,892.69</u>	<u>\$ 19,194.53</u>	<u>\$ 18,284.77</u>	<u>\$ 370.17</u>	<u>\$ 5,574.36</u>	<u>\$ 36.48</u>	<u>\$ 6,255.17</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	ELECTION TECHNOLOGY FUND				RECORDER'S RETENTION OF RECORDS FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	15,000.00	25,675.29	15,000.00	20,174.59
Interest	-	-	-	0.62	135.00	177.36	115.00	150.04
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	0.62	15,135.00	25,852.65	15,115.00	20,324.63
DISBURSEMENTS								
Office	-	-	368.00	368.00	-	-	-	-
Equipment	-	-	-	-	7,000.00	1,323.00	10,000.00	950.00
Software	-	-	-	-	14,750.00	14,001.81	14,750.00	15,733.55
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	368.00	368.00	21,750.00	15,324.81	24,750.00	16,683.55
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	(368.00)	(367.38)	(6,615.00)	10,527.84	(9,635.00)	3,641.08
CASH BALANCES, JANUARY 1	2.81	2.81	370.19	370.19	29,232.61	29,232.61	25,591.53	25,591.53
CASH BALANCES, DECEMBER 31	<u>\$ 2.81</u>	<u>\$ 2.81</u>	<u>\$ 2.19</u>	<u>\$ 2.81</u>	<u>\$ 22,617.61</u>	<u>\$ 39,760.45</u>	<u>\$ 15,956.53</u>	<u>\$ 29,232.61</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	RECORDER'S TECHNOLOGY FUND				FAMILY SERVICE AND JUSTICE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,500.00	4,563.75	4,000.00	3,923.50	2,770.00	3,192.00	4,600.00	2,889.00
Interest	35.00	33.73	40.00	35.96	110.00	106.75	130.00	117.12
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,535.00	4,597.48	4,040.00	3,959.46	2,880.00	3,298.75	4,730.00	3,006.12
DISBURSEMENTS								
Office	-	-	-	-	3,000.00	-	3,500.00	-
Training	1,000.00	500.00	-	-	-	-	-	-
Software	5,250.00	5,250.00	5,250.00	5,250.00	-	-	-	-
Attorney Fees	-	-	-	-	20,000.00	5,200.00	23,700.00	3,370.00
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,250.00	5,750.00	5,250.00	5,250.00	23,000.00	5,200.00	27,200.00	3,370.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(2,715.00)	(1,152.52)	(1,210.00)	(1,290.54)	(20,120.00)	(1,901.25)	(22,470.00)	(363.88)
CASH BALANCES, JANUARY 1	6,620.44	6,620.44	7,910.98	7,910.98	22,161.37	22,161.37	22,525.25	22,525.25
CASH BALANCES, DECEMBER 31	\$ 3,905.44	\$ 5,467.92	\$ 6,700.98	\$ 6,620.44	\$ 2,041.37	\$ 20,260.12	\$ 55.25	\$ 22,161.37

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	VICTIMS OF DOMESTIC VIOLENCE FUND				SHERIFF'S LAW ENFORCEMENT CIVIL FEE FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	500.00	565.00	500.00	430.00	39,420.00	22,256.95	38,000.00	22,679.00
Interest	5.00	3.95	5.00	3.65	20.00	61.30	200.00	43.10
Other	-	-	-	-	20,000.00	24,440.40	2,000.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	505.00	568.95	505.00	433.65	59,440.00	46,758.65	40,200.00	22,722.10
DISBURSEMENTS								
Office	500.00	-	500.00	500.00	3,700.00	2,350.51	4,200.00	674.31
Vehicle Lease	-	-	-	-	-	-	28,848.00	25,021.65
Training	-	-	-	-	10,000.00	-	500.00	-
Equipment	-	-	-	-	45,000.00	40,582.00	16,450.00	5,205.20
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	500.00	-	500.00	500.00	58,700.00	42,932.51	49,998.00	30,901.16
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	5.00	568.95	5.00	(66.35)	740.00	3,826.14	(9,798.00)	(8,179.06)
CASH BALANCES, JANUARY 1	295.26	295.26	361.61	361.61	1,639.87	1,639.87	9,818.93	9,818.93
CASH BALANCES, DECEMBER 31	<u>\$ 300.26</u>	<u>\$ 864.21</u>	<u>\$ 366.61</u>	<u>\$ 295.26</u>	<u>\$ 2,379.87</u>	<u>\$ 5,466.01</u>	<u>\$ 20.93</u>	<u>\$ 1,639.87</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	SHERIFF'S REVOLVING CCW FEES FUND				COURTHOUSE RESTORATION FUND			
	2017		2016		2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	14,000.00	1,008.00	16,000.00	21,236.50	-	-	-	-
Interest	100.00	111.59	100.00	105.74	100.00	741.17	-	98.94
Other	100.00	25.00	-	1,377.98	500,000.00	547,800.00	150,000.00	198,781.27
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	14,200.00	1,144.59	16,100.00	22,720.22	500,100.00	548,541.17	150,000.00	198,880.21
DISBURSEMENTS								
Office	12,000.00	1,122.00	10,000.00	14,849.06	-	-	-	-
Training	4,000.00	-	3,000.00	-	-	-	-	-
Other	4,000.00	95.00	3,000.00	1,114.06	-	-	-	-
Courthouse Remodel	-	-	-	-	698,880.00	698,782.50	150,000.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	1,217.00	16,000.00	15,963.12	698,880.00	698,782.50	150,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,800.00)	(72.41)	100.00	6,757.10	(198,780.00)	(150,241.33)	-	198,880.21
CASH BALANCES, JANUARY 1	22,488.76	22,488.76	15,731.66	15,731.66	198,880.21	198,880.21	-	-
CASH BALANCES, DECEMBER 31	\$ 16,688.76	\$ 22,416.35	\$ 15,831.66	\$ 22,488.76	\$ 100.21	\$ 48,638.88	\$ -	\$ 198,880.21

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

COLLECTOR'S TAX MAINTENANCE FUND				
	2017		2016	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	23,900.00	21,900.00	25,700.00	24,396.00
Interest	440.00	589.00	425.00	467.00
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	24,340.00	22,489.00	26,125.00	24,863.00
DISBURSEMENTS				
Office	7,800.00	1,587.39	7,100.00	1,184.73
Software	37,000.00	14,225.00	31,000.00	21,096.00
Equipment	15,350.00	-	27,350.00	3,303.00
Furniture	15,000.00	-	15,000.00	-
Professional Services	3,000.00	300.00	3,000.00	300.00
Training	600.00	50.00	600.00	100.00
Courthouse Remodel	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	78,750.00	16,162.39	84,050.00	25,983.73
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(54,410.00)	6,326.61	(57,925.00)	(1,120.73)
CASH BALANCES, JANUARY 1	84,456.97	84,456.97	85,577.70	85,577.70
CASH BALANCES, DECEMBER 31	<u>\$ 30,046.97</u>	<u>\$ 90,783.58</u>	<u>\$ 27,652.70</u>	<u>\$ 84,456.97</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	Surplus Tax	Unclaimed Fees	School Fine	School Building	City Intangible	School Districts
ASSETS						
Cash and Cash Equivalents	\$ 53,946.54	\$ 300.13	\$ 17,817.40	\$ 600.00	\$ 4,566.12	\$ 16,349.52
Total Assets	<u>53,946.54</u>	<u>300.13</u>	<u>17,817.40</u>	<u>600.00</u>	<u>4,566.12</u>	<u>16,349.52</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>53,946.54</u>	<u>300.13</u>	<u>17,817.40</u>	<u>600.00</u>	<u>4,566.12</u>	<u>16,349.52</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 53,946.54</u>	<u>\$ 300.13</u>	<u>\$ 17,817.40</u>	<u>\$ 600.00</u>	<u>\$ 4,566.12</u>	<u>\$ 16,349.52</u>

	Ambulances	Fire District	Morrison Levee	Hermann Area Hospital	Gasconade County Health Dept	Senate Bill 40
ASSETS						
Cash and Cash Equivalents	\$ 372.82	\$ -	\$ -	\$ 1,162.17	\$ 396.17	\$ 396.17
Total Assets	<u>372.82</u>	<u>-</u>	<u>-</u>	<u>1,162.17</u>	<u>396.17</u>	<u>396.17</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>372.82</u>	<u>-</u>	<u>-</u>	<u>1,162.17</u>	<u>396.17</u>	<u>396.17</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 372.82</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,162.17</u>	<u>\$ 396.17</u>	<u>\$ 396.17</u>

	Gasconade County Mental	Library	CERF	Collector	Sheriff's	Prosecuting Attorney Restitution
ASSETS						
Cash and Cash Equivalents	\$ 327.88	\$ 826.08	\$ 3,051.46	\$ -	\$ -	\$ -
Total Assets	<u>327.88</u>	<u>826.08</u>	<u>3,051.46</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>327.88</u>	<u>826.08</u>	<u>3,051.46</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 327.88</u>	<u>\$ 826.08</u>	<u>\$ 3,051.46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Morrison Special #4	East Central College	Gasconade Manor Nursing Home	Sheriff Deputy Salary Supplement Fund	Total Agency Funds
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 367.50	\$ 1,320.00	\$ 101,799.96
Total Assets	<u>-</u>	<u>-</u>	<u>367.50</u>	<u>1,320.00</u>	<u>101,799.96</u>
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>367.50</u>	<u>1,320.00</u>	<u>101,799.96</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367.50</u>	<u>\$ 1,320.00</u>	<u>\$ 101,799.96</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2016

	Surplus Tax	Unclaimed Fees	School Fine	School Building	City Intangible	School Districts
ASSETS						
Cash and Cash Equivalents	\$ 6,907.17	\$ 309.91	\$ 18,051.13	\$ 800.00	\$ 5,428.64	\$ 18,816.97
Total Assets	<u>6,907.17</u>	<u>309.91</u>	<u>18,051.13</u>	<u>800.00</u>	<u>5,428.64</u>	<u>18,816.97</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>6,907.17</u>	<u>309.91</u>	<u>18,051.13</u>	<u>800.00</u>	<u>5,428.64</u>	<u>18,816.97</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,907.17</u>	<u>\$ 309.91</u>	<u>\$ 18,051.13</u>	<u>\$ 800.00</u>	<u>\$ 5,428.64</u>	<u>\$ 18,816.97</u>

	Ambulances	Fire District	Morrison Levee	Hermann Area Hospital	Gasconade County Health Dept	Senate Bill 40
ASSETS						
Cash and Cash Equivalents	\$ 507.32	\$ 2.53	\$ 1.54	\$ 1,424.29	\$ 475.54	\$ 475.54
Total Assets	<u>507.32</u>	<u>2.53</u>	<u>1.54</u>	<u>1,424.29</u>	<u>475.54</u>	<u>475.54</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>507.32</u>	<u>2.53</u>	<u>1.54</u>	<u>1,424.29</u>	<u>475.54</u>	<u>475.54</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 507.32</u>	<u>\$ 2.53</u>	<u>\$ 1.54</u>	<u>\$ 1,424.29</u>	<u>\$ 475.54</u>	<u>\$ 475.54</u>

	Gasconade County Mental	Library	CERF	Collector	Sheriff's	Prosecuting Attorney Restitution
ASSETS						
Cash and Cash Equivalents	\$ 393.57	\$ 991.58	\$ 112.86	\$ -	\$ (14.00)	\$ 1,182.00
Total Assets	<u>393.57</u>	<u>991.58</u>	<u>112.86</u>	<u>-</u>	<u>(14.00)</u>	<u>1,182.00</u>
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>393.57</u>	<u>991.58</u>	<u>112.86</u>	<u>-</u>	<u>(14.00)</u>	<u>1,182.00</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 393.57</u>	<u>\$ 991.58</u>	<u>\$ 112.86</u>	<u>\$ -</u>	<u>\$ (14.00)</u>	<u>\$ 1,182.00</u>

	Morrison Special #4	East Central College	Gasconade Manor Nursing Home	Sheriff Deputy Salary Supplement Fund	Total Agency Funds
ASSETS					
Cash and Cash Equivalents	\$ -	\$ -	\$ 437.47	\$ 965.00	\$ 57,269.06
Total Assets	<u>-</u>	<u>-</u>	<u>437.47</u>	<u>965.00</u>	<u>57,269.06</u>
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>437.47</u>	<u>965.00</u>	<u>57,269.06</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437.47</u>	<u>\$ 965.00</u>	<u>\$ 57,269.06</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Gasconade, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1820 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 10 elected Constitutional Officers: Assessor, County Clerk, Collector, Coroner, Treasurer, County Surveyor, Circuit Clerk/Recorder of Deeds, Sheriff, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Gasconade County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component unit, in accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Gasconade County Senate Bill 40 Board has issued separate reporting entity audited financial statements.

The County is also responsible for appointing a majority of the members of the board of the Community Mental Health Services Board but the County's accountability for this organization does not extend beyond making appointments.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar years 2017 and 2016, for purposes of taxation, was:

	<u>2017</u>	<u>2016</u>
Real Estate	\$ 157,977,730	\$ 155,400,590
Personal Property	51,379,989	50,415,064
Railroad and Utilities	<u>26,506,445</u>	<u>26,983,160</u>
	<u>\$ 235,864,164</u>	<u>\$ 232,798,814</u>

During 2017 and 2016, the County Commission approved a \$0.4219 and \$0.4278 tax levy, respectively, per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2017</u>	<u>2016</u>
General Revenue Fund	\$ 0.1556	\$ 0.1615
Special Road and Bridge Fund	<u>0.2663</u>	<u>0.2663</u>
	<u>\$ 0.4219</u>	<u>\$ 0.4278</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting. Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash is separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2017, and 2016, the carrying amount of the County's deposits and investments was \$2,087,559.46 and \$2,155,175.37, and the bank balance was \$10,605,598.46 and \$9,697,521.32, respectively. The total bank balance as of December 31, 2017, and December 31, 2016, was insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash Balances</u>	
Deposits and cash equivalents	\$ 2,087,559.46
Total Governmental Funds	<u>2,087,559.46</u>
<u>Statement of Assets and Liabilities Arising from Cash Transactions –</u>	
<u>Agency Funds:</u>	
Deposits	<u>101,799.96</u>
Total Agency Funds	<u>101,799.96</u>
Total Deposits as of December 31, 2017	<u>\$ 2,189,359.42</u>

The carrying values of deposits shown above are included in the financial statements at December 31, 2016, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash Balances</u>	
Deposits and cash equivalents	\$ 2,155,175.37
Total Governmental Funds	<u>2,155,175.37</u>
<u>Statement of Assets and Liabilities Arising from Cash Transactions –</u>	
<u>Agency Funds:</u>	
Deposits	<u>57,269.06</u>
Total Agency Funds	<u>57,269.06</u>
Total Deposits as of December 31, 2016	<u>\$ 2,212,444.43</u>

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2017, and 2016.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2017, and 2016.

III. LONG-TERM DEBT

Capital Leases

On May 17, 2016, the County entered into a lease purchase agreement with Ally Auto Commercial Services Group to finance the purchase of three Dodge Durangos. The total cost was \$86,934 with 12 consecutive quarterly payments of \$7,866.74 and an interest rate of 6.14%. The maturity date is February 17, 2019. These payments are made out of the General Revenue Fund.

On May 16, 2013, the County entered into a lease purchase agreement with Ford Motor Credit for one 2013 Ford Police Interceptor Utility and one 2013 Ford Escape. The total cost was \$50,893 with 12 consecutive quarterly payments of \$4,644.10 and an interest rate of 5.70%. The maturity date is May 16, 2016. These payments are made out of the Sheriff's Law Enforcement Civil Fee Fund.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT (continued)

Capital Leases (concluded)

On September 22, 2014, the County entered into a lease purchase agreement with Ally Bank for four 2014 Dodge Durango vehicles. The total cost was \$109,930 with 36 consecutive monthly payments of \$3,267.14 and an interest rate of 4.44%. Additional principal was added due to the County delaying the first interest payments of \$976. The maturity date is November 22, 2017. The initial payment was made out of the Sheriff's Law Enforcement Civil Fee Fund, and the future payments will be made out of the General Revenue Fund.

As of December 31, 2017, the payment for the capital leases of the County is as follows:

Capital Leases	Balance 12/31/16	Additions	Payments	Balance 12/31/17	Interest Paid
4 Dodge Durango Vehicles	\$ 36,023.08	\$ -	\$36,023.08	\$ -	\$ 821.30
3 Dodge Durango Vehicles	65,659.02		28,073.70	37,585.32	3,393.26
	<u>\$101,682.10</u>	<u>\$ -</u>	<u>\$64,096.78</u>	<u>\$37,585.32</u>	<u>\$ 4,214.56</u>

The future payment for the capital leases as of December 31, 2017, are as follows:

Year Ending December 31,	Interest	Principal	Total
2018	\$ 1,629.45	\$29,837.51	\$ 31,466.96
2019	118.93	7,747.81	7,866.74
	<u>\$ 1,748.38</u>	<u>\$37,585.32</u>	<u>\$ 39,333.70</u>

As of December 31, 2016, the payment for the capital leases of the County is as follows:

Capital Leases	Balance 12/31/15	Additions	Payments	Balance 12/31/16	Interest Paid
1-2013 Ford Police Interceptor & 1-2013 Escape	\$ 9,093.36	\$ -	\$ 9,093.36	\$ -	\$ 194.83
4 Dodge Durango Vehicles	72,740.30	-	36,717.22	36,023.08	1,485.24
3 Dodge Durango Vehicles	-	86,934.00	21,274.98	65,659.02	2,325.24
	<u>\$81,833.66</u>	<u>\$ 86,934.00</u>	<u>\$67,085.56</u>	<u>\$101,682.10</u>	<u>\$ 4,005.31</u>

The future payment for the capital leases as of December 31, 2016, are as follows:

Year Ending December 31,	Interest	Principal	Total
2017	\$ 4,214.56	\$ 64,096.78	\$ 68,311.34
2018	1,629.45	29,837.51	31,466.96
2019	118.93	7,747.81	7,866.74
	<u>\$ 5,962.94</u>	<u>\$101,682.10</u>	<u>\$ 107,645.04</u>

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT (continued)

On November 14, 2012, the County entered into a promissory note with Missouri Department of Natural Resources in the amount of \$17,298.27 with 0% interest and a maturity date of August 1, 2020. The funds are to be used to implement Energy Conservation Measures. These payments are made out of the General Revenue Fund.

The change in long-term debt obligations for the year ended December 31, 2017, is as follows:

Promissory Note	Balance 12/31/16	Additions	Payments	Balance 12/31/17	Interest Paid
MO DNR Loan	\$ 8,210.27	\$ -	\$ 2,272.00	\$ 5,938.27	\$ -
	<u>\$ 8,210.27</u>	<u>\$ -</u>	<u>\$ 2,272.00</u>	<u>\$ 5,938.27</u>	<u>\$ -</u>

As of December 31, 2017, the schedule of future payments for the promissory note of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2018	\$ -	\$ 2,272.00	\$ 2,272.00
2019	-	2,272.00	2,272.00
2020	-	1,394.27	1,394.27
	<u>\$ -</u>	<u>\$ 5,938.27</u>	<u>\$ 5,938.27</u>

The change in long-term debt obligations for the year ended December 31, 2016, is as follows:

Promissory Note	Balance 12/31/15	Additions	Payments	Balance 12/31/16	Interest Paid
MO DNR Loan	\$ 10,482.27	\$ -	\$ 2,272.00	\$ 8,210.27	\$ -
	<u>\$ 10,482.27</u>	<u>\$ -</u>	<u>\$ 2,272.00</u>	<u>\$ 8,210.27</u>	<u>\$ -</u>

As of December 31, 2016, the schedule of future payments for the promissory note of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2017	\$ -	\$ 2,272.00	\$ 2,272.00
2018	-	2,272.00	2,272.00
2019	-	2,272.00	2,272.00
2020	-	1,394.27	1,394.27
	<u>\$ -</u>	<u>\$ 8,210.27</u>	<u>\$ 8,210.27</u>

Line of Credit

On September 14, 2017, the County entered into a line of credit with Peoples Savings Bank of Rhineland in the amount of \$488,000.00, with a 2% interest rate and a maturity of February 1, 2018. The funds are to be used to replace the roof on the County Courthouse. These payments are made out of the General Revenue Fund.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

III. LONG-TERM DEBT (concluded)

Line of Credit (concluded)

The change in long-term debt obligations for the year ended December 31, 2017, is as follows:

Promissory Note	Balance 12/31/16	Additions	Payments	Balance 12/31/17	Interest Paid
Line of Credit	\$ -	\$488,000.00	\$ -	\$488,000.00	\$ -
	<u>\$ -</u>	<u>\$488,000.00</u>	<u>\$ -</u>	<u>\$488,000.00</u>	<u>\$ -</u>

As of December 31, 2017, the schedule of future payments for the line of credit of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2018	\$ 1,907.53	\$488,000.00	\$ 489,907.53
	<u>\$ 1,907.53</u>	<u>\$488,000.00</u>	<u>\$ 489,907.53</u>

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2017, and 2016 are as follows:

	2017		2016	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	\$ 106,268.50	\$ -	\$ 99,003.71	\$ -
Special Road and Bridge Fund	-	100,713.03		95,063.89
Union Electric SOP Fund	-	5,555.47		3,939.82
TOTAL	<u>\$ 106,268.50</u>	<u>\$ 106,268.50</u>	<u>\$ 99,003.71</u>	<u>\$ 99,003.71</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs.

Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to have contributions of 4% made by the County if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2017 and 2016, the County collected and remitted to CERF, employee contributions of \$32,535.08 and \$30,039.46, respectively, for the years then ended.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Gasconade County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Gasconade County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

	<u>2017 Valuation</u>
Benefit Multiplier:	1.50%
Final Average Salary:	5 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	32	13
Inactive employees entitled to but not yet receiving benefits	12	22
Active employees	32	8
	<u>76</u>	<u>43</u>

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of Gasconade County do not contribute to the pension plan. Employer contribution rates are 4.8% (General) and 3.2% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

Mortality rates were based on the RP-2014 Healthy Annuitant mortality tables, for males and females.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.29%
Fixed Income	26.00%	2.23%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 84,946	\$ 23,222
2 Interest on Total Pension Liability	377,922	64,647
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	11,142	(15,950)
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(188,818)	(59,297)
7 Net change in total pension liability	285,192	12,622
8 Total pension liability - beginning	5,263,745	909,404
9 Total pension liability - ending	<u>\$ 5,548,937</u>	<u>\$ 922,026</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 46,111	\$ 18,307
2 Contributions - employee	-	-
3 Net investment income	668,771	141,914
4 Benefit payments, including refunds of employee contributions	(188,818)	(59,297)
5 Pension plan administrative expense	(5,983)	(2,444)
6 Other (net transfer)	20,927	4,598
7 Net change in plan fiduciary net position	541,008	103,078
8 Plan fiduciary net position - beginning	5,627,971	1,061,491
9 Plan fiduciary net position - ending	<u>\$ 6,168,979</u>	<u>\$ 1,164,569</u>
C. Net Pension Liability / (Asset)	<u>\$ (620,042)</u>	<u>\$ (242,543)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.17%	126.31%
E. Covered-Employee Payroll	\$ 1,065,224	\$ 245,116
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-58.21%	-98.95%

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 6,339,462	\$ 5,548,937	\$ 4,892,296
Plan Fiduciary Net Position	6,168,979	6,168,979	6,168,979
Net Pension Liability / (Asset) (NPL)	\$ 170,483	\$ (620,042)	\$ (1,276,683)
Police Division:			
Total Pension Liability (TPL)	\$ 1,094,695	\$ 922,026	\$ 787,469
Plan Fiduciary Net Position	1,164,569	1,164,569	1,164,569
Net Pension Liability / (Asset) (NPL)	\$ (69,874)	\$ (242,543)	\$ (377,100)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the employer recognized pension expense of \$184,700 for general and \$(1,304) for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,305	\$ (19,419)	\$ -	\$ (32,090)
Changes in assumptions	60,184	-	7,007	-
Net difference between projected and actual earnings on pension plan investments	146,243	(53,059)	26,907	(13,268)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 212,732</u>	<u>\$ (72,478)</u>	<u>\$ 33,914</u>	<u>\$ (45,358)</u>

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2018	\$ 141,915	\$ (7,976)
2019	134,750	1,470
2020	35,190	2,549
2021	(53,057)	(13,267)
2022	-	-
Thereafter	-	-
Total	<u>\$ 258,798</u>	<u>\$ (17,224)</u>

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$2,618, respectively, for the years ended December 31, 2017, and 2016.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were two participants at December 31, 2017, contributing a total of \$1,567.44 in fees and no participants at December 31, 2016.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was involved in pending litigation as of the audit report date. The County's attorneys are vigorously defending the County in these matters. County management believes that such litigation and claims will ultimately be resolved without material financial liability, if any, to the County.

B. Compensated Absences (Vacation and Sick Time)

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. This ranges from getting two weeks after the first year of service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. All regular full-time employees, working 30

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences (Vacation and Sick Time) (concluded)

hours a week or more, in the County earn four hours of sick leave for each calendar month of employment. Sick leave for new and terminated full time employees is prorated based on when the employee starts or terminates employment during the month. The employee receives one hour of sick leave for each week worked the first and last month of employment. Upon termination from county employment, an employee is reimbursed for unused sick leave, if applicable.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. SUBSEQUENT EVENTS

Subsequent to the year end, the County made one payment on February 1, 2018, on its line of credit with Peoples Savings Bank of Rhineland in the amount of \$26,144.87, of which \$24,237.34 was applied to principal and \$1,907.53 was applied to interest. On February 5, 2018, the line of credit was renewed in the amount of \$463,600 with a 2% interest rate and a maturity of February 1, 2019.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2017 AND 2016

SCHEDULE OF STATE FINDINGS

There were no state findings noted for the year ended December 31, 2017, and 2016.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Gasconade, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Gasconade ("County"), Missouri which comprise cash and unencumbered cash for each fund as of December 31, 2017, and 2016, and the related statements of cash receipts and disbursements and changes in cash balances-budget and actual for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (2017-001, 2017-002, 2017-003 and 2014-004)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

June 14, 2018

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

II. FINANCIAL STATEMENT FINDINGS

2017-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Lesa Lietzow) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (573) 486-5427.

2017-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

II. FINANCIAL STATEMENT FINDINGS (continued)

2017-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Lesa Lietzow) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (573) 486-5427.

2017-003 Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties within the offices of the Collector and Treasurer.

Context: During the engagement, we noted that an individual is allowed to receive, record, deposit, as well as write, approve, sign and reconcile expenditures and receipts to the bank statement.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within each of the corresponding departments.

Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The Collector's and Treasurer's offices will continue to be monitored and additional personnel will be added when possible. The Collector and Treasurer's offices undergo regularly scheduled audits through state and private firms, along with crosschecks and monitoring monthly and yearly with County Clerk's Office. The County Collector is Shawn Schlottach and her office phone number is (573) 486-2711, and the County Treasurer Mike Feagan and his office phone number is (573) 486-2411.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

II. FINANCIAL STATEMENT FINDINGS (concluded)

2017-004 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit we noted that the previous Sheriff had held a secret bank account that had not been brought to the attention of the Commissioners, Clerk, or Treasurer of the County. This bank account allegedly had state funds and other funds run through it and that when the previous Sheriff left office the bank account was allegedly closed out without the money being turned over to the County.

Context: During discussions with management, we noted there was a secret bank account that was not monitored by the Commission, Clerk or Treasurer's office. This was a practice of the previous Sheriff and the current Sheriff reported his findings to the FBI and has subsequently turned items over to the State Auditor's office.

Effect: Lack of internal control systems over this account could result in fraudulent purchases and bank overdrafts.

Cause: Previous management had not implemented an internal control system over this secret bank account and failed to include the funds amongst the records of the County.

Recommendation: We recommend that the County and the current Sheriff place internal controls over the purchases the Sheriff's office makes through any of the accounts.

Views of responsible officials and planned corrective actions: The current Sheriff's (John Romanus) office has never had control over this account and has turned over all of his findings along with findings from the FBI to the State Auditor's office. The phone number for the current Sheriff's office is 573-486-3693.

THE COUNTY OF GASCONADE
HERMANN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There was no audit performed for the fiscal year ending December 31, 2015, therefore we have no prior year audit findings to report.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

June 14, 2018

To the County Commissioners
The County of Gasconade, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Gasconade (the "County") as of and for the years ended December 31, 2017, and 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards
- III. Management Comments

The County's management has provided a written response to the findings in this report that were identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2017-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Lesa Lietzow) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (573) 486-5427.

2017-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

- 2017-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.
- Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
- Views of responsible officials and planned corrective actions: The County Clerk's Office (Lesa Lietzow) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (573) 486-5427.
- 2017-003 Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.
- Condition: Lack of sufficient segregation of duties within the offices of the Collector and Treasurer.
- Context: During the engagement, we noted that an individual is allowed to receive, record, deposit, as well as write, approve, sign and reconcile expenditures and receipts to the bank statement.
- Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.
- Cause: Size and budget constraints limiting the number of personnel within each of the corresponding departments.
- Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.
- Views of responsible officials and planned corrective actions: The Collector's and Treasurer's offices will continue to be monitored and additional personnel will be added when possible. The Collector and Treasurer's offices undergo regularly scheduled audits through state and private firms, along with crosschecks and monitoring monthly and yearly with County Clerk's Office. The County Collector is Shawn Schlottach and her office phone number is (573) 486-2711, and the County Treasurer Mike Feagan and his office phone number is (573) 486-2411.
- 2017-004 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2017-004 Condition: During our audit we noted that the previous Sheriff had held a secret bank account that had not been brought to the attention of the Commissioners, Clerk, or Treasurer of the County. This bank account allegedly had state funds and other funds run through it and that when the previous Sheriff left office the bank account was allegedly closed out without the money being turned over to the County.

Context: During discussions with management, we noted there was a secret bank account that was not monitored by the Commission, Clerk or Treasurer's office. This was a practice of the previous Sheriff and the current Sheriff reported his findings to the FBI and has subsequently turned items over to the State Auditor's office.

Effect: Lack of internal control systems over this account could result in fraudulent purchases and bank overdrafts.

Cause: Previous management had not implemented an internal control system over this secret bank account and failed to include the funds amongst the records of the County.

Recommendation: We recommend that the County and the current Sheriff place internal controls over the purchases the Sheriff's office makes through any of the accounts.

Views of responsible officials and planned corrective actions: The current Sheriff's (John Romanus) office has never had control over this account and has turned over all of his findings along with findings from the FBI to the State Auditor's office. The phone number for the current Sheriff's office is 573-486-3693.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 24, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2017 and 2016 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 14, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

III. MANAGEMENT COMMENTS

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the Commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Supply Division

Report No. 2018-052
August 2018

auditor.mo.gov

City of St. Louis - Supply Division

Follow-Up Report on Audit Findings

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Status of Findings

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4. Receipt Controls	11



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Supply Commissioner
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2008-60, *City of St. Louis, Supply Division*, issued in September 2008, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our ongoing audit of the Supply Division. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Supply Division that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in April 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Supply Division

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Emergency Purchases

Finding Number: 1.A.

Finding: Items purchased as emergency items did not appear to meet the city's definition of an emergency.

Recommendation: The Supply Division work with the Comptroller's office to ensure only emergency purchases that meet the definition of an emergency are approved. In addition, the Supply Division should work with the Mayor and the Board of Aldermen to determine if disciplinary action can be taken against city departments that abuse emergency purchasing procedures.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Since Pamela Kuehling's arrival as Supply Commissioner on September 5, 2017, an explanatory template was created in October to demonstrate when to use which option from the purchasing pathways. The definition of an emergency is copied directly from the charter onto that page. It details when and how to properly use an Emergency Requisition versus other options. A copy of the new Emergency Rules Template can be found in Exhibit D of the Supply Division Policies and Procedures Manual.

In fiscal year (FY) 2017 there were 246 emergency requisitions. In FY 2018 (as of date of this submission) there have been 107 emergency requisitions. This is an estimated annualized reduction of 42 percent.

In all conversations with departments asking to use Emergency Purchases, the Supply Commissioner or Deputy Supply Commissioner verifies the reason for the emergency before signing any paperwork. Some Emergency Requisitions were previously signed "under protest" as the purchases had already been made, and the vendor had to be paid. Several have been rejected in the last 6 months.

Departments were put on notice by Pamela Kuehling and Kerrie Brown (Comptroller's office) that emergency requisitions would be heavily scrutinized going forward.

The Commissioner and Deputy Commissioner have been holding training classes for various departments including the Equipment Services Division, Traffic, Streets, Health, the Assessor's office, Parks, and the St. Louis Agency on Training and Employment. The classes are aimed at how to avoid emergencies and use the purchasing options in the most cost effective manner.

Discipline has been requested by the Supply Commissioner and handed out to at least one department individual responsible for several "unnecessary" emergency requests. Word has spread about the new enforcement of the rules.



City of St. Louis - Supply Division
Follow-Up Report on Audit Findings
Status of Findings

The Board of Aldermen has not had to be involved at this time. If needed, we will invite their participation in the discussion.

Contact Person: Pamela Kuehling
Contact Phone Number: (314) 622-4330



City of St. Louis - Supply Division
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Emergency Purchases

Finding Number: 1.B.

Finding: Items purchased as emergency items did not have an adequately documented justification of the emergency nature of the purchase.

Recommendation: The Supply Division work with the Comptroller's office to ensure all emergency purchases include adequate documentation to justify the emergency.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

For Emergency Requisitions under \$5,000, there is now a form (updated January 31, 2014) filled out and reasons for the emergency purchase are documented. Additional sheets are often used. If the Deputy Supply Commissioner or Supply Commissioner is unsatisfied with the level of documentation, either more is requested or the purchase is denied.

For Emergency Requisitions over \$5,000, the purchase and request to waive advertising requires approval from the Board of Standardization. If any member of the Board of Standardization is unsatisfied with the documentation for any reason, they will not sign and the emergency purchase will not be approved.

Contact Person: Pamela Kuehling

Contact Phone Number: (314) 622-4330



City of St. Louis - Supply Division
Follow-Up Report on Audit Findings
Status of Findings

Finding Title:	Emergency Purchases
Finding Number:	1.C.
Finding:	Items purchased included invoices with dates prior to the creation and approval of the emergency requisition forms.
Recommendation:	The Supply Division work with the Comptroller's office to ensure all emergency purchases are approved prior to initiating the actual purchase, or the reason for initiating the purchase prior to approval is adequately documented.
Status of Finding:	Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

There is no guarantee that an emergency will happen during working hours. If an emergency need is identified at night or on a weekend, the City Charter says that purchases can occur based on the definition of an emergency. The Supply Division follows all city policies and procedures in terms of the approval processes.

Emergencies during the day are handled as recommended. Emergencies occurring during nights or weekends are difficult to comply with due to the City Charter definition. Many of the evening/weekend emergencies do comply, but some cannot (i.e., parts for major water main break, snow blower part needed for runway at airport when it is snowing, etc.). Departments are more aware of the potential for rejection if processes and procedures are not followed.

During Supply Division training, we encourage all departments to follow the recommendations at night and on weekends if possible, but in a true emergency it may not be possible or in the best interests of the citizens of the City of St. Louis to delay service.

Proper documentation is always required.

Contact Person: Pamela Kuehling
Contact Phone Number: (314) 622-4330



City of St. Louis - Supply Division
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Emergency Purchases

Finding Number: 1.D.

Finding: Emergency purchases were not bid as required. In addition, purchases did not have letters requesting waiver of advertising of bids.

Recommendation: The Supply Division work with the Comptroller's office to ensure two or three vendor letterhead price quotes are received for all emergency purchases, and letters to waive advertising for bids are received for applicable emergency purchases over \$5,000. If there are valid reasons for not following applicable city policies for such purchases, these reasons should be fully documented.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Please see the answer above relating to bidding. Waiver of advertising request letters are now required before paperwork is processed.

Contact Person: Pamela Kuehling
Contact Phone Number: (314) 622-4330



City of St. Louis - Supply Division
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Contract Pricing

Finding Number: 2.A.

Finding: Invoices for some contract purchases included charges for items that were not bid and did not agree to the applicable contracted bid prices.

Recommendation: The Supply Division ensure invoice prices correspond to contract prices before processing the purchasing order in the accounting system.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Before processing the "Invoices Attached" invoice in the city's accounting system, the Account Clerk II locates the contract and verifies that the item is invoiced at the contracted price. If the price is correct, she turns the requisition into a purchase order in the accounting system.

If the invoice price is not correct, the Account Clerk II reports the problem to the Buyer or the Deputy Supply Commissioner for correction. The Buyer contacts the department and/or the vendor to get further information until the situation is rectified. A Rejection Notice form is used to notify the department what is wrong with the invoice so the department can more accurately respond. Although this sometimes causes delays in payments, the prudent use of the city's funds makes it the best practice.

Contact Person: Pamela Kuehling

Contact Phone Number: (314) 622-4330



City of St. Louis - Supply Division
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Contract Pricing

Finding Number: 2.B.

Finding: Some invoices did not provide specific pricing information to allow invoices to be verified with contracts for accuracy.

Recommendation: The Supply Division ensure invoices include sufficiently detailed information, such as per unit rates, to allow adequate comparison of the invoice prices to the contract prices.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Forms and checklists have been updated to ensure that invoice prices can be matched with contract prices on "Invoices Attached" paperwork. In one instance, we had two vendors vying for a parts contract and one offered the price list and the other did not. We informed the delinquent bidder that we could not verify their discounted price without a published price list. Although they had refused to provide one to the department for the last several years, the Supply Commissioner was able to get a link to the published price list within 3 hours.

Contact Person: Pamela Kuehling

Contact Phone Number: (314) 622-4330



City of St. Louis - Supply Division
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Performance Bonding

Finding Number: 3.

Finding: The city may be limiting available bidders due to the city's performance bonding requirements. The Supply Division required all contractors maintain a performance bond equal to 50 percent of the value of the contract.

Recommendation: The Supply Commissioner work with the Mayor and Board of Aldermen to evaluate the need of performance bonds for various types of contracts and revise the City Code as applicable.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The City Charter was updated on January 9, 2009, to read "The Supply Commissioner may require..." for performance bonding requirements. Board Bill 339 revised Section 5.58.160 of the Revised Code of the City of St. Louis. This was done with the support of the Mayor and the Board of Aldermen.

The number of contracts requiring performance bonds has been reduced from 131 in 2010 to 36 in 2017. One more performance bond will be eliminated in July 2018. As each contract with a performance bond comes up for renewal, the Supply Commissioner will determine the need for the bond, and obtain pricing both with and without performance bond requirements as needed. All bid processes and procedures will be followed in accordance with Supply Division policies.

Contact Person: Pamela Kuehling

Contact Phone Number: (314) 622-4330



City of St. Louis - Supply Division
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Receipt Controls

Finding Number: 4.

Finding: The Supply Division did not maintain an initial record of checks received, and checks were not restrictively endorsed immediately upon receipt. In addition, there was no process to allow for the reconciliation of checks received to checks transmitted.

Recommendation: The Supply Division prepare and maintain an initial record or log of all monies received, restrictively endorse all checks and money orders immediately upon receipt, and transmit receipts to the City Treasurer daily. In addition, the record or log of monies received should be reconciled to amounts transmitted to the City Treasurer.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All checks and money orders received by the Supply Division are now logged into the Checks Received Log and deposited with the Treasurer's office within 24 hours of receipt. Upon arrival, the check/money order is logged into the Checks Received Log, endorsed with the Supply Division rubber stamp, and then given to the Executive Secretary for processing the Receipt Coding Form and payment to the Treasurer's office.

Periodically, the Supply Commissioner or Deputy Supply Commissioner review the Checks Received Log for the timely processing of all associated documents and initials accordingly.

Information in the Checks Received Log includes line number, date received, received by, check number, date of check, amount of check, check from, check for, disposition 1/date, disposition 2/date, supply control number, treasurer control number, and reviewer's initials.

Contact Person: Pamela Kuehling
Contact Phone Number: (314) 622-4330



Office of Missouri State Auditor
Nicole Galloway, CPA

Summary of Local Government and Court
Audit Findings - Information Security
Controls



CITIZENS SUMMARY

Summary of Local Government and Court Audit Findings - Information Security Controls

User Access Management	Access to certain systems is not adequately restricted. The user access of former employees is not disabled timely. Periodic reviews of users' access to data and other information to ensure access remains appropriate and aligned with job duties are not performed.
User Authentication	Passwords are not required to be changed on a periodic basis. User accounts and passwords for accessing computers and various systems are shared by users. A password is not required to logon and authenticate access to a computer. Passwords are not required to contain a minimum number of characters.
Security Controls	Inactivity controls have not been implemented to lock a computer or system after a certain period of inactivity. Security controls have not been implemented to lock access to a computer or system after a specified number of unsuccessful logon attempts.
Backup and Recovery	Data backups are not stored at a secure off-site location. Periodic testing of backup data is not performed.
Data Management	Data integrity controls to guard against the improper modification or destruction of data and information have not been implemented. The attendance system does not limit the time frame during which changes can be made and there is no review by officials to ensure changes made to current school year attendance records are appropriate.

Because of the nature of this report, no rating is provided.

Summary of Local Government and Court Audit Findings

Information Security Controls

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

This report was compiled using local government and court audit reports issued by my office between July 2017 and June 2018 (report numbers 2017-060 through 2017-155 and 2018-001 through 2018-043). The objective of this report was to summarize recent information security control issues and recommendations.

The recommendations address a variety of topics including user access management, user authentication, security controls, backup and recovery, and data management. The Appendix lists the 26 reports with findings covering these topics.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name of the State Auditor.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Jeffrey Thelen, CPA, CISA

Summary of Local Government and Court Audit Findings

Information Security Controls

Audit Issues

1. User Access Management

1.1 Access rights and privileges

Access to certain systems is not adequately restricted. Access rights and privileges are used to determine what a user can do after being allowed into a system, such as read or write to a certain file. Unrestricted system access allows the capability to make unauthorized changes to records or to delete or void transactions after the transactions have been entered in the system. In addition, adequate supervisory reviews of users are not performed. Access should be limited based on user needs and job responsibilities.

Without adequate user access restrictions, there is an increased risk of unauthorized changes to data and records and of the loss, theft, or misuse of funds.

Recommendation

Ensure user access rights are limited to only what is necessary to perform job duties and responsibilities.

Report Source

2017-069 (Crawford County)
2017-116 (New Madrid County)
2017-128 (Texas County)
2017-132 (St. Clair County)
2018-012 (Stoddard County)

1.2 Terminated employees

The user access of former employees is not disabled timely.

Without effective procedures to remove access upon termination, former employees could continue to have access to critical or sensitive data and records, which increases the risk of the unauthorized use, modification, or destruction of data and information.

Recommendation

Ensure user access is promptly deleted following termination of employment to prevent unauthorized access to computer systems and data.

Report Source

2017-150 (Pemiscot Memorial Health Systems)

1.3 Periodic review of user accounts

Periodic reviews of users' access to data and other information to ensure access remains appropriate and aligned with job duties are not performed. As users' work assignments and job responsibilities change, access rights to data may be added, changed, or removed. Over time, users can accumulate access rights that are no longer necessary, increasing the risk of inappropriate access to data.



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

Without periodically reviewing user access rights, there is an increased risk that unauthorized alterations of the rights will go undetected or that access rights may not be aligned with current job duties.

Recommendation

Ensure periodic reviews of user access to data and other information resources are performed to ensure access rights remain appropriate and are commensurate with job duties and responsibilities.

Report Source

2017-108 (41st Judicial Circuit/Macon County)
2017-138 (45th Judicial Circuit/Pike County)

2. User Authentication

2.1 Passwords not changed

Passwords are not required to be changed on a periodic basis. As a result, there is less assurance passwords are effectively limiting access to computer systems and data files to only those individuals who need access to perform their job responsibilities. Passwords should be changed periodically to reduce the risk of unauthorized access to and use of systems and data.

Without requiring passwords to be periodically changed, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.

Recommendation

Ensure passwords are periodically changed to prevent unauthorized access to computers and data.

Report Source

2017-064 (Morgan County)
2017-068 (Daviess County)
2017-069 (Crawford County)
2017-087 (Mercer County)
2017-088 (Moniteau County)
2017-107 (Macon County)
2017-109 (City of Lexington)
2017-126 (Scotland County)
2017-127 (Cooper County)
2017-132 (St. Clair County)
2017-144 (Pike County)
2017-150 (Pemiscot Memorial Health Systems)
2018-012 (Stoddard County)
2018-027 (Dade County)
2018-028 (37th Judicial Circuit/City of Winona Municipal Division)
2018-033 (Osage County)
2018-037 (Vernon County Ambulance District)
2018-040 (30th Judicial Circuit/City of Seymour Municipal Division)



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

2.2 Sharing passwords

User accounts and passwords for accessing computers and various systems are shared by users. The security of a password system is dependent upon keeping passwords confidential. By allowing users to share accounts and passwords, individual accountability for system activity could be lost and unauthorized system activity could occur.

Without strong user account and password controls, including maintaining the confidentiality of passwords, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.

Recommendation

Ensure unique user accounts and passwords are required to access computers and data. In addition, ensure users understand the importance of maintaining the confidentiality of passwords.

Report Source

2017-087 (Mercer County)
2017-088 (Moniteau County)
2017-107 (Macon County)
2017-132 (St. Clair County)
2017-144 (Pike County)
2018-027 (Dade County)
2018-028 (37th Judicial Circuit/City of Winona Municipal Division)
2018-040 (30th Judicial Circuit/City of Seymour Municipal Division)

2.3 Password not required

A password is not required to logon and authenticate access to a computer.

Without requiring passwords to access a computer or system, there is no assurance the data or system is protected from unauthorized access and use.

Recommendation

Ensure passwords are required to authenticate access to computer systems and data.

Report Source

2017-065 (Knox County)
2017-068 (Daviess County)
2017-107 (Macon County)
2017-144 (Pike County)

2.4 Password complexity

Passwords are not required to contain a minimum number of characters. Strong passwords are often the first line of defense into a computer or system. As a result, an appropriate minimum character length should be established so passwords cannot be easily guessed or identified using password-cracking mechanisms.

Without enforcing password complexity by requiring a minimum number of characters, there is an increased risk that passwords can be more easily guessed, allowing unauthorized access to data and systems.



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

Recommendation

Ensure passwords contain a minimum number of characters so they cannot be easily guessed.

Report Source

2018-012 (Stoddard County)
2018-033 (Osage County)

3. Security Controls

3.1 Inactivity control

Inactivity controls have not been implemented to lock a computer or system after a certain period of inactivity. To reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files, users should log off computers when unattended and an inactivity control should be implemented to lock a computer or terminate a user session after a certain period of inactivity.

Without an inactivity control, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendation

Ensure an inactivity control is implemented to lock a computer or system after a certain period of inactivity.

Report Source

2017-065 (Knox County)
2017-068 (Daviess County)
2017-088 (Moniteau County)
2017-107 (Macon County)
2017-109 (City of Lexington)
2017-144 (Pike County)
2018-012 (Stoddard County)
2018-025 (Hazelwood School District)
2018-028 (37th Judicial Circuit/City of Winona Municipal Division)

3.2 Unsuccessful logon attempts

Security controls have not been implemented to lock access to a computer or system after a specified number of unsuccessful logon attempts. Logon attempt controls lock the capability to access a computer or system after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer or system by guessing passwords.

Without effective controls to limit the number of consecutive unsuccessful logon attempts, there is less assurance sensitive data is effectively protected from unauthorized access.

Recommendation

Ensure a security control is implemented to lock access to a computer or system after multiple unsuccessful logon attempts.



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

Report Source	2017-065 (Knox County) 2017-088 (Moniteau County) 2017-107 (Macon County) 2017-109 (City of Lexington) 2017-144 (Pike County) 2018-012 (Stoddard County) 2018-027 (Dade County) 2018-028 (37th Judicial Circuit/City of Winona Municipal Division) 2018-040 (30th Judicial Circuit/City of Seymour Municipal Division)
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4. Backup and Recovery

4.1 Off-site storage

Data backups are not stored at a secure off-site location. Data backups are performed; however, the backups are stored at the same location as the original data leaving the backup data susceptible to the same damage as the original data.

Without storing backup data at a secure off-site location, critical data may not be available for restoring systems following a disaster or other disruptive incident.

Recommendation

Ensure backup data is stored in a secure off-site location.

Report Source

2017-064 (Morgan County)
2017-065 (Knox County)
2017-074 (Putnam County Memorial Hospital)
2017-127 (Cooper County)
2017-144 (Pike County)
2018-012 (Stoddard County)
2018-027 (Dade County)
2018-031 (Village of Centertown)

4.2 Periodic testing

Periodic testing of backup data is not performed. Periodic testing of backups is necessary to ensure the backup process is functioning properly and to ensure all essential data can be recovered.

Without testing the full backup process, management cannot be assured the entire system can be restored when necessary.

Recommendation

Ensure backup data is tested on a regular, predefined basis.

Report Source

2017-065 (Knox County)
2017-144 (Pike County)
2017-150 (Pemiscot Memorial Health Systems)



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

2018-027 (Dade County)
2018-031 (Village of Centertown)

5. Data Management

5.1 Data Integrity

Data integrity controls to guard against the improper modification or destruction of data and information have not been implemented. In addition, audit trail controls to provide evidence demonstrating how a specific transaction was initiated, processed, and recorded have not been established. As a result, critical systems, such as property tax systems do not prevent users from changing the date used to calculate penalties, commissions, and fees. In addition, systems do not have the functionality to generate audit trail reports of voided or deleted transactions.

Without data integrity, and audit trail controls, there is an increased risk of manipulation of data without detection and the loss, theft, or misuse of funds.

Recommendation

Ensure adequate data integrity, and audit trail controls are in place to allow for the proper accountability of all transactions.

Report Source

2017-065 (Knox County)
2017-128 (Texas County)

5.2 Student attendance data

The attendance system does not limit the time frame during which changes can be made and there is no review by officials to ensure changes made to current school year attendance records are appropriate. In addition, an audit trail report of changes made is not generated and reviewed to ensure all changes made to attendance records are accurate and appropriate.

Without limiting the time frame during which changes can be made or reviewing changes made, data is subject to erroneous changes that may significantly affect the reliability of official attendance reports.

Recommendation

Ensure student attendance data is accurately recorded and reported, including restricting the time frame during which changes can be made and ensure an audit trail of changes made to attendance data be prepared and reviewed for accuracy.

Report Source

2018-025 (Hazelwood School District)

Summary of Local Government and Court Audit Findings

Information Security Controls

Appendix - Audit Reports

Report Number	Title	Publication Date
2017-064	Morgan County	July 2017
2017-065	Knox County	July 2017
2017-068	Daviess County	July 2017
2017-069	Crawford County	July 2017
2017-074	Putnam County Memorial Hospital	August 2017
2017-087	Mercer County	August 2017
2017-088	Moniteau County	August 2017
2017-107	Macon County	October 2017
2017-108	41st Judicial Circuit/Macon County	October 2017
2017-109	City of Lexington	October 2017
2017-116	New Madrid County	October 2017
2017-126	Scotland County	October 2017
2017-127	Cooper County	November 2017
2017-128	Texas County	November 2017
2017-132	St. Clair County	November 2017
2017-138	45th Judicial Circuit/Pike County	November 2017
2017-144	Pike County	November 2017
2017-150	Pemiscot Memorial Health Systems	December 2017
2018-012	Stoddard County	March 2018
2018-025	Hazelwood School District	May 2018
2018-027	Dade County	May 2018
2018-028	37th Judicial Circuit/City of Winona Municipal Division	May 2018
2018-031	Village of Centertown	May 2018
2018-033	Osage County	June 2018
2018-037	Vernon County Ambulance District	June 2018
2018-040	30th Judicial Circuit/City of Seymour Municipal Division	June 2018



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

**Twenty-First Judicial Circuit
City of Ferguson Municipal Division**

Report No. 2018-050

August 2018

auditor.mo.gov

Twenty-First Judicial Circuit

City of Ferguson Municipal Division

Follow-Up Report on Audit Findings - Table of Contents

State Auditor's Letter

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*Includes selected findings



NICOLE GALLOWAY, CPA **Missouri State Auditor**

Presiding Judge
Twenty-First Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the City Council
Ferguson, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2017-025, *Twenty-First Judicial Circuit, City of Ferguson Municipal Division* (rated as Poor), issued in April 2017, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the municipal division about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by municipal division and city officials and held discussions with officials to verify the status of implementation for the recommendations. Documentation provided by the officials included daily and monthly reports, receipt and disbursement records, electronic and manual case files, and various other financial records. We also reviewed the Department of Justice Independent Monitor Spring 2018 Semiannual Report filed in the United States District Court for the Eastern District of Missouri on March 30, 2018. This report is a summary of the results of this follow-up work, which was substantially completed during June 2018.

Nicole R. Galloway, CPA
State Auditor

Twenty-First Judicial Circuit

City of Ferguson Municipal Division

Follow-Up Report on Audit Findings - Status of Findings

1. Unaccounted Monies Municipal division receipts totaling at least \$1,426 were unaccounted for. Because some essential records were altered, deleted, or could not be located it could not be determined if additional monies were unaccounted for.

In February 2016, we identified discrepancies between accounting and deposit records for some transactions during the year ended June 30, 2015. We notified the Court Clerk and city personnel of our concerns and made numerous requests for access to additional court records stored at the municipal garage to further evaluate the discrepancies. The municipal division could not provide some requested records. In addition, some internal controls were not in place or were circumvented, making it difficult to determine the validity of some transactions. During our review of available court records, we noted cash receipts totaling \$1,426 were not deposited. We could not readily determine if additional monies were unaccounted for due to inadequate or incomplete records.

The lack of segregation of duties, inadequate controls, and the absence of proper oversight as discussed in the report, contributed to the court not timely detecting these discrepancies. It was apparent municipal division financial activity was not adequately monitored. Due to the court's weak procedures and inadequate or incomplete records, there was no assurance all monies collected were deposited.

Recommendation

The City of Ferguson Municipal Division work with law enforcement officials regarding any possible criminal prosecution related to the unaccounted funds, including restitution. In addition, the division should take a proactive approach to implement adequate controls to prevent and detect the loss or theft of assets.

Status

Partially Implemented

Municipal division officials did not refer the information to law enforcement because they believed the statute of limitations had run out on possible filing of criminal charges. They have implemented some controls, including independent reviews and oversight to prevent and detect the loss or theft of assets. These newly implemented controls are discussed further in other status sections.

-
2. Municipal Division Records The municipal division needed to improve controls and procedures over the division's records.

- 2.1 Court records Municipal division records were not maintained in an accurate, complete, and organized manner. Municipal division personnel documented case information for each defendant on manual dockets, backer sheets, defendant sheets, and the front cover of manual case files as well as in computerized case records maintained in the Case Management System (CMS). However,



Twenty-First Judicial Circuit
City of Ferguson Municipal Division
Follow-up Report on Audit Findings - Status of Findings

information recorded on the backer sheets was very inconsistent, often incomplete, and in some cases blank. In addition, documentation such as the citation or ticket, defendant sheets, official notices to appear in court, plea agreements, warrants, and/or bond forfeiture forms were not always maintained in the manual case files and/or were not complete. Manual notations by the Municipal Judge, Prosecuting Attorney, and Assistant Prosecuting Attorneys on defendant sheets or manual working dockets are the official record of the court proceedings; however, these notations were not always documented consistently and did not always indicate who made them. The electronic CMS serves as the official accounting record of the municipal division. Our review identified numerous discrepancies between manual records and electronic records. In addition, municipal division personnel could not locate 3 of 149 case files and 33 of 144 final dockets requested during the audit for comparison to information documented in the CMS. As a result, there was less assurance transactions were properly handled.

Recommendation

The City of Ferguson Municipal Division ensure the proper disposition of cases is documented in manual and electronic records and sufficient documentation is maintained to support all case actions.

Status

Partially Implemented

The municipal division developed new forms and procedures to improve documentation in the manual case records and established independent reviews of manual and electronic records. An assistant court clerk, who is not involved in the receipting or deposit preparation process, reviews all electronic and manual case records as payments are made. We reviewed electronic and manual records for 5 cases and noted sufficient documentation in the case files supporting the majority of case actions. However, copies of warrants issued by the Municipal Judge are only maintained in the manual case files if they have been executed by the police department and returned to court personnel. To support activity recorded in the CMS, the municipal division should keep a copy of all pending, executed, or recalled warrants.

For one of the 5 cases, we noted a \$193 bond was forfeited and disbursed to the city on May 17, 2018, without judicial approval. On May 18, 2018, the defendant plead guilty and asked for the bond to be applied to the fine and court costs. On June 1, 2018, the Municipal Judge signed the plea form and ordered the fine and costs waived because the \$193 bond had already been forfeited and disbursed to the city. This action resulted in the court costs not being disbursed to the appropriate entities. When the defendant plead guilty, the court should have requested the \$193 back from the city and applied it to fines and costs so the costs would have been properly disbursed to all appropriate entities. The Court Clerk said by waving the fines and costs, it was not the court's intent to circumvent the payouts to other entities, it was just easier to handle the transaction in this manner than to request the forfeited



Twenty-First Judicial Circuit
City of Ferguson Municipal Division
Follow-up Report on Audit Findings - Status of Findings

bond back from the city. This bond's disposition was not recorded in the CMS until June 20, 2018, after our inquiry.

2.2 Record preservation and access

The municipal division did not ensure court records were maintained in accordance with court operating rules and access to these records was restricted to court personnel only. In addition, the municipal division did not have an adequate system in place to track the location and custody of municipal division records.

The municipal division utilized some upper level rooms in the municipal public works garage to store records related to cases closed before January 1, 2015, as well as court dockets and other financial information. During 2014, this garage sustained water damage from a roof leak and municipal division records were impacted.

Requests for records

In February 2016, we began asking for access to certain case files and court dockets stored in the municipal garage. In March 2016, the Ferguson City Clerk notified the SAO that many of the records damaged by the leak were covered in mold or had been otherwise rendered unreadable. While municipal division and city officials were aware court records were damaged, no one had taken any steps to evaluate the extent of the damage to determine what records could be recovered and the effort required.

In September 2016, the city began the mold remediation process by removing damaged ceiling and wall material. However, because the city had no timeline for remediating the records, the SAO took extraordinary steps and hired a mold remediation company to recover and preserve the court records available and necessary to resume our audit work. The remediation firm completed its work during the week beginning September 26, 2016.

After available requested records were remediated and our review completed, we identified a number of records still missing. After subsequent discussions and search efforts by city personnel, 3 case files and 33 final dockets we requested still remained misplaced.

Site visits

On April 20, 2016, and September 26, 2016, we conducted site visits to the municipal garage and noted the records were not maintained in a secure location within the building. All city employees with access to the building had access to these records, many of which contained confidential personally identifiable information and some of which were required by state law to be considered closed records.

The municipal division did not have adequate procedures in place to track the location and custody of municipal division records. As previously noted, these records were stored at multiple locations within the city. In addition, records were moved during the renovation of the City of Ferguson Police



Twenty-First Judicial Circuit
City of Ferguson Municipal Division
Follow-up Report on Audit Findings - Status of Findings

Department/Municipal Court building and were also accessed by various other agencies.

Recommendation

The City of Ferguson Municipal Division ensure case records are maintained in accordance with court operating rules and access to case records is properly restricted. In addition, the municipal division should implement procedures to track the location and custody of municipal division records.

Status

Partially Implemented

At the time of our follow-up meeting, the municipal division had made no efforts to remediate the remaining records stored in the municipal public works garage after the SAO remediated certain records necessary to complete our audit in September 2016. Also, public works personnel still have access to these older records. Access to 2015 through 2018 records is now restricted to court personnel. Records for 2015, 2017, and 2018 are stored in the municipal court building and the 2016 records are stored in the old firehouse, accessible only by court personnel. Beginning with the 2016 records, the municipal division is storing closed case files in protective plastic totes.

3. Case Management System Controls

The municipal division did not have adequate controls and procedures to ensure all case activity was properly recorded in the CMS.

The municipal division had not limited court personnel's ability to perform conflicting duties within the CMS and had not established procedures to provide adequate supervision or review of the work performed by court personnel to ensure transactions were appropriate. In addition, the CMS did not restrict court personnel's ability to modify receipt slips or to adjust fines and court costs on cases after the initial judgment had been entered.

The CMS generates receipt slips in numerical sequence and can be configured to restrict editing of issued receipt numbers. Prior to April 25, 2016, the municipal division had chosen to override this system control and allowed court personnel to modify receipt slip numbers, and to issue the same receipt slip number more than once. In addition, the CMS allowed all court personnel access to modify, void, and/or delete transactions. Also, the CMS allowed court personnel to enter certain codes to change the case status to closed even if a balance was still due on the case, preventing the case from showing up on future dockets.

Recommendation

The City of Ferguson Municipal Division establish controls to limit user access to only those functions necessary to perform assigned duties, restrict the user's ability to modify, edit and/or delete transactions, and work with the CMS vendor to modify disposition codes to prevent the closure of cases with balances due. If proper system controls cannot be achieved, adequate independent reviews of case activity should be performed and any differences investigated and documented.



Twenty-First Judicial Circuit
City of Ferguson Municipal Division
Follow-up Report on Audit Findings - Status of Findings

Status

Implemented

The municipal division could not establish the recommended system controls or prevent the closure of cases with balances due. However, the municipal division has developed independent reviews to compensate for the system weaknesses. A third assistant court clerk independent of the receipting and deposit preparation process is reviewing all manual and electronic records each time a payment is made. For all transaction modifications, assistant court clerks must now complete an error report form explaining the error and the correction necessary. The independent assistant clerk and the Court Clerk both review the corrected transaction in the CMS, then sign the form to document their review and approval. The approved form is retained in the case file and a copy is retained in the Court Clerk's office and in the daily receipt binder.

4.1 Accounting Controls
and Procedures -
Segregation of duties
and supervisory review

The municipal division had not adequately segregated accounting duties and adequate supervisory reviews of accounting records were not performed. Two assistant court clerks were primarily responsible for all duties related to collecting court monies, recording and posting this activity to the CMS, and preparing the deposits. All court personnel had the ability to assess and adjust fines and court costs, receipt monies, post noncash transactions, void and delete transactions, and record case dispositions in the CMS. Numerous unauthorized transactions appeared to have been made in the CMS including the dismissal of cases on non-court dates, with no documentation of approval by the Municipal Judge. Also, fines and court costs assessed were not always consistent with the Municipal Judge's orders recorded on the defendant sheet or with the Prosecuting Attorney's recommendation documented on manual working dockets or schedule for amended violations, as applicable.

Recommendation

The City of Ferguson Municipal Division segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

Status

Implemented

Two assistant court clerks remain responsible for collecting and recording monies received and preparing deposits; however, they no longer record the assessed fines and court costs unless the case is handled through the Violation Bureau (VB). The Court Clerk records the assessed fines and court costs in the CMS for all cases heard before the Municipal Judge. A third assistant court clerk, who is independent of the receipting functions, performs reviews of court records and payments received, and runs reports to verify the numerical sequence of receipt slips issued. The Court Clerk also reviews deposits, daily receipt reports, and monthly revenue reports.



Twenty-First Judicial Circuit
City of Ferguson Municipal Division
Follow-up Report on Audit Findings - Status of Findings

4.2 Accounting Controls
and Procedures -
Violation bureau

Fines and court costs were not always assessed in accordance with the VB schedule. In addition, court personnel did not ensure only authorized violations were handled through the VB.

Recommendation

The City of Ferguson Municipal Division ensure fines and court costs assessed for citations paid through the VB agree to the standard fines and court costs and only authorized violations are handled through the VB.

Status

Implemented

The Municipal Judge is now performing documented reviews of all cases closed through the VB and ensures the amounts paid agree to the standard fines and court costs and that only authorized violations are handled through the VB. He then signs and dates all final dockets and backer sheets.

4.3 Accounting Controls
and Procedures -
Noncash, voided, and
deleted transactions

The municipal division did not ensure noncash transactions were properly documented and had not established procedures for the review and approval of noncash, voided, and deleted transactions in the CMS by persons independent of the receipting process. All court personnel had the ability to record noncash transactions in the CMS. Noncash transactions include community service performed; jail time served; and modification or waiver of fines, court costs, and fees. Most noncash transactions should be supported by a documented judicial order and a record of jail time served signed by a jailer or a report of hours of service from a community service organization attesting to the days spent or hours worked for credit, as applicable.

Recommendation

The City of Ferguson Municipal Division require an independent review and approval of noncash, voided, and deleted transactions posted to the case management system and retain adequate documentation to support those transactions.

Status

Partially Implemented

The municipal division has developed procedures for handling voided and deleted receipts. These procedures include modifying the initial receipt slip amount to \$0 and changing the method of payment to void, issuing a new receipt slip for the correct amount, and completing an error report form explaining the error. This form is signed by the assistant court clerk preparing the form, an independent person verifying the correction, and the supervisor completing the final review. Copies of each completed form are maintained in the applicable case file, the Court Clerk's office, and the daily receipt binder. However, the initial receipt slip issued is not always retained in the case file and the amount of the initial receipt slip subsequently modified is not always documented. The Municipal Judge documents his approval for noncash transactions on the defendant sheets and judicial orders maintained in the case files.



Twenty-First Judicial Circuit
City of Ferguson Municipal Division
Follow-up Report on Audit Findings - Status of Findings

5.1 Municipal Division
Procedures - Policies
and procedures

Some operating orders were not dated to show the effective date and many policies and procedures were not in writing.

The Prosecuting Attorney issued three operating orders authorizing court clerks to (1) apply the \$100 bond payment collected toward fines instead of holding it as a bond and to nolle pros (dismiss) certain failure to appear (FTA) cases as part of an amnesty program, (2) nolle pros (dismiss) any FTA cases still open and not adjudicated, and (3) prepare and record recommendations to amend charges for certain violations based on a predefined list of violations and fines. Each order stated it shall remain in effect until withdrawn, revoked, or amended in writing; however, none of these orders or the predefined list were dated or stated an effective date.

The municipal division did not have written policies and procedures in place during our audit period. The Court Clerk was developing written procedures to provide detailed instructions for the assistant court clerks' daily activities; however, a final version had not been approved and communicated to employees as of July 2016. In addition, the municipal division lacked a formal written policy regarding the removal of some previously assessed fees. While the city had repealed the ordinances requiring these fees, a formal judicial order authorizing the deletion of previously assessed fees was not documented.

Recommendation

The City of Ferguson Municipal Division ensure operating orders specify the effective dates, and policies and procedures are in writing and communicated to employees.

Status

In Progress

The Municipal Judge now signs and dates all operating orders. Municipal division officials are currently writing policies and procedures regarding court operations, trial procedures, bonding, etc. in conjunction with the Department of Justice (DOJ) and the Independent Monitor for the Consent Decree. All policies approved will be conveyed to employees and some form of training will be provided.

5.2 Municipal Division
Procedures - Prosecutor
approval

The Prosecuting Attorney did not sign all tickets processed by the municipal division and the Prosecuting Attorney's approval of amended and dismissed tickets was not always clearly documented. In addition, the Prosecuting Attorney did not file an information form with the municipal division for the prosecution of FTA ordinance violations.

Recommendation

The City of Ferguson Municipal Division ensure a citation or information signed by the Prosecuting Attorney is filed for each ordinance violation to be prosecuted. In addition, the municipal division should ensure the Prosecuting Attorney reviews and approves all amended and dismissed tickets.



Twenty-First Judicial Circuit
City of Ferguson Municipal Division
Follow-up Report on Audit Findings - Status of Findings

Additionally, plea agreements should be signed by all parties and documented in the case files.

Status

Implemented

The Prosecuting Attorney now signs all citations and informations, and prepares a memo for each case to nolle pros (dismiss), which is forwarded to the municipal division and filed in the applicable case file. All plea agreements are signed by all parties and retained in the case files. The municipal division no longer prepares plea agreements on behalf of the Prosecuting Attorney or enters these agreements into the CMS until they have been accepted and approved by the Municipal Judge.

5.3 Municipal Division
Procedures - Bond
procedures

The police department and the municipal division should work together to account for the numerical sequence of bond forms issued. Cash bond forms, while prenumbered, were not issued in numerical sequence and release-on-recognizance bond forms were not numbered.

Police department personnel normally responsible for issuing bond forms did not issue cash bond forms in numerical sequence. Beginning in September 2014, both the police department and municipal division personnel issued bond forms for a period of time, using forms from the same sequence. Neither the police department nor the municipal division maintained records to track which bond forms were held by each department/division. While, the police department prepared a log of all cash bonds transmitted by the department to the Court Clerk, these logs were not used to account for the numerical sequence of all bond forms issued. The Court Clerk indicated she began printing the bond deposit reports and accounting for the numerical sequence of bond forms as of June 2015, but the resolution of any missing bond forms was not documented.

In addition, the police department issued unnumbered bond forms for individuals released on their own recognizance. A log was not maintained for these forms.

Recommendation

The City of Ferguson Municipal Division work with the police department to ensure prenumbered bond forms are issued for all bonds posted and the numerical sequence of all bond forms is accounted for properly.

Status

Implemented

The police department now issues prenumbered bond forms for all bonds posted. The Court Clerk reviews the sequence of the bond numbers and notifies the police department of any missing numbers.



Twenty-First Judicial Circuit
City of Ferguson Municipal Division
Follow-up Report on Audit Findings - Status of Findings

5.4 Municipal Division Procedures - Monthly reports

The Court Clerk did not submit accurate monthly reports of municipal division activity to the state and city. Our review of these reports identified numerous errors related to system programming. These differences occurred because the monthly summary report obtained from the CMS was not accurately set up to include amounts collected for all violations. In addition, payments were not always posted to correct cases and the CMS allowed court personnel to delete transactions as well as backdate transactions to prior period accounting records rather than requiring posting of the transactions in the current period.

In addition, the municipal division did not have procedures in place to ensure the accuracy of court surcharge amounts reported to the city for disbursement. The Court Clerk generates and provides a monthly summary report of court surcharges to the city for use in preparing disbursements to the state and city. Neither the municipal division nor city personnel reconciled this report to the monthly summary reporting form of collections to ensure amounts reported for disbursement were accurate.

Recommendation

The City of Ferguson Municipal Division establish procedures to ensure the accuracy of monthly Municipal Division Summary Reporting Forms. In addition, discontinue making adjustments to prior periods and reconcile amounts received and transmitted to the city for deposit to amounts posted in the municipal division records and city accounting records to ensure collections are properly distributed.

Status

Partially Implemented

At the time of our follow-up meeting, municipal division personnel were still making adjustments to prior periods. While the Court Clerk is now reviewing the monthly Municipal Division Summary Reporting Forms by comparing daily reports to monthly reports, there are no procedures to reconcile amounts received and transmitted to the city for deposit to the amounts posted in the municipal division records and city accounting records.

5.6 Municipal Division Procedures - CMS hierarchy

The municipal division did not disburse collections in accordance with the municipal hierarchy established by court operating rule. The state-approved municipal hierarchy requires disbursement of court costs and surcharges prior to disbursement of restitution, fines, and probation fees. However, when defendants make payments on their cases, the CMS improperly disburses the amounts paid based on the following hierarchy (1) fines; (2) credit card fees, non-prosecution fees, probation fees, restitution, DWI recoupment, warrant recall fees, and letter fees; and (3) court costs and surcharges.

Recommendation

The City of Ferguson Municipal Division work with the CMS programmer to correct the hierarchy parameters within the CMS and implement procedures to ensure payments are disbursed in accordance with state law.



Twenty-First Judicial Circuit
City of Ferguson Municipal Division
Follow-up Report on Audit Findings - Status of Findings

Status

Not Implemented

At the time of our follow-up meeting, the municipal division had not implemented procedures to ensure payments are disbursed in accordance with state law. Municipal division personnel indicated they worked with the CMS programmer to correct the hierarchy parameters within the CMS, but the changes caused other problems to occur and they reverted back to the incorrect hierarchy parameters.

6. Ticket Accountability

The police department, public works code enforcement division, and the municipal division did not maintain adequate records to ensure the numerical sequence and ultimate disposition of all tickets, including arrest notifications, uniform citations, complaints, and housing citations issued for violations of municipal ordinances were accounted for properly.

Recommendation

The City of Ferguson Municipal Division work with the police department and code enforcement division to ensure the numerical sequence and ultimate disposition of all tickets, including arrest notifications, uniform citations, complaints, and housing citations are accounted for properly.

Status

In Progress

The Court Clerk is now providing a monthly report of citations filed with the court to the police department supervisors. While complaint forms are still not prenumbered, a prenumbered arrest notification now accompanies each complaint. In addition, the Court Clerk now maintains the housing citation books and accounts for those citations. The municipal division is currently working with the DOJ on an audit citation policy to monitor tickets and hopes to have it implemented by the end of 2018.



Office of Missouri State Auditor
Nicole Galloway, CPA

City of Bethany



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Audit of the City of Bethany

Tax Increment Financing	<p>The audit identified concerns with the city's handling of Tax Increment Financing (TIF) project planning, funding, and reporting for the West Interstate Addition - South District (South TIF) and Northwest Interstate redevelopment areas (North TIF). The city did not take steps to ensure all available financing sources required by state law were utilized to finance construction of the South TIF redevelopment project. The lack of this significant source of revenue likely impacted the decisions made by the TIF Commission related to the planned project. The redevelopment projects for both the North and South TIF were poorly planned. For the South TIF, it is unclear what impact the planned project had on development of the economic area since the majority of the development occurred before discussions were held regarding the proposed project. The audit identified problems with reports prepared by the city regarding the progress of each TIF. For both TIFs, new businesses relocating to the areas were not always correctly reported and no estimates or actual amounts of jobs added or retained in the TIF were reported. The city has not held public hearings every 5 years for each TIF project as required by state law.</p>
Water and Sewer Systems Contract	<p>The decision to contract with a private company to operate and maintain the water and sewer systems was not made transparently. All meetings where this topic was discussed from February to April 2015 were closed to the public in violation of state law. Proposals seeking a company to operate and maintain water and sewer systems were not solicited competitively or in compliance with the city code. Board members did not review the formal cost-benefit analysis prepared to evaluate the decision to contract out services to operate and maintain the water and sewer systems before they voted on this change. The analysis prepared contained several flaws that bring into question the reliability of the information presented.</p>
Accounting Controls and Procedures	<p>The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city office personnel are performed. The city absorbs credit card user fees when customers pay utility bills by credit card, rather than charging users a convenience fee. City personnel do not account for the numerical sequence of receipt slips issued from the financial accounting system.</p>
Restricted Assets	<p>The city has not established adequate procedures to ensure restricted monies are expended only for intended purposes. The city imposes assessments against utility funds (gas, electric, water, and sewer) to offset costs incurred by the General Fund for employees/officials doing work related to multiple city funds, along with administrative and overhead costs that pertain to multiple city funds. The allocations of salaries and other expenses to the utility funds are largely based on estimates, rather than actual time spent performing functions or actual usage of materials, supplies, or services by the various utility funds. In August 2015, the Board approved resolutions authorizing the Gas, Sewer, and Solid Waste Funds to loan the Parks Department more than \$1 million as part of a plan to refinance a previous pool bank loan. Utility Funds are restricted for their intended purpose and cannot be used in this manner. The city also expended a significant amount</p>

of Electric Department revenue in support of the Parks Department in recent years.

Utility Controls and Procedures	Rates charged for sewer services have not been established at levels consistent with the costs of providing those services. In June 2015, a \$25 fee was improperly added to sewer billings, in addition to the base rate, to help fund the construction of a new wastewater treatment plant. This fee was established without a public vote, may be in violation of the Hancock Amendment, and has allowed the city to build an excessive Sewer Fund balance. The city code regarding shut off procedures for nonpayment of services gives the City Clerk some discretion when shut offs should occur but does not provide for any oversight of this process. While not specifically authorized by city code, pay agreements are utilized, but are not enforced consistently or reviewed and approved by an independent person. Non-monetary adjustments made to the utility system are not reviewed by an independent person.
Expenditures	City personnel do not always solicit competitive bids or proposals for goods and services as required by the city code. The city did not obtain appraisals prior to selling property or leasing property with the intent to purchase.
Sunshine Law	The city did not ensure compliance with the Sunshine Law for closed meetings.
Budgets and Ordinances	City budgets did not include all statutorily required elements and budget estimates for some funds were unreasonable compared to actual results. The city does not have ordinances related to establishing compensation for city officials and employees.
Electronic Data Security	The city has not established adequate password controls to reduce the risk of unauthorized access to computers and data. The city does not store backup files at an off-site location or periodically test the backup data.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Bethany

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Bethany, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Bethany. We have audited certain operations of the city in fulfillment of our duties. The city engaged Conrad & Higgins, LLC, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended March 31, 2017. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended March 31, 2017. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

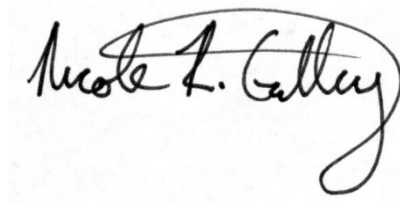
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Bethany.

An additional report, No. 2017-112, *Third Judicial Circuit, City of Bethany Municipal Division*, was issued in October 2017.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Keisha Guthrie
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City of Bethany

Management Advisory Report

State Auditor's Findings

1. Tax Increment Financing

We identified concerns with the city's handling of Tax Increment Financing (TIF) project planning, funding, and reporting for the West Interstate Addition - South District (South TIF) and Northwest Interstate (North TIF) redevelopment areas.

TIF is an economic development tool that redirects local tax revenues to the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800 to 99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation, along with a portion (50 percent in this case) of the incremental increases to sales taxes, resulting from the redevelopment. When a TIF plan is adopted, real estate taxes and economic activity taxes in the redevelopment area are frozen at the current level, or base valuation. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to any increased assessed valuation above the base value and by applying 50 percent of any increases to sales taxes over the base year, a tax "increment" is created. The real estate tax increments are referred to as payments in lieu of taxes (PILOTS) and the sales taxes increases are referred to as economic activity taxes (EATS). The PILOTS and EATS collected from the redevelopment areas are deposited by the city into a special allocation fund for each project, although EATS were not collected for the South TIF.

The city approved the South TIF plan in November 1994 by ordinance 916 with the intent to secure financing to construct multiple roads linking Highway 136 on the north with Highway 136 & 69 on the west (37th Street) and to construct and improve utilities within the TIF area using the increased revenue from economic activity generated as provided by the TIF Act. After many changes to the original plans, such as reducing the scope of the project to constructing a single road and determining where the road would be placed and the route it would take, the South TIF project was completed and the project was closed out in November 2017. At that time the PILOTS were no longer collected, and the remaining monies in the special allocation fund were paid to the County Collector-Treasurer for distribution to the various political subdivisions assessing property taxes in the district.

The city approved the North TIF plan in December 2001 by ordinance 1037, and amended the plan in December 2002 with ordinance 1050. The North TIF encompasses an area north of Highway 136, south of Highway 69 Spur, and west of Interstate 35. The city established the project with the intent to secure financing to construct a new road linking Highway 136 on the south with Highway 69 Spur on the north and to construct and improve utilities within the TIF area using the increased revenue from economic activity generated as provided by the TIF Act. The North TIF project has also been completed and the collection of the PILOTS and EATS will stop when the TIF expires on



City of Bethany Management Advisory Report - State Auditor's Findings

December 19, 2024. The city loaned \$543,365 from April through July 2017 to the TIF Commission to finish paying for the project.

The city was designated as the developer for both the North and South TIF. Typically, a private developer would submit an application for TIF funding for a specified development project to the TIF Commission and once approved, the TIF plan would be developed, along with a plan for the financing of the project. For both projects, the financing plan selected was pay-as-you-go, with some portions of the projects being completed as funds became available; however, both projects were delayed for years as funding accumulated. The city's loan to complete the North TIF project will be reimbursed as monies are available. The majority of the work associated with the South TIF project was not completed until sufficient funds had been accumulated.

Our review of the TIF Commission minutes, Board of Aldermen meeting minutes, plans, and related documents identified the following concerns.

1.1 Economic Activity Taxes - South TIF

The city did not take steps to ensure all available financing sources required by state law were utilized to finance construction of the South TIF. EATS were not collected throughout the life of that project as required by state law. Failure to collect this significant source of revenue contributed to construction not starting until August 2017. The city was completely reliant on PILOTS contributed by the various political subdivisions that receive property taxes from land in the redevelopment area. City personnel indicated \$662,035 in city sales taxes were collected from businesses in the South TIF during 2016 and 2017, based on Department of Revenue sales tax records.

PILOTS collected by the County Collector-Treasurer from 1994 to 2017 totaled approximately \$2 million, with approximately \$135,000 being refunded after the \$1.85 million project was complete. The taxing entities contributing property taxes to the project were the city, Harrison County, South Harrison R-2 School District, Harrison County Health Department, Harrison County Community Hospital, Noel T. Adams Ambulance District, and Bethany Township.

While we could not determine the total amount of EATS that should have been collected, based on the figures provided to us by the city for sales taxes collected during 2016 and 2017, we believe the amount not collected was substantial. Several businesses existed in the TIF area prior to its formation, but the base sales tax collections (collections within the TIF area during the year before establishment) were not determined. Several businesses, among them Sonic, Super 8 Hotel, and an Amoco gas station, have moved into the South TIF since its formation and Walmart relocated to a new building while converting to a supercenter. This business development is unlikely a direct result of the planned TIF project because the project was not started and



City of Bethany
Management Advisory Report - State Auditor's Findings

completed until 2017. Since the base sales tax collections were not established, we cannot determine the amount of EATS that would have been generated, but with the development that occurred within the TIF, we can reasonably conclude the amount would have been significant and would likely have impacted the decisions made by the TIF Commission related to the planned project.

The original estimates for the project included in the plan adopted in November 1994 called for the building of roads and public utility improvements, with costs estimated at \$670,000. This plan called for multiple roads to be built that would connect new roads to existing roads. The project ended up being one three-quarter mile road built off of Highway 136 that connects to no other road. Had EATS been collected, the necessary funds to complete the project would have been accumulated much faster, potentially allowing the project to be undertaken sooner and at a lower overall cost, and requiring significantly less PILOTS be contributed by the various taxing entities had the same project been completed. Also, the TIF Commission may have chosen to do a more comprehensive project, similar to what was initially planned, since more project funds would have been available.

To ensure adequate funding is available for future projects the Board should ensure all required revenues are collected on TIF projects. Section 99.845.3, RSMo, requires 50 percent of the total additional revenue from taxes, penalties, and interest, which are imposed by the municipality or other taxing districts, and which are generated by economic activities within the area of the redevelopment project shall be allocated to, and paid by the political subdivision to the Treasurer, who shall deposit such funds in the special allocation fund.

1.2 Planning

The redevelopment projects for both the North and South TIF were poorly planned. For the South TIF, it is unclear what impact the planned project had on the development of the economic area since the majority of the development occurred before discussions were held regarding the proposed project. Project construction of the road did not start until August 2017. Because there is no documentation of any discussions regarding the South TIF during the first 15 years of its life, it is unlikely this project was instrumental in the development of this area. At a minimum, we would have expected to see documentation the TIF Commission was aware of the amount of money that had accumulated and some discussion as to why the project was not moving forward.

Based on our review of TIF Commission minutes, TIF redevelopment plans and related documents, ordinances, and Board of Aldermen meeting minutes, it is apparent that specific financing plans were not in place for either the North or South TIF projects at the time of their formation, although TIF reports indicate pay-as-you-go as the chosen financing plans. While the



City of Bethany Management Advisory Report - State Auditor's Findings

redevelopment plans refer to the projects and include cost estimates, it is clear the city did not intend to immediately proceed with construction of the projects once the TIFs were approved. Although pay-as-you-go is an allowable method of financing a TIF project, considering the purpose of both TIFs is to stimulate development in the area, finding a way to complete the projects early in the life of the TIF would have been beneficial to the redevelopment of these areas.

It is unclear when the TIF Commission was formed because the first set of meeting minutes we received started in 2001. We received no minutes for meetings prior to 2002, other than one meeting in 2001 and none for meetings in 2008, 2009, or 2010. The minutes of a March 2011 meeting include the first documented discussions of any issues related to the South TIF, which by then had existed for 17 years. No official minutes were available for several meetings held in 2012 and 2013, although agendas were available for some or handwritten notes of discussions for others. We noted development in the North TIF was frequently discussed in the TIF Commission minutes; however, engineering proposals to construct the new road in the North TIF were not received until early 2015, 14 years after the 2001 formation of the district.

Section 99.820.2, RSMo, requires a TIF Commission to be established prior to the adoption of an ordinance approving a redevelopment plan. When undertaking such significant projects it is imperative that the Board of Aldermen and TIF Commission ensure such projects are properly planned and steps are taken to further the progress of the project.

1.3 Reporting

We identified problems with the reports prepared by the city regarding the progress of each TIF. While city officials annually filed these reports with the Department of Revenue when required, the reports did not always include all information requested. For example, new businesses relocating to the area were not always correctly reported and the reports for both TIFs consistently included no estimates or actual amounts of jobs added or retained.

Complete and accurate annual reports, in addition to meeting statutory requirements, can serve as a useful management tool for both city leaders and the TIF Commission by reporting progress of the developments. It also assists in informing the public about the status of TIF developments.

1.4 Public hearings

The city has not held public hearings every 5 years for each TIF project as required by state law. We saw no evidence of any public hearings occurring during the life of either of these projects. The City Administrator located an agenda for a public hearing of the TIF Commission scheduled for October 12, 2004, but could not locate minutes of the public hearing.



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Section 99.865.3, RSMo, states "Five years after the establishment of a redevelopment plan and every five years thereafter the governing body shall hold a public hearing regarding those redevelopment plans and projects created pursuant to Sections 99.800 to 99.865. The purpose of the hearing shall be to determine if the redevelopment project is making satisfactory progress under the proposed time schedule contained within the approved plans for completion of such projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the commission once each week for four weeks immediately prior to the hearing."

Recommendations

The Board of Aldermen:

- 1.1 Ensure revenues are properly collected for any future TIF projects.
- 1.2 Plan for the financing and construction of future TIF projects early in the redevelopment process to ensure the maximum benefit for the community. In addition, ensure there is an active TIF Commission to oversee and manage TIF projects to help ensure the projects are completed timely.
- 1.3 Ensure accurate annual reports are filed with the state for each TIF.
- 1.4 Ensure public hearings are held on TIF redevelopment plans as required by state law.

Auditee's Response

- 1.1 *Revenues are and have been properly collected for the North TIF, an active TIF project, and will be as well for any future TIF projects.*
- 1.2 *The Board concurs that early planning is always a good business practice. One currently vacant TIF Commission seat will be filled at the next Commission public hearing to be held in 2018.*
- 1.3 *The Board agrees that submittal of accurate annual reports is essential and will ensure accurate reports are submitted in the future.*
- 1.4 *The Board has found and provided documentation of 2 public hearings held prior to the TIF formation, and one by the TIF Commission on October 12, 2004. It is believed that the "regular" meetings of the TIF Commission, being open to the public and public noticed, may have been thought to have met this requirement.*

A public hearing on the North TIF will be held in 2018, and again no later than 2023.



2. Water and Sewer Systems Contract

The decision to contract with a private company to operate and maintain the water and sewer systems was not made transparently. In addition, competitive proposals were not solicited and a cost-benefit analysis was not performed in advance to determine if any cost savings would result. During the year ended March 31, 2017 (fiscal year 2017), the city paid a private company approximately \$618,000 for management of the water and sewer systems.

In early 2015, city officials held discussions on possibly contracting out management services of production and distribution of the water and sewer systems. Making this change would eliminate city paid utility employees for these systems and shift the responsibility for operating and maintaining them to a private company. Per the contract, the private company would be responsible for the expense of maintenance and repair of all equipment, physical facilities, and vehicles assigned for its use (up to the base amount specified in the contract), except capital replacement costs, which is defined as all capital replacement and major maintenance/repair expenditures that exceed \$1,000. Capital improvements and major repairs to the systems continue to be the responsibility of the city. Our review of the process followed in making this decision identified various concerns.

2.1 Transparency

The decision to contract with a private company was not made transparently. Based on our review of Board meeting minutes for the time period from February to April 2015, the Board considered and made a decision to shift from operating and maintaining the city's water and sewer systems to contracting these services out to a private company. All the meetings where this topic was discussed during that time period were closed to the public, with the minutes citing personnel issues, Section 610.021 (3), RSMo, as the reason for closing the meetings. That section of law specifically defines personal information as "information relating to the performance or merit of individual employees." We identified no discussions documented in the closed minutes that met this definition, and thus, discussion of this topic in closed session was not allowable by law. These closed meetings were used to discuss the merits of entering into a contract for these services with a private company, discuss the proposals submitted, and approve the selected vendor.

The first mention of this issue was in the minutes of a closed Board meeting held on February 17, 2015, which indicate two vendors submitted initial informal proposals. There is no evidence these initial proposals were sealed as required by the city code and they were not provided for our review. The minutes of a March 2, 2015, closed Board meeting indicate that references were checked and the initial proposals were reviewed by the former Utility Superintendent (he now works for the private company in this same capacity). He informed the Board he had identified no cost savings in either proposal, but suggested clarifying the scope of the services to allow a better comparison of the proposals. Subsequent closed meetings held in March and early April 2015 mention defining the scope of the work, having the companies tour the



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facilities, and meeting with the Utility Superintendent. Formal proposals were submitted by both companies on April 17, 2015. Both companies were invited to attend the April 20, 2015, closed Board meeting and each gave a presentation and answered questions from the Board. A vote was held in that meeting to select a vendor for the contract.

The first public mention of this decision occurred when the selected vendor was present at the May 4, 2015, Board meeting. Those meeting minutes indicate a member of the audience stated that this was a major change in operations and asked if this issue had been discussed previously in any open session. The former Mayor indicated the change involved city employees and the Board wanted to look into the companies before notifying the public. A formal contract was approved in a public meeting held May 18, 2015.

Under Section 610.022.1, RSMo, before going into a closed meeting a public governmental body must vote to close by a specific reference to the section permitting the disclosure. The Sunshine Law, Chapter 610, RSMo, limits discussions and votes in closed meetings to only those specifically allowed by law and referenced in the vote to close. Votes should only be taken in closed meetings related to allowable topics and would need to be publicly disclosed as soon as possible.

2.2 Competitive bids

Proposals seeking a company to operate and maintain water and sewer systems were not solicited competitively. In addition, the city code specifies sealed bids will be submitted to the City Clerk for any item or service in excess of \$15,000, but does not indicate how the bids will be solicited. It is unclear when the decision to seek proposals occurred because Board meeting minutes do not indicate this information, but city personnel indicated they identified 2 companies that offer those services and contacted them about submitting a proposal. No public advertisement occurred to expand the potential number of proposals that could be obtained. As indicated in section 2.1, the 2 proposals submitted were not sealed and were not opened in a public meeting of the Board, as required by the city code.

Article III, Section 135.070(A).5 of the city code states any bid over \$15,000 shall be sealed and submitted to the City Clerk. All bids will be opened at a scheduled public meeting. All bids will be submitted to the Board at the next regular Board meeting with recommendations from the facilitator. In addition, competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business. Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration.



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2.3 Cost-benefit analysis

Board members did not review the formal cost-benefit analysis prepared to evaluate the decision to contract out services to operate and maintain the water and sewer systems before they voted on this change. The former Utility Superintendent reported to the Board in the closed meeting held March 2, 2015, that he believed neither proposal being considered would result in any cost savings to the city. The cost-benefit analysis provided to us does not indicate when it was prepared or who prepared it, but the electronic file we received showed a save date of May 1, 2015. City personnel indicated they thought the former City Administrator prepared the analysis. There is no evidence the Board received this information for review and the decision to contract with a specific vendor had already been made by the save date shown for this file.

In addition, our review of the cost-benefit analysis identified several concerns that bring into question the reliability of the analysis. The city compared the total costs of operating the water and sewer systems during fiscal year 2015 to the proposed cost of operating the systems during fiscal year 2016 using the contractor. That comparison showed a cost savings of approximately \$160,000, but did not exclude capital improvements or debt service payments, which were proposed to be significantly less in fiscal year 2016, and are the responsibility of the city. The budget for fiscal year 2016 with the city continuing to operate the systems was only approximately \$20,000 more than the cost of making the change. Excluding debt service costs and capital improvement costs from the analysis indicates it would have actually cost approximately \$20,000 less for the city to continue operating the systems itself.

Closed meetings minutes show factors other than costs, such as personnel matters, were considered before making this change. However, because the value of the contract exceeds \$600,000 per year, making a decision before reviewing a formal cost-benefit analysis is not prudent.

Regular review of utility management services and costs is necessary to ensure the city is receiving these services at a reasonable cost and whether continuing with this arrangement is beneficial to the city.

Recommendations

The Board of Aldermen:

- 2.1 Ensure future contract discussions and the process to select vendors is performed in an open and transparent manner in accordance with state law.
- 2.2 Solicit competitive bids and proposals for all applicable purchases and clarify in the city code how the bids and proposals will be solicited. In addition, follow the city code regarding how bids and proposals will be submitted and presented to the Board.



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Auditee's Response

2.3 Ensure a cost-benefit analysis, which includes only relevant factors, is prepared timely when making significant management decisions in the future. In addition, a cost-benefit analysis should be performed prior to renewing this contract.

2.1 *The decision to contract with a private company to provide management services of production and distribution of the water and sewer systems was made as a result of numerous personnel issues within the department, and was made after discussions were held with all affected employees. It should be noted that all employees in the department were either retained by the city or hired by the selected contractor. In hindsight, the Board concedes that the decision making process could have been more transparent to the public, but the intent was to protect the employees from undue stress related to a public debate and the Board stands by its decision to contract these services. In the future, the Board will ensure the process of selecting vendors for city services will be performed in an open and transparent manner and in accordance with the law.*

2.2 *The Board will review its purchasing policy and will clarify the Bethany City Code as to how bids and proposals will be solicited. The Board will follow the city code on how bids and proposals will be submitted and presented to the Board.*

2.3 *Though it is not documented, one Alderman believes that he received information containing a cost-benefit analysis at the time the decision was made to contract with a private company. The Board agrees that development of a cost-benefit analysis is a good business practice when making major management decisions and that any such analysis should be documented in the Board minutes. The current contract expires March 31, 2021. The Board will endeavor to ensure that a complete cost-benefit analysis is completed prior to entering into any extension of this contract and future contracts of a similar nature.*

3. Accounting Controls and Procedures

Accounting controls and procedures need improvement.

3.1 Lack of oversight

The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city personnel are performed. The Utility Billing Supervisor and Deputy City Clerk both receipt monies and post transactions to the accounting system, and the Utility Billing Supervisor is also responsible for preparing utility bills,



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posting adjustments to accounts, and preparing and making deposits. No reviews of the detailed accounting and deposit records are performed by other city personnel or Board members.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and deposit records should be performed.

3.2 Credit card convenience fees

The city allows utility bills to be paid with personal credit cards; however, credit card users are not charged a convenience fee to offset the related costs to the city. Credit card fees, which totaled approximately \$9,800 during fiscal year 2017, are absorbed by the city. In addition, because the fees vary by credit card issuer, the City Treasurer indicated she cannot reconcile the amounts received from credit card companies with the credit card payments made by individuals.

Considering the costs of credit card fees, the city should reconsider if absorbing these costs outweighs the benefits of not charging credit card convenience fees. Absorbing the credit card fee is a possible violation of Article VI, Section 23, Missouri Constitution, which prohibits the granting of public funds to individuals.

3.3 Receipt slips

City personnel do not account for the numerical sequence of receipt slips issued from the financial accounting system. The city's financial accounting system assigns one numerical receipt slip sequence, even though receipt slips are issued by various personnel for different functions, such as court payments, utility payments, and franchise fees. In addition, the accounting system will occasionally skip batches of receipts, which are listed in the daily register as voided. Because voided transactions do not require supervisory approval, are not periodically reviewed by an independent person or supervisor, and are not adequately documented, it is difficult to determine why these transactions occurred.

To ensure all monies received are accounted for properly, personnel should account for the numerical sequence of receipt slips issued through the accounting system. To ensure all voided transactions are valid and to reduce the risk of loss, theft, or misuse of funds, proper documentation should be maintained and someone independent of the receipting and recording function should review and approve these transactions.

Recommendations

The Board of Aldermen:

- 3.1 Segregate the accounting duties of city personnel. If proper segregation cannot be achieved, ensure a documented independent or supervisory review of detailed accounting and deposit records is performed.



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- 3.2 Consider charging a convenience fee when customers pay by credit card and establish a process for reconciling credit card payments made by customers with amounts received.
- 3.3 Require personnel to account for the numerical sequence of receipt slips issued. In addition, ensure adequate documentation is maintained to support voided transactions and ensure an independent review and approval of these transactions is performed and documented.

Auditee's Response

- 3.1 *The Board agrees that separation of accounting duties is the ideal situation, but realize that with limited staff, the Board may not be able to completely segregate all accounting functions. The Board is developing workable options for spot-check reviews by non-accounting individuals to oversee that proper procedures are being implemented and will have that procedure in place by the next fiscal year.*
- 3.2 *The Board is researching third party providers who will be invited to bid on providing this service, with the goal to have a contract in place by January 1, 2019, if the Board can negotiate a contract that will be advantageous to the city and the citizens of the City of Bethany.*
- 3.3 *The Board is in the process of developing a policy that will address the issues set forth above.*

4. Restricted Assets

The city has not established adequate procedures to ensure restricted monies are expended only for intended purposes.

4.1 Utility Assessments

The city imposes assessments against utility funds (gas, electric, water, and sewer) to offset costs incurred by the General Fund for employees/officials doing work related to multiple city funds, along with administrative and overhead costs that pertain to multiple city funds. The Gas, Electric, Water, and Sewer Funds were assessed \$112,500, \$112,500, \$93,750, and \$56,250, respectively, during fiscal year 2017. We identified concerns with the city's allocation methods.

City personnel provided documentation of how they determine the amounts to charge to each utility for payroll and fringe benefits, and administrative and overhead costs incurred by the General Fund. Timesheets are not prepared by administrative staff to document time spent on particular activities and thus, estimates are used for applicable employees/officials to determine the percentage to allocate. These employees/officials and the estimated percentage of their salary and fringe benefits allocated include the Code Enforcement Officer (50 percent), City Administrator (80 percent), City Clerk (80 percent), Utility Billing Clerk (100 percent), Finance Director (80



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percent), Inventory Clerk (80 percent), and the Board of Aldermen (50 percent). None of these costs are allocated to non-utility funds operated by the city.

The administrative and overhead costs allocated include maintenance and repairs for equipment and buildings, supplies, utilities, and professional fees and services. These costs are paid by the General Fund and then allocated by charging 20 percent to each utility, rather than the amount of time spent performing each function or the actual usage of materials, supplies, or services by the various utility funds. None of these costs were allocated to other non-utility funds of the city. In addition, the documentation prepared to support the assessment charged in fiscal year 2017 determined the total of the assessments was \$364,228, but the actual amount allocated was \$375,000.

Generally accepted accounting principles and various legal restrictions require receipts and disbursements associated with specific activities be reflected in the fund established to account for those activities. The proper allocation of expenses is necessary for the city to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure restricted funds are used for intended purposes, the allocation of expenditures to city funds should be based on specific criteria, such as the number of hours worked by each employee, and documentation of allocations should be retained.

4.2 Pool Loan

In August 2015, the Board approved resolutions authorizing the Gas, Sewer, and Solid Waste Funds to loan the Parks Department more than \$1 million as part of a plan to refinance a previous pool bank loan. The amount loaned totaled \$1,414,898.

Fund	Amount
Gas	\$ 714,898
Sales Tax (General)	400,000
Sewer	200,000
Solid Waste	100,000
Total	\$ 1,414,898

Board meetings minutes discussing this loan indicate it was made to reduce the Parks Department's interest costs. The interest rate on the bank loan was at 5 percent and the rate on the loan from the utility funds is set at 1.8 percent. Significant reductions to the cash balances of the Gas and Sewer Funds could be detrimental to the ability of these funds to meet current obligations. For the Sewer Fund, the loan also is likely to have contributed to the need to increase rates. In addition, the city did not obtain a written legal opinion regarding using restricted utility monies to make the loan.



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Monies in the Gas, Sewer, and Solid Waste Funds are restricted for their intended purpose and cannot be used for the general operation of the city. These proprietary funds are established to account for the user fees collected and costs associated with each utility separately. This separate accounting is intended to assist the city in monitoring each utility to ensure user fees are set at the level necessary to provide the service and for reasonable reserves. Although there is no defined level for reasonable reserves, it is not reasonable or prudent to set user fees at a level where excessive reserves are accumulated and then used to fund other activities unrelated to the specific utility.

4.3 Ballfield lights

The city has expended a significant amount from the Electric Fund in support of the Parks Department in recent years. The budget for the year ended March 31, 2018, includes a budget message stating "The Electric Department will support the Parks Department as it continues its focus on ballfield improvements." According to city personnel, as of January 12, 2018, the city had spent approximately \$350,000 from the Electric Fund for ballfield lighting projects. Providing subsidies to other city funds from the Electric Fund is not appropriate and should be discontinued.

Revenues of the Electric Fund represent user charges intended to cover the cost of providing the related services. It is not appropriate to subsidize the Parks Department operations with funding from the Electric Fund. As a result of this situation, electric rates may be set higher than necessary to recover actual costs and city electric customers are being required to subsidize Parks Department services.

Recommendations

The Board of Aldermen:

- 4.1 Ensure all expenditures are properly allocated to the various funds and allocations are supported by adequate documentation. For the Electric, Gas, Water, and Sewer Funds, this documentation should include conducting a formal analysis of overhead and services to determine the percentage of costs related to each fund and a formal time study to ensure payroll costs are charged to the appropriate funds.
- 4.2 Repay the Gas, Sewer, and Solid Waste Funds any monies related to the park loan and ensure restricted utility funds are only used for their intended purpose.
- 4.3 Limit expenditures from the Electric Fund to only those necessary to operate the city's electric system and provide services to customers.

Auditee's Response

- 4.1 *An overhead assessment will be performed and utility assessment levels will be carefully reviewed in preparation for development of the 2019 budget.*



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- 4.2 *The Board will endeavor, as always, to follow generally accepted accounting principles in all financial activities. The Board has been advised that no illegal actions were taken, but understands the Auditor's concerns regarding the use of restricted monies for this purpose. The Board's intent in doing this transaction in this manner was to both save the Park Department money in reduced interest expense on the loan and to maximize revenues for the Utility Funds by getting a better rate of return on the reserve funds. The Board understands that restricted funds should only be spent for their intended purpose, but considering the benefits to both the Utility Funds and the Park Fund, the Board will continue our current arrangement with the Parks Board until all fund monies have been fully repaid, with interest, as agreed.*
- 4.3 *The Board willingly complies with all legal restrictions on the use of these funds.*

5. Utility Controls and Procedures

Utility controls and procedures need improvement.

5.1 Utility rates

Rates charged for sewer services have not been established at levels consistent with the costs of providing those services. In addition, the wastewater fee added to residents sewer bills in April 2015 may violate the Hancock Amendment based on the way it is being charged.

Cash balances of the various utility funds, particularly the Sewer Fund, have been very high in the past few years allowing the city to use these funds to provide subsidies to other city funds (see MAR finding number 4). Prior to the pool loan made in August 2015, the cash balance of the Sewer Fund was approximately \$620,000. After the loan occurred the balance initially declined, but due to rate increases and the added fee, the balance has steadily grown. By December 31, 2017, the Sewer Fund cash balance had grown to more than \$1.8 million, which is approximately 3 times the amount expended annually on operating the sewer system.

The Board approved a sewer rate increase in April 2015. Also, in June 2015 a \$25 monthly fee was added to sewer billings, in addition to the base rate, to help fund the construction of a new wastewater treatment plant. This fee was added based on a study done by the United States Department of Agriculture (USDA) that recommended the city increase the base sewer rate to \$25, in order to allow the city to build up the reserve balance of the Sewer Fund to the level necessary for a loan being sought related to building a new wastewater treatment plant. Rather than increase the base sewer rate, which is based on a percentage of the water rate, the Board elected to add a \$25 wastewater fee to each sewer billing. City officials have publicly stated the



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fee is required by the USDA, but it was not. The wastewater fee is charged on all sewer bills regardless of sewer usage. This fee was added to sewer customer bills and was established without a public vote, and thus may be a violation of the Hancock Amendment.

After this fee was assessed for 2 years, city officials acknowledged it was generating excessive revenues and obtained USDA approval to reduce it to \$20 monthly starting with June 2017 billings. During fiscal year 2017, Sewer Fund revenues exceeded \$1.1 million, while expenditures were approximately \$580,000, allowing the fund balance to increase by approximately \$500,000, growing to approximately \$1.33 million by March 31, 2017. By April 25, 2018, even with the \$5 decrease in the fee, city records indicate the Sewer Fund cash balance was approximately \$2.1 million. Some of this cash balance is reserved for the new wastewater treatment plant under construction, but the balance available for general sewer expenditures was still considerably higher than the amount spent annually on operating costs. In addition to improperly adding a fee to citizens sewer bills, the city has failed to set the sewer rate at a reasonable level, which would be the amount necessary to provide sewer service and reasonable reserves. A review of the rate should be conducted by preparing a statement of costs to determine the level the rate should be established.

The Missouri Supreme Court in its decision in *Beatty v. Metropolitan St. Louis Sewer District*, 867 S.W.2d 217 (Mo. banc 1993) applied a five-pronged analysis to determine whether a governmental charge was a tax, thus requiring a public vote, or user fee which could be revised without a vote. This court case also indicated that if the analysis did not clearly indicate the charge is a user fee, the issue should be put to a vote. One of the major criteria considered in that case was whether the added fee was based on usage, which it was not, which contributed to the court determining the added fee was in fact a tax. Other criteria typically looked at by the courts include when is the fee paid, who pays the fee, is the government providing a good or service and has that good or service historically and exclusively been provided by the government. Based on the way these criteria were assessed in other cases with similar circumstances, the \$25 wastewater fee would be considered a tax subject to the Hancock Amendment and should have been voted on by the taxpayers.

The Missouri Constitution Article X, Section 22(a), commonly known as the Hancock Amendment, prohibits political subdivisions from increasing existing taxes, licenses, or fees above levels authorized at the time of passage of the Hancock Amendment without voter approval.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs, which shows the increase is necessary to cover costs of providing the service. To ensure utility rates are set to cover the cost of



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providing the related services, the city should perform and document a detailed cost study of its water and sewer costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits.

5.2 Shut off procedures

The city code regarding shut off procedures for nonpayment of services gives the City Clerk some discretion when shut offs should occur but does not provide for any oversight of this process. In addition, the city code does not address the use of pay agreements or how they will be enforced. Currently, the City Clerk allows users to enter into pay agreements to postpone potential service shut off, but the reasons for authorizing the agreements are not documented, and the agreements are not enforced consistently and not reviewed and approved by an independent person.

All utility charges are included on the same billing and the city code states if any billing or charge remains unpaid after the 4th Wednesday of the month, the City Clerk may cause service to be shut off. The City Clerk indicated electric service is typically shut off for nonpayment, but water would be shut off if the customer does not get electric service from the city. The City Clerk stated she does not consider the current month's billing when determining if shut offs or payment agreements are necessary, which is not consistent with the wording of the ordinance. Thirteen of 47 billings reviewed were paid after the 4th Wednesday of the month and there is no evidence utility service was shut off for any of these customers, such as a reconnect charge being added to their account. Several of these users had already entered into pay agreements, but they did not comply with the terms of the agreements. Reasons for not shutting off service were not documented. In addition, no records are maintained of when a user has service disconnected so it is difficult to determine if services were shut off when appropriate.

Article I, Section 715.030(C) of the city code states if any billing or charge remains overdue past the 4th Wednesday of the month, the City Clerk may cause that utility service to be disconnected. It also states the City Clerk may consider previous payment history, time of year, and other factors deemed relevant by the City Clerk. To ensure all customers receive equitable treatment and city revenue is maximized, the city code should specify when a shut off of service is required and when a pay agreement is authorized. For pay agreements, city code should address allowable reasons for the agreements, an approval process, and independent review procedures.

5.3 Non-monetary adjustments

Non-monetary adjustments are not reviewed by an independent person. Non-monetary adjustments are any transactions where monies are not received; however, the account balance has been changed in the accounting records, such as waiving customer late charges, adjusting usage for inaccurate meter readings, or reducing a balance due to water leaks. The Utility Billing Clerk and Deputy Billing Clerk both receipt and post utility payments, and both can



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also post non-monetary adjustments to the system. Non-monetary adjustments are posted to the system regularly and are not reviewed and approved by an independent person. We reviewed 25 non-monetary adjustments and while each looked appropriate and had supporting documentation, none of them had been approved by an independent person. Because these employees are responsible for collecting utility monies and have the ability to alter or delete individual utility account information, there is an increased risk that unsupported or unauthorized changes can be made in the utility system. The city does not produce reports of non-monetary adjustments for the Board to review and approve.

Non-monetary adjustments should be verified and approved by a person independent of the person posting these transactions to ensure they are legitimate. Because of the risks associated with non-monetary adjustments, the Board should consider monitoring all such transactions.

Recommendations

The Board of Aldermen:

- 5.1 Consult the city attorney to determine if the wastewater fee is allowable and ensure a formal review of sewer rates is performed periodically to ensure revenues are sufficient to cover all costs of providing the service without generating excessive profits.
- 5.2 Revise the city code to clarify when shut off of service is required and ensure the ordinance is followed. In addition, a record of shut offs should be maintained.
- 5.3 Ensure a documented review of all non-monetary adjustments posted to the utility system is performed by an independent person.

Auditee's Response

- 5.1 *The Board has been advised that the wastewater treatment fee is not believed to violate the Hancock Amendment. The City Treasurer and City Auditor will work with the City Attorney to ensure sewer rates are sufficient to meet the city's financial obligations without being excessive. The Board will review the wastewater treatment fee in preparation of the fiscal year 2019 budget to determine/verify its legality. All utility rates, and any fees, will also be reviewed on an annual basis as a part of the budgetary process to ensure compliance with all laws related to such rates and fees.*
- 5.2 *Ordinance 1304, passed by the Board on April 2, 2018, addresses "Payment and Procedure Upon Non-Payment" of city utilities. Implementation of the ordinance has been, and will continue to be, strictly followed. A record of shut offs has been maintained by the City Clerk for the last few months, and will continue.*



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5.3 *Ordinance 1304, passed April 2, 2018, minimizes the number of non-monetary adjustments. Non-monetary adjustments will be reviewed by non-accounting personnel on a periodic basis.*

6. Expenditures

Controls over city expenditures need improvement.

6.1 Bidding

City personnel do not always solicit competitive bids or proposals for goods and services as required by the city code. We identified several purchases of goods or services where written quotes or proposals were required but they were either not obtained or not retained, including road salt (\$3,225), concrete construction (\$3,808), airport maintenance (\$1,800), and a lifeguard training/operations audit (\$4,008).

We also identified instances where written quotes were not solicited for road work (\$4,000) and water treatment pump repairs (\$2,200). City personnel indicated these purchases were of an emergency nature and therefore not bid, but the reasons were not documented.

Bidding procedures for major purchases provide a framework for economical management of county resources and help ensure the city receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding ensures all interested parties are given an equal opportunity to participate in city business. Article III, Section 135.070(A).3 of the city code states for purchases of goods or services between \$1,500 and \$5,000 three written quotes will be obtained. The city's bid policy does not address emergency purchases; however, city personnel should document reasons for noncompliance with city policy if an emergency purchase is necessary.

6.2 Real estate transactions

The city did not obtain appraisals prior to selling property or leasing property with the intent to purchase. In 2015, city officials were in discussion with a retail corporation to establish a store in Bethany. The corporation was interested in the building, which formerly served as the fire station/community center, and made an agreement with the city to purchase the building and land for \$250,000 in August 2015. No current officials could explain how the sale price was determined and they indicated they contacted the former Mayor to determine if he could provide an explanation, but he could not. The city did not obtain an appraisal of this property.

In June 2015, the city entered into a 5-year lease purchase agreement, totaling \$150,000, for a building that was originally intended to house the Street Department, but currently houses the fire station. An appraisal of this property did not occur and city officials could not explain how the lease purchase price was determined.



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Because the city did not obtain an appraisal for either property, it is difficult to determine whether the amount paid/received was reasonable and approximated fair market value.

Recommendations

The Board of Aldermen:

- 6.1 Ensure bids are solicited in accordance with the city code. Documentation should be maintained to support specific instances where it is not practical to obtain bids due to an emergency.
- 6.2 Ensure appraisals are performed for any property considered to be bought or sold in the future.

Auditee's Response

- 6.1 *The Board will review the procedures contained in the city's purchasing policy and will clarify, in the policy, emergency purchasing procedures. Additionally, the Board will ensure that all bids are solicited in accordance with the city code.*
- 6.2 *The Board solicits and procures appraisals or Brokers' Professional Opinions (BPOs) for all proposed property purchases and sales. Since July 7, 2016, appraisals or BPOs have been obtained for all properties considered to be bought or sold by the Board.*

7. Sunshine Law

The city did not ensure compliance with the Sunshine Law for closed meetings.

- The Board discussed some items in closed meetings that are not allowed by law. For example, we noted discussions and a vote in a closed meeting regarding the City Administrator's salary and discussion of incentives for volunteer firemen and plans to finish the North TIF project.
- The Board does not make specific reference to the section of law allowing the closure of the meeting when voting to go into a closed meeting. The minutes of the open meeting only make reference to the general topic the meeting is being closed for, such as personnel, legal, or real estate.
- The Board sometimes discussed issues other than the general topic cited in the open minutes for going into a closed meeting. For example, in one closed meeting the Board met with the city's independent auditor to discuss the audit results; however, the open minutes cited personnel issues and legal as the reasons for going into a closed session.

Section 610.021, RSMo, lists the topics that may be discussed in closed meetings and requires discussion in closed meetings be restricted to the allowable topics listed. Section 610.022, RSMo, requires a closed meeting, record, or vote be held only after the vote of each member on the question of



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closing the meeting and the specific reason for closing the meeting or vote by making specific reference to the specific section of law is to be announced publicly at an open session and entered into the minutes. This section also provides that public governmental bodies shall not discuss any other business during the meeting that differs from the specific reasons used to justify closing such meeting, record, or vote.

Recommendation

The Board of Aldermen ensure only allowable topics are discussed in closed meetings, the specific section of law allowing the closure is announced publicly and recorded in the minutes, and discussions in closed meetings are limited to only those specific reasons cited for closing the meeting.

Auditee's Response

The Board will willingly comply with the legal requirements of the Sunshine Law.

8. Budgets and Ordinances

Budgetary procedures need improvement. In addition, compensation is not set by ordinance.

8.1 Budgets

The Board does not have adequate procedures to prepare or monitor budgets.

City budgets for the fiscal years ended March 31, 2017, and March 31, 2018, did not include all statutorily required elements. The budgets did not include the actual beginning and estimated ending cash balances for any city funds or actual receipts and disbursements for the 2 preceding years. Actual receipts and disbursements are included from 2 years ago, but budgeted amounts are shown for the most recent fiscal year.

In addition, the Board's practice is to budget all available revenue for each fund, which results in unreasonable expenditure budget estimates for some funds. For example, budgeted expenditures for the year ended March 31, 2017, for the Water Fund were \$1,007,910, but actual expenditures were only \$691,591. For the Sewer Fund, budgeted expenditures were \$1,138,260, but actual expenditures were only \$584,467. As a result of this budgeting method, the city has significantly more money than anticipated in several funds. For example, the Water and Sewer Fund cash balances increased by approximately \$870,000 during the year. Because cash balances are not included in the budgets, it is unclear if the Board is actually aware of the cash balance of each fund when approving the budgets. City personnel indicated the budget is prepared in this manner because they believed this method was required to balance the budget.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the format. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific



City of Bethany
Management Advisory Report - State Auditor's Findings

financial expectations for each area of city operations. It also assists in setting tax levies and informing the public about city operations and current finances.

8.2 Compensation ordinances The city does not have ordinances related to establishing the compensation of city officials and employees.

Ordinances documenting approved salary amounts help ensure equitable treatment and prevent misunderstanding. Section 79.270, RSMo, authorizes the Board to fix the compensation of all city officials and employees by ordinance.

Recommendations

The Board of Aldermen:

- 8.1 Prepare annual budgets that contain all information required by state law and ensure budgeted expenditures for each fund are a reasonable approximate of what the Board actually intends to spend from each city fund.
- 8.2 Establish the compensation of all city officials and employees by ordinance.

Auditee's Response

- 8.1 *The Board will make improvements to the budget format and methodology, and will incorporate both in the fiscal year 2019 budget.*
- 8.2 *The Board will comply with legal requirements for establishment of compensation with the fiscal year 2019 budget.*

9. Electronic Data Security

Controls over city computers are not sufficient. As a result, city records are not adequately protected and are susceptible to unauthorized access.

9.1 Passwords

The city has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Passwords are not required to access the city's accounting software.

Passwords are necessary to authenticate access to computers and data, and to reduce the risk of unauthorized access to and use of systems and data. Passwords should be unique, confidential, and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computer data.

9.2 Data Backup

The city does not store backup files at an off-site location. In addition, the city does not periodically test backup data. Failure to store backup data at a secure off-site location results in the data being susceptible to the same damage as the data on the computer.



City of Bethany
Management Advisory Report - State Auditor's Findings

To help prevent loss of information and ensure essential information and computer systems can be recovered, backups should be stored at a secure off-site location and tested on a periodic basis.

Recommendations

The Board of Aldermen:

- 9.1 Require confidential passwords that are periodically changed to prevent unauthorized access to the city's computers and data.
- 9.2 Ensure backup data is stored in a secure off-site location and tested on a regular, predefined basis.

Auditee's Response

- 9.1 &
9.2 *The Board will work with our IT support to effect these changes by January 1, 2019.*

City of Bethany

Organization and Statistical Information

The City of Bethany is located in Harrison County. The city was incorporated in 1860 and is currently a 4th-class city. The city employed 23 full-time employees and 28 part-time employees on March 31, 2017.

City operations include fire protection services, law enforcement services, utilities (gas, electric, water, sewer), street maintenance, and recreational facilities (gym, pool, parks).

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at March 31, 2017, are identified below. The Mayor is paid \$291.67 per month and Aldermen \$100 per month. The compensation of these officials is established by ordinance.

Dick Graner, Mayor
Randy Brejnik, Alderman
Gene Ishmael, Alderman
Steve Miles, Alderman
Todd Williams, Alderman

Other Principal Officials

The City Administrator, City Clerk, Police Chief, and Fire Chief are appointed positions. The City Attorney is a contracted position. The city's principal officials at March 31, 2017, are identified below:

Jonne Slemons, City Administrator
Nita Schroff, City Clerk
Tara Walker, City Attorney
Brian Groom, Police Chief
Jacob Denum, Fire Chief

Financial Activity

Appendixes A-D present a summary of the city's financial activity for the year ended March 31, 2017. We obtained this information from the city's audited financial statement report.

Appendix A

CITY OF BETHANY, MISSOURI
Balance Sheet - Governmental Funds
March 31, 2017

	General Fund	Road Fund	Park Fund	Sales Tax	South TIF District	Street Improvement Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets								
Current assets								
Cash (Note 2)	\$ 176,840	\$ 32,298	\$ 368,303	\$ 1,457,715	\$ 671,561	\$ -	\$ 52,033	\$ 2,758,750
Certificates of deposit (Note 2)	-	-	-	-	-	-	102,638	102,638
Receivables (net of allowance for uncollectibles)								
Taxes (Note 3)	13,513	18,303	29,350	51,363	-	-	-	112,529
Customers (Note 5)	4,915	3,630	-	-	-	-	-	8,545
Interest	-	-	-	-	-	-	40	40
Notes	-	-	-	350,527	-	-	40,000	390,527
Prepaid expenses	2,505	-	-	-	-	-	-	2,505
Total current assets	<u>197,773</u>	<u>54,231</u>	<u>397,653</u>	<u>1,859,605</u>	<u>671,561</u>	<u>-</u>	<u>194,711</u>	<u>3,375,534</u>
Restricted assets (Notes 2 and 7)								
Cash	285,133	4,879	34,836	-	937,359	2,634,193	657,529	4,553,929
Total restricted assets	<u>285,133</u>	<u>4,879</u>	<u>34,836</u>	<u>-</u>	<u>937,359</u>	<u>2,634,193</u>	<u>657,529</u>	<u>4,553,929</u>
Total assets	<u>\$ 482,906</u>	<u>\$ 59,110</u>	<u>\$ 432,489</u>	<u>\$ 1,859,605</u>	<u>\$ 1,608,920</u>	<u>\$ 2,634,193</u>	<u>\$ 852,240</u>	<u>\$ 7,929,463</u>
Liabilities and Net Position								
Current liabilities								
Accounts payable	\$ 35,478	\$ 15,320	\$ 3,293	\$ -	\$ -	\$ -	\$ 1,759	\$ 55,850
Bank overdraft	4,206	-	-	-	-	-	-	4,206
Accrued expenses	13,411	3,276	1,147	-	-	-	572	18,406
Total current liabilities	<u>53,095</u>	<u>18,596</u>	<u>4,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,331</u>	<u>78,462</u>
Net Position								
Reserved for:								
Fines and fees due to others	-	-	-	-	-	-	660,379	660,379
Roads	-	40,514	-	-	-	2,634,193	-	2,674,707
Parks	-	-	34,836	-	-	-	-	34,836
South TIF District	-	-	-	-	1,608,920	-	-	1,608,920
Assigned for:								
Sales tax purposes	-	-	-	1,859,605	-	-	-	1,859,605
Other governmental	-	-	393,213	-	-	-	189,530	582,743
Unassigned	429,811	-	-	-	-	-	-	429,811
Total Net position	<u>429,811</u>	<u>40,514</u>	<u>428,049</u>	<u>1,859,605</u>	<u>1,608,920</u>	<u>2,634,193</u>	<u>849,909</u>	<u>7,851,001</u>
Total liabilities and net position	<u>\$ 482,906</u>	<u>\$ 59,110</u>	<u>\$ 432,489</u>	<u>\$ 1,859,605</u>	<u>\$ 1,608,920</u>	<u>\$ 2,634,193</u>	<u>\$ 852,240</u>	<u>\$ 7,929,463</u>

Appendix B

CITY OF BETHANY, MISSOURI
Statement of Revenues, Expenditures, and Changes in Net Position - Governmental Funds
March 31, 2017

	General Fund	Road Fund	Park Fund	Sales Tax	South TIF District	Street Improvement Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 194,446	\$ 269,024	\$ 408,477	\$ 714,836	\$ -	\$ -	\$ 410,470	\$ 1,997,253
Charges for service	125,280	-	-	-	-	-	-	125,280
Grants	-	-	-	-	-	-	39,258	39,258
Intergovernmental	-	-	-	-	-	-	-	-
Special assessment levy	375,000	-	-	-	-	-	-	375,000
Fines and penalties	103,747	-	-	-	-	-	18,990	122,737
Licenses and permits	23,678	-	-	-	-	-	293	23,971
Interest	496	12	775	8,515	3,445	2,545	1,092	16,880
Sale of goods	-	-	32,474	-	-	-	-	32,474
Donations	2,485	-	-	-	-	-	834	3,319
Miscellaneous	7,418	154	22,594	-	158,500	-	85,572	274,238
Total revenues	832,550	269,190	464,320	723,351	161,945	2,545	556,509	3,010,410
Expenditures								
Current								
General government	451,962	-	-	10,500	-	-	209,753	672,215
Public safety	378,287	-	-	-	-	-	16,809	395,096
Streets	-	413,246	-	-	-	-	-	413,246
Administration	44,832	-	-	-	149,700	-	-	194,532
Culture and recreation	333,492	-	124,393	-	-	-	77,557	535,442
Capital outlay	-	995,693	76,000	-	-	-	-	1,071,693
Total expenditures	1,208,573	1,408,939	200,393	10,500	149,700	-	304,119	3,282,224
Excess of revenues over (under) expenditures	(376,023)	(1,139,749)	263,927	712,851	12,245	2,545	252,390	(271,814)
Other Financing Sources (uses)								
Bond proceeds	-	-	-	-	-	1,665,551	-	1,665,551
Operating transfers in	235,955	1,146,357	158,300	-	-	-	71,739	1,612,351
Operating transfers out	-	-	(394,256)	(234,788)	-	(986,357)	-	(1,615,401)
Total other financing sources (uses)	235,955	1,146,357	(235,956)	(234,788)	-	679,194	71,739	1,662,501
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(140,068)	6,608	27,971	478,063	12,245	681,739	324,129	1,390,687
Net position - beginning of the year	569,879	33,906	400,078	1,381,542	1,596,675	1,952,454	525,780	6,460,314
Prior period adjustment	-	-	-	-	-	-	-	-
Net position - end of the year	\$ 429,811	\$ 40,514	\$ 428,049	\$ 1,859,605	\$ 1,608,920	\$ 2,634,193	\$ 849,909	\$ 7,851,001

Appendix C

CITY OF BETHANY, MISSOURI
Statement of Net Position - Proprietary Funds
March 31, 2017

	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Other Non-Major Business - Type Funds	Total Business - Type Funds	Governmental Activities Internal Service Fund
Assets							
Current assets							
Cash (Note 2)	\$ 2,045,580	\$ 1,036,744	\$ 555,466	\$ 581,406	\$ 373,924	\$ 4,593,120	\$ 3,838
Certificates of deposit (Note 2)	-	-	-	-	-	-	-
Accounts Receivables (net of allowance)	432,806	175,095	87,430	104,356	34,997	834,684	-
Lease proceeds receivable	18,620	21,463	30,651	-	-	70,734	-
Accrued interest	-	-	-	-	-	-	-
Prepaid expenses	1,755	56,080	3,500	3,500	-	64,835	755
Inventory	105,486	81,242	90,994	7,548	-	285,270	-
Total current assets	<u>2,604,247</u>	<u>1,370,624</u>	<u>768,041</u>	<u>696,810</u>	<u>408,921</u>	<u>5,848,643</u>	<u>4,593</u>
Noncurrent assets							
Restricted cash (Notes 2 and 7)	178,500	62,329	24,950	754,273	6,289	1,026,341	-
Note receivable	-	626,120	-	175,263	87,632	889,015	-
Property and equipment (net of accumulated depreciation) (Note 8)	3,414,412	879,970	2,538,460	634,516	-	7,467,358	-
Total noncurrent assets	<u>3,592,912</u>	<u>1,568,419</u>	<u>2,563,410</u>	<u>1,564,052</u>	<u>93,921</u>	<u>9,382,714</u>	<u>-</u>
Total assets	<u>\$ 6,197,159</u>	<u>\$ 2,939,043</u>	<u>\$ 3,331,451</u>	<u>\$ 2,260,862</u>	<u>\$ 502,842</u>	<u>\$ 15,231,357</u>	<u>\$ 4,593</u>
Liabilities and Net Assets							
Current liabilities							
Accounts payable	\$ 267,534	\$ 4,768	\$ 36,817	\$ 7,703	\$ 39,285	\$ 356,107	\$ 1,616
Accrued expenses	1,581	1,945	-	-	22,350	25,876	913
Lease payable	24,265	27,875	39,925	-	-	92,065	-
Total current liabilities	<u>293,380</u>	<u>34,588</u>	<u>76,742</u>	<u>7,703</u>	<u>61,635</u>	<u>474,048</u>	<u>2,529</u>
Noncurrent liabilities							
Lease payable	271,986	312,454	447,534	-	-	1,031,974	-
Deposits	70,050	62,329	24,950	-	-	157,329	-
Total noncurrent liabilities	<u>342,036</u>	<u>374,783</u>	<u>472,484</u>	<u>-</u>	<u>-</u>	<u>1,189,303</u>	<u>-</u>
Total liabilities	<u>635,416</u>	<u>409,371</u>	<u>549,226</u>	<u>7,703</u>	<u>61,635</u>	<u>1,663,351</u>	<u>2,529</u>
Net Position							
Net investment in capital assets	3,112,992	533,701	2,042,495	634,516	-	6,323,704	-
Restricted	-	-	-	754,273	6,289	760,562	-
Unassigned	2,448,751	1,995,971	739,730	864,370	434,918	6,483,740	2,064
Total net position	<u>5,561,743</u>	<u>2,529,672</u>	<u>2,782,225</u>	<u>2,253,159</u>	<u>441,207</u>	<u>13,568,006</u>	<u>2,064</u>
Total liabilities and net position	<u>\$ 6,197,159</u>	<u>\$ 2,939,043</u>	<u>\$ 3,331,451</u>	<u>\$ 2,260,862</u>	<u>\$ 502,842</u>	<u>\$ 15,231,357</u>	<u>\$ 4,593</u>

Appendix D

CITY OF BETHANY, MISSOURI
Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds
March 31, 2017

	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Other Non-Major Business - Type Funds	Total Business - Type Funds	Governmental Activities Internal Service Fund
Operating Revenues							
Sales and service	\$ 4,913,117	\$ 1,308,278	\$ 993,613	\$ 1,131,600	\$ 168,013	\$ 8,514,621	\$ 64,766
Materials and hookups	46,186	-	60	-	-	46,246	-
Rent	7,230	-	5,400	-	-	12,630	-
Total operating revenues	<u>4,966,533</u>	<u>1,308,278</u>	<u>999,073</u>	<u>1,131,600</u>	<u>168,013</u>	<u>8,573,497</u>	<u>64,766</u>
Operating expenses							
Production	-	-	316,893	276,537	-	593,430	-
Purchased for resale	2,890,424	605,006	-	-	-	3,495,430	-
Transmission and distribution	335,850	194,780	167,989	225,676	-	924,295	-
Administrative and general	139,819	112,500	99,691	59,983	155,690	567,683	-
Mechanical services	-	-	-	-	-	-	63,249
Depreciation	407,336	105,233	254,680	43,734	-	810,983	-
Total operating expenditures	<u>3,773,429</u>	<u>1,017,519</u>	<u>839,253</u>	<u>605,930</u>	<u>155,690</u>	<u>6,391,821</u>	<u>63,249</u>
Operating income(loss)	1,193,104	290,759	159,820	525,670	12,323	2,181,676	1,517
Non-operating Revenue (Expense)							
Interest income	2,917	12,496	696	5,222	1,938	23,269	-
Miscellaneous income	87,404	3,130	1,829	3,859	7,900	104,122	-
Loss on disposal of equipment	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Interest expense	(8,367)	(9,638)	(13,772)	-	-	(31,777)	-
Total non-operating revenue (expense)	<u>81,954</u>	<u>5,988</u>	<u>(11,247)</u>	<u>9,081</u>	<u>9,838</u>	<u>95,614</u>	<u>-</u>
Income(loss) before other financing sources (uses)	1,275,058	296,747	148,573	534,751	22,161	2,277,290	1,517
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	3,049	3,049	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,049</u>	<u>3,049</u>	<u>-</u>
Change in net position	1,275,058	296,747	148,573	534,751	25,210	2,280,339	1,517
Total net position - beginning of the year	<u>4,286,685</u>	<u>2,232,925</u>	<u>2,633,652</u>	<u>1,718,408</u>	<u>415,997</u>	<u>11,287,667</u>	<u>547</u>
Total net position - end of the year	<u>\$ 5,561,743</u>	<u>\$ 2,529,672</u>	<u>\$ 2,782,225</u>	<u>\$ 2,253,159</u>	<u>\$ 441,207</u>	<u>\$ 13,568,006</u>	<u>\$ 2,064</u>



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
June 2018**

Monthly Report on Political Subdivision Filings

June 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 1,466 political subdivisions required to file a financial report by June 30, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in June 2018, after their filing deadline. The filing status for these 4 entities is presented in summary on page 3 and by individual entity in Appendix B-C.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

June 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 1,466 political subdivisions, other than cities, towns, and villages, with a fiscal year end of December 31, 2017. Cities, towns, and villages have additional filing requirements, and their reporting status is included in a separate report. Of the 1,466 political subdivisions, 1,005 filed an annual financial report by June 30, 2018.

This report also includes the filing status for 4 political subdivisions, other than cities, towns, and villages, that filed their financial report in June 2018, after their filing deadline. Of the 4 political subdivisions, 2 filed their financial report for only a portion of their fiscal year.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County Health Department	Yes	June 19, 2018
	Adair County Library District	Yes	April 30, 2018
	Baltimore Commons CID	Yes	June 27, 2018
	Chariton River Drainage District	No	
	Franklin Street CID	Yes	June 27, 2018
	North Baltimore Street CID	Yes	June 27, 2018
	South 63 Corridor CID	Yes	June 27, 2018
Andrew	Andrew County Ambulance District	No	
	Andrew County Health Department	Yes	January 9, 2018
	Bolckow FPD	No	
	Cosby-Helena FPD	Yes	May 20, 2018
	Fillmore FPD	Yes	January 15, 2018
	Levee District 5 Andrew County	No	
	PWSD 1 Andrew County	Yes	June 18, 2018
	PWSD 2 Andrew County	Yes	March 26, 2018
	Rosendale FPD	Yes	May 8, 2018
	Savannah FPD	No	
	Village of Country Club FPD	No	
	Atchison County Health Department	Yes	January 3, 2018
	Atchison County Library District	Yes	March 28, 2018
Atchison	Atchison-Holt Ambulance District	No	
	Fairfax Volunteer FPD	No	
	Langdon SRD Atchison County	No	
	Levee District 1 Atchison-Holt County	Yes	January 12, 2018
	North Nishnabotna Drainage District	No	
	Phelps City Dyke Drainage District	Yes	January 18, 2018
	Phelps City SRD Atchison County	Yes	June 21, 2018
	PWSD 1 Atchison County	No	
	Tarkio FPD	Yes	April 14, 2018
	Tarkio SRD Atchison County	No	
	Watson SRD Atchison County	Yes	April 2, 2018
	West Atchison Rural FPD	Yes	June 13, 2018
	Westboro Volunteer FPD	Yes	May 17, 2018
	Audrain Ambulance District	Yes	June 25, 2018
Audrain	Audrain County 911 Board	Yes	March 15, 2018
	Audrain County Health Center	No	
	Laddonia & Rural FPD	Yes	March 19, 2018
	Laddonia Farber SRD Audrain County	Yes	May 29, 2018
	Little Dixie FPD	Yes	May 9, 2018
	Martinsburg Area FPD	No	
	Mexico SRD 13 Audrain County	Yes	January 7, 2018
	Mexico-Audrain County PLD	Yes	June 27, 2018
	PWSD 1 Audrain County	No	
	PWSD 2 Audrain County	Yes	June 1, 2018
	Saling SRD 2 Audrain County	No	
	Tri County NHD	No	
	Vandalia SRD Audrain County	No	

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Barry	Ash SRD Barry County	Yes	March 9, 2018
	Barry County Health Department	Yes	April 25, 2018
	Barry-Lawrence Ambulance District	Yes	June 14, 2018
	Butterfield FPD	Yes	June 12, 2018
	Butterfield SRD Barry County	Yes	February 18, 2018
	Capps Creek SRD Barry County	No	
	Cassville FPD	Yes	February 28, 2018
	Central Crossing FPD	Yes	April 18, 2018
	Corsicana SRD Barry County	Yes	January 23, 2018
	Crane Creek SRD Barry County	No	
	Eagle Rock-Golden-Mano FPD	Yes	May 15, 2018
	Exeter FPD	Yes	March 3, 2018
	Exeter SRD Barry County	No	
	Flat Creek SRD Barry County	Yes	January 8, 2018
	Greasy Creek SRD 35 Barry County	No	
	Jenkins Rural FPD	Yes	March 17, 2018
	Jenkins SRD 20 Barry County	No	
	Kings Prairie SRD Barry County	No	
	Liberty Common SRD 34 Barry County	Yes	January 12, 2018
	McDonald SRD 19 Barry County	Yes	January 19, 2018
	Mineral Springs SRD 10 Barry County	Yes	February 11, 2018
	Monett Rural FPD	Yes	June 27, 2018
	Monett SRD Barry County	No	
	Mountain SRD 22 Barry County	Yes	February 15, 2018
	Pioneer SRD 31 Barry County	No	
	Pleasant Ridge SRD 25 Barry County	No	
	Purdy FPD	No	
	Purdy SRD 28 Barry County	Yes	February 2, 2018
	Roaring River SRD 2 Barry County	Yes	February 14, 2018
	Seligman FPD	Yes	June 21, 2018
	Shell Knob SRD 9 Barry County	Yes	April 8, 2018
	South Barry Ambulance District	Yes	January 4, 2018
	South Barry County Memorial Hospital	Yes	May 8, 2018
	Sugar Creek SRD 3 Barry County	No	
	Viola SRD 21 Barry County	Yes	February 28, 2018
	Washburn FPD	No	
	Washburn SRD 4 Barry County	No	
	Wheaton FPD	Yes	June 26, 2018
	Wheaton SRD 29 Barry County	Yes	May 16, 2018
	White River SRD 7 Barry County	Yes	February 13, 2018
Barton	Barton County Ambulance District	No	
	Barton County Health Department	Yes	April 4, 2018
	Barton County Library District	Yes	June 4, 2018
	Barton County Memorial Hospital	Yes	June 11, 2018
	Consolidated PWSD 1	No	
Bates	Bates County Health Center	Yes	February 6, 2018

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Bates	Bates County Memorial Hospital	No	
	Cornland SRD Bates County	No	
	PWSD 1 Bates County	Yes	January 12, 2018
	PWSD 2 Bates County	Yes	June 15, 2018
	PWSD 3 Bates County	Yes	January 15, 2018
	PWSD 4 Bates County	Yes	June 28, 2018
	PWSD 6 Bates County	Yes	April 27, 2018
	Rich Hill Public Library District	Yes	January 27, 2018
Benton	South Hudson SRD Bates County	Yes	March 5, 2018
	Benton County Health Department	Yes	March 19, 2018
	Brandon SRD Benton County	Yes	January 8, 2018
	Cole Camp & Rural FPD	No	
	Cole Camp Ambulance District	Yes	June 1, 2018
	Cole Camp SRD Benton County	No	
	Deer Creek FPD	Yes	February 6, 2018
	Lakeview Heights FPD	Yes	February 24, 2018
	Lincoln Community FPD	Yes	January 24, 2018
	Osage Valley FPD	Yes	June 4, 2018
	Sewer District 1 Benton County	Yes	March 23, 2018
	U.S. Hwy 65 & Truman Dam Access TDD	Yes	June 27, 2018
	Warsaw FPD	Yes	March 26, 2018
	Warsaw-Lincoln Ambulance District	Yes	June 4, 2018
	Bollinger County Ambulance District	Yes	June 18, 2018
	Bollinger County Health Center	No	
	Bollinger County Library District	Yes	April 13, 2018
	Glen Allen FPD	No	
Boone	Leopold Volunteer FPD	No	
	North County FPD	No	
	Sedgewickville FPD	No	
	Zalma FPD	No	
	Blue Ridge Town Centre TDD	Yes	February 21, 2018
	Boone County FPD	Yes	June 19, 2018
	Boone County Regional SwrD	Yes	April 8, 2018
	Boone Hospital Center	Yes	June 25, 2018
	Broadway-Fairview TDD	Yes	June 29, 2018
	Callahan Creek WSD	Yes	April 9, 2018
	Center State TDD	Yes	June 25, 2018
	Centralia SRD Boone County	Yes	January 6, 2018
	Columbia Mall TDD	Yes	June 25, 2018
	Conley Road TDD	Yes	June 29, 2018
	Consolidated PWSD 1 Boone County	Yes	May 14, 2018
	Cross Creek TDD	Yes	March 13, 2018
	Daniel Boone Regional PLD	Yes	May 11, 2018
	Grindstone Plaza TDD	Yes	June 29, 2018
	Lake of the Woods TDD	Yes	April 27, 2018
	North 763 CID	No	
	Northwoods TDD	Yes	June 28, 2018

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Boone	PWSD 10 Boone County	Yes	March 23, 2018
	PWSD 4 Boone County	Yes	June 27, 2018
	PWSD 9 Boone County	Yes	June 20, 2018
	Rock Bridge Center TDD	Yes	June 29, 2018
	Shoppes at Stadium TDD	Yes	June 29, 2018
	Southern Boone County FPD	Yes	February 21, 2018
	St. Charles Road TDD	Yes	June 5, 2018
	Stadium Corridor TDD	Yes	April 27, 2018
Buchanan	Agri-Business Expo Center TDD	No	
	Colony Hills FPD	Yes	February 5, 2018
	Easton FPD	Yes	April 27, 2018
	Halls Levee District	Yes	February 20, 2018
	Lake Contrary FPD	No	
	PWSD 1 Buchanan County	Yes	June 26, 2018
	Rushville FPD	No	
	San Antonio FPD	No	
	South Central Buchanan County FPD	Yes	June 26, 2018
	South St. Joseph Industrial SwrD	Yes	June 18, 2018
	Southwest Buchanan County FPD	Yes	June 19, 2018
	St. Joseph Airport Levee District	No	
	St. Joseph Gateway TDD	Yes	June 6, 2018
	Sugar Lake FPD	No	
	Tuscany Village CID	No	
	Tuscany Village TDD	No	
Butler	Butler County FPD	Yes	May 29, 2018
	Butler County Health Department	Yes	June 28, 2018
	Consolidated DD 10 Butler County	Yes	April 5, 2018
	Cripple Creek TDD	Yes	April 20, 2018
	Green Forest CID	Yes	March 22, 2018
	Highway 67 South CID	Yes	March 23, 2018
	Kelly Town Plaza CID	Yes	May 11, 2018
	Naylor-Neelyville AD	No	
	Oak Grove TDD	Yes	June 27, 2018
	Pike Creek Common Sewer District	Yes	April 12, 2018
	Poplar Bluff Municipal PLD	Yes	April 30, 2018
	Poplar Bluff Regional TDD	Yes	June 27, 2018
	PWSD 1 Butler County	Yes	March 28, 2018
	PWSD 104 Butler County	No	
	PWSD 2 Butler County	No	
	PWSD 3 Butler County	No	
	Qulin Community FPD	Yes	April 4, 2018
	Qulin Highway North CID	No	
	Stateline CID	Yes	March 23, 2018
	Sycamore Street CID	Yes	March 23, 2018
Caldwell	Caldwell County Health Department	No	
	Caldwell County Library District	No	
	Hamilton FPD	Yes	May 23, 2018

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Caldwell	PWSD 1 Caldwell County	Yes	January 8, 2018
	PWSD 2 Caldwell County	Yes	April 25, 2018
Callaway	Callaway County Ambulance District	Yes	May 16, 2018
	Capital View Drainage District	No	
	Central Callaway FPD	No	
	Fulton South Business 54 TDD	Yes	April 11, 2018
	Holts Summit FPD	Yes	May 22, 2018
	New Bloomfield FPD	Yes	March 30, 2018
	North Callaway FPD	No	
	PWSD 1 Callaway County	Yes	June 22, 2018
	PWSD 2 Callaway County	Yes	February 14, 2018
	South Callaway FPD	No	
	American Center CID	No	
	Arrowhead Centre CID	No	
Camden	Ballparks of the Ozarks CID	Yes	June 21, 2018
	Camden County Library District	Yes	March 8, 2018
	Camelot Sewer District	Yes	January 25, 2018
	Dierbergs Osage Beach TDD	Yes	June 25, 2018
	Greenview CID	Yes	April 30, 2018
	Horseshoe Bend Pedest Corridor TDD	No	
	Horseshoe Bend SRD 1 Camden County	Yes	March 19, 2018
	Mid-County FPD Camden County	No	
	Normac Sewer District	Yes	January 25, 2018
	Northwest FPD Camden County	No	
	Osage Beach Commons CID	Yes	June 20, 2018
	Osage Beach FPD	Yes	June 21, 2018
	Osage Beach SRD Camden County	No	
	Osage Station TDD	Yes	January 17, 2018
	Peninsula Development CID	Yes	April 23, 2018
	PWSD 1 Camden County	Yes	February 13, 2018
	PWSD 2 Camden County	No	
	PWSD 3 Camden County	No	
	Southwest Camden County FPD	Yes	May 16, 2018
	Sunny Slope Country Club SwrD	Yes	January 25, 2018
	Sunrise Beach FPD	Yes	June 6, 2018
	Toad Cove Complex CID	Yes	June 28, 2018
	Toad Cove Complex TDD	Yes	June 28, 2018
	Toad Cove Resort CID	Yes	June 28, 2018
	Toad Cove Resort TDD	Yes	June 28, 2018
	Tri-County FPD	No	
Cape Girardeau	Cape Girardeau County Public Health	Yes	March 28, 2018
	Cape Girardeau SRD	Yes	June 8, 2018
	Delta FPD	Yes	June 12, 2018
	East County Area FPD	Yes	May 1, 2018
	Fruitland Area FPD	Yes	January 31, 2018
	Gordonville FPD	Yes	April 30, 2018
	Millersville Rural FPD	Yes	March 3, 2018

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Cape Girardeau	PWSD 1 Cape-Perry County	Yes	March 17, 2018
	PWSD 4 Cape Girardeau County	No	
	Riverside Regional Library District	Yes	March 7, 2018
	Whitewater FPD	No	
Carroll	Big Bend Levee District	Yes	February 22, 2018
	Carroll County 911 Board	Yes	January 16, 2018
	Carroll County Ambulance District	Yes	May 31, 2018
	Carroll County FPD	Yes	March 5, 2018
	Carroll County Health Department	Yes	January 12, 2018
	Carrollton Public Library District	Yes	June 26, 2018
	Hale FPD	Yes	January 16, 2018
	Miles Point Levee District	No	
	Norborne FPD	No	
	North Central Carroll FPD	Yes	February 12, 2018
	Black Mountain CID	Yes	June 14, 2018
	Carter County Health Center	Yes	June 20, 2018
Carter	Carter County Library District	Yes	February 28, 2018
	East Carter Ambulance District	No	
	Eastwood FPD	Yes	April 7, 2018
	Ellsinore Highway 60 CID	No	
	Fremont FPD	No	
	Landing River Center CID	No	
	PWSD 1 Carter County	No	
	PWSD 2 Carter County	No	
	Belton Town Centre TDD	Yes	May 1, 2018
	Belton-Cass Regional TDD	Yes	June 20, 2018
Cass	Cass County EMS Board	Yes	June 25, 2018
	Cass County Public Library District	Yes	June 27, 2018
	Cass Medical Center	Yes	May 31, 2018
	Central Cass County FPD	Yes	January 15, 2018
	Cornerstone Pointe TDD	Yes	June 27, 2018
	Creighton FPD	No	
	Dolan & West Dolan FPD	No	
	East Gateway TDD	No	
	East Lynne-Gunn City FPD	No	
	Eastern Hills CID	Yes	June 5, 2018
	Garden City FPD	No	
	Harrisonville Brookhart TDD	No	
	Harrisonville Market Place A TDD	Yes	June 29, 2018
	Harrisonville Market Place B TDD	Yes	June 29, 2018
	Harrisonville Towne Center TDD	Yes	March 23, 2018
	Hospital Interchange TDD	Yes	June 26, 2018
	Hwy 71/291 Partners in Progress TDD	Yes	June 20, 2018
	I-49 & 275th Street TDD	Yes	June 11, 2018
	Mount Pleasant FPD	Yes	June 29, 2018
	Mt. Pleasant SRD Cass County	Yes	February 14, 2018

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Cass	Northwest Cass CID	No	
	Pleasant Hill FPD	Yes	June 7, 2018
	PWSD 1 Cass County	Yes	February 15, 2018
	PWSD 10 Cass County	Yes	April 27, 2018
	PWSD 12 Cass County	No	
	PWSD 4 Cass County	Yes	June 6, 2018
	PWSD 5 Cass County	Yes	June 25, 2018
	PWSD 7 Cass County	Yes	June 15, 2018
	PWSD 8 Cass County	Yes	March 5, 2018
	PWSD 9 Cass County	Yes	May 30, 2018
	South Metropolitan FPD	Yes	June 6, 2018
	Stonegate CID	Yes	May 8, 2018
	Western Cass FPD	No	
Cedar	Bear Creek SRD Cedar County	No	
	Bethel SRD Cedar County	No	
	Caplinger Mills SRD Cedar County	No	
	Cedar County Ambulance District	Yes	May 23, 2018
	Cedar County Chapel Hills FPD	No	
	Cedar County Library District	Yes	April 27, 2018
	Cedar Hall SRD Cedar County	No	
	Dogwood SRD Cedar County	No	
	Eldorado Springs SRD Cedar County	No	
	Independence SRD Cedar County	No	
	Jerico Springs SRD Cedar County	No	
	Koncord SRD Cedar County	No	
	Korth Special Road Subdistrict	No	
	Madison SRD Cedar County	No	
	Masters SRD Cedar County	No	
	Omer SRD Cedar County	No	
	PWSD 1 Cedar County	No	
	Rowland SRD Cedar County	No	
	Stockton SRD Cedar County	No	
Chariton	Chariton County 911 Board	Yes	May 31, 2018
	Chariton County Health Center	Yes	January 22, 2018
	Keytesville FPD	Yes	May 8, 2018
	Mendon Public FPD	Yes	June 30, 2018
	PWSD 2 Chariton County	No	
	Sumner Community FPD	Yes	February 26, 2018
	Yellow Creek FPD	Yes	May 23, 2018
Christian	Avicenna CID	No	
	Billings FPD	Yes	May 15, 2018
	Billings SRD Christian County	Yes	January 22, 2018
	Bluff Drive CID	Yes	June 6, 2018
	Chadwick Rural FPD	Yes	June 22, 2018
	Christian County Ambulance District	No	
	Christian County EMS Board	No	
	Christian County Health Department	Yes	June 19, 2018

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Christian	Christian County Library District	Yes	June 19, 2018
	Clever FPD	No	
	Clever Highway 14 CID	No	
	Garrison SRD Christian County	Yes	January 6, 2018
	Highlandville CID	No	
	Highlandville Rural FPD	No	
	Highway J & North 17th Street CID	Yes	April 10, 2018
	McCroskey Street CID	Yes	March 9, 2018
	Nixa FPD	Yes	June 4, 2018
	Ozark Downtown CID	No	
	Ozark FPD	No	
	Ozark SRD Christian County	No	
	PWSD 1 Christian County	Yes	April 2, 2018
	Selmore SRD Christian County	No	
	South Sparta SRD Christian County	No	
	Sparta FPD	Yes	March 21, 2018
	Stoneshire SRD Christian County	Yes	May 21, 2018
	Town & Country Village CID	Yes	May 3, 2018
	Town & Country Village TDD	Yes	May 3, 2018
Clark	Alexandria FPD	Yes	March 14, 2018
	Clark County Ambulance District	No	
	Clark County Health Department	Yes	January 17, 2018
	Des Moines Mississippi Levee	Yes	February 6, 2018
	Mississippi Fox Levee District 2	Yes	January 31, 2018
	PWSD 1 Clark County	Yes	June 28, 2018
	Wayland SRD Clark County	Yes	January 22, 2018
Clay	901 South 291 CID	Yes	June 26, 2018
	Birmingham Drainage District	Yes	April 28, 2018
	Blue Jay Crossing CID	No	
	Briarcliff Parkway & Highway 9 TDD	Yes	June 27, 2018
	Clay County Public Health Center	No	
	Crossroads Shopping Center CID	Yes	February 1, 2018
	Fishing River FPD	No	
	Historic Downtown Liberty CID	Yes	April 3, 2018
	Holly Farms TDD	Yes	June 26, 2018
	Holt Community FPD	Yes	May 11, 2018
	Homestead CID	Yes	March 29, 2018
	Kearney Fire & Rescue Protection	Yes	May 22, 2018
	Liberty Commons TDD	Yes	May 21, 2018
	Liberty Corners CID	Yes	June 30, 2018
	Liberty SRD 5 Clay County	Yes	April 13, 2018
	Liberty Triangle CID	No	
	Liberty Triangle Shopping Ctr CID	Yes	February 1, 2018
	North Haven Center CID	Yes	January 29, 2018
	North Kansas City SRD 9 Clay County	No	
	Pleasant Valley 8 SRD Clay County	Yes	March 27, 2018
	PWSD 4 Clay County	No	

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Clay	PWSD 5 Clay County	No	
	PWSD 6 Clay County	Yes	June 26, 2018
	PWSD 7 Clay County	Yes	February 7, 2018
	PWSD 8 Clay County	No	
	Renaissance Plaza CID	Yes	April 20, 2018
	Rogers Plaza CID	Yes	June 26, 2018
	Tower TDD	Yes	June 26, 2018
Clinton	Cameron Ambulance District	Yes	March 19, 2018
	Cameron FPD	No	
	Cameron SRD Clinton County	No	
	Clinton County Health Department	Yes	January 25, 2018
	Gower FPD	No	
	Lathrop Fire & Rescue	Yes	June 28, 2018
	Plattsburg FPD	Yes	February 13, 2018
	Plattsburg SRD Clinton County	No	
	PWSD 1 Clinton County	Yes	March 26, 2018
	Tri-County Ambulance District	Yes	April 4, 2018
	Cole County FPD	Yes	May 23, 2018
	Commons of Hazel Hills TDD	Yes	May 31, 2018
	Missouri River Regional PLD	Yes	June 21, 2018
	Osage FPD	Yes	June 13, 2018
Cole	PWSD 1 Cole County	Yes	April 27, 2018
	PWSD 3 Cole County	No	
	PWSD 4 Cole County	No	
	PWSD 5 Cole County	No	
	Regional West FPD	No	
	Russellville Route C CID	No	
	Russellville-Lohman FPD	Yes	January 9, 2018
	Southside Munichburg CID	Yes	May 15, 2018
	Stone Ridge TDD	Yes	April 26, 2018
	U.S. Highway 50/63 & City View TDD	Yes	June 27, 2018
	Blackwater Volunteer Rural FPD	No	
	Boonville Highway 5 CID	No	
	Boonville Riverfront TDD	Yes	February 9, 2018
	Cooper County Ambulance District	Yes	May 23, 2018
	Cooper County FPD	Yes	June 11, 2018
	Cooper County Memorial Hospital	No	
	Cooper County NHD	Yes	June 27, 2018
	Cooper County Public Health Center	Yes	June 20, 2018
	Hail Ridge CID	No	
Cooper	Otterville FPD	Yes	February 7, 2018
	Overton-Wooldridge Levee District 1	No	
	Pilot Grove Rural FPD	Yes	March 24, 2018
	Prairie Home Rural FPD	Yes	February 9, 2018
	PWSD 1 Cooper County	Yes	June 28, 2018
	Windsor Place CID	Yes	January 23, 2018

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Crawford	Bourbon FPD	Yes	June 8, 2018
	Crawford County 911 Board	Yes	March 6, 2018
	Steelville Ambulance District	Yes	May 14, 2018
	Steelville FPD	Yes	June 16, 2018
Dade	Dade County 911 Board	Yes	May 23, 2018
	Dade County Ambulance District	Yes	May 12, 2018
	Dade County Health Department	No	
	Dade County Library District	Yes	April 25, 2018
	Dadeville Rural FPD	Yes	January 2, 2018
	Good Shepherd NHD	Yes	May 16, 2018
	Lockwood FPD	No	
	Dallas County Health Department	Yes	January 24, 2018
Dallas	Dallas County Library District	Yes	March 15, 2018
	Elkland FPD	Yes	April 26, 2018
	Southern Dallas County FPD	No	
	Urbana Highway 65 CID	No	
Daviess	Coffey FPD	No	
	Daviess County 911 Board	No	
	Daviess County Health Department	Yes	February 8, 2018
	Daviess County Library District	Yes	June 1, 2018
	Daviess County SRD 1	No	
	Gallatin FPD	Yes	May 16, 2018
	Jameson FPD	Yes	April 20, 2018
	Jamesport SRD Daviess County	Yes	January 18, 2018
	K.A.W. FPD	Yes	March 28, 2018
	Lock Springs SRD Daviess County	Yes	March 29, 2018
	PWSD 1 Daviess County	Yes	June 28, 2018
	PWSD 3 Daviess County	Yes	April 27, 2018
	Central DeKalb County FPD	No	
	Clarksdale FPD	No	
	Osborn FPD	No	
	PWSD 1 DeKalb County	Yes	March 7, 2018
DeKalb	Stewartsville FPD	No	
	Union Star FPD	Yes	June 24, 2018
	Dent County FPD	Yes	February 12, 2018
	Dent County Health Center	No	
Dent	PWSD 1 Dent County	No	
	Ava Ambulance District	Yes	May 23, 2018
	Douglas County Health Department	Yes	May 1, 2018
	Douglas County Library District	Yes	January 17, 2018
Douglas	Consolidated DD 1 Dunklin County	Yes	January 18, 2018
	Drainage District 12 Dunklin County	Yes	March 16, 2018
	Drainage District 23 Dunklin County	Yes	March 16, 2018
	Drainage District 25 Dunklin County	Yes	March 16, 2018
	Drainage District 48 Dunklin County	Yes	March 16, 2018
	Dunklin County Ambulance District	Yes	June 27, 2018

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Dunklin	Dunklin County Health Department	Yes	March 21, 2018
	Dunklin County Library District	Yes	June 18, 2018
	Dunklin County Sewer District	No	
	Levee District 4 Dunklin County	Yes	March 15, 2018
	Levee District 7 Dunklin County	Yes	March 15, 2018
	PWSD 1 Dunklin County	Yes	June 5, 2018
	PWSD 2 Dunklin County	No	
	PWSD 3 Dunklin County	No	
	Senath Commercial Street CID	No	
Franklin	Beaufort-Leslie FPD	Yes	May 18, 2018
	Boles FPD	Yes	March 23, 2018
	Calvey Creek Sewer District	Yes	April 20, 2018
	Crestview Sewer District	No	
	Gerald Ambulance District	Yes	February 20, 2018
	Gerald-Rosebud FPD	Yes	January 16, 2018
	Highway 100 CID	No	
	Interstate 44 & Highway 47 TDD	Yes	April 5, 2018
	Labadie Creek Watershed SwrD	Yes	April 17, 2018
	Labadie Levee District	No	
	Meramec Ambulance District	Yes	June 19, 2018
	New Haven Ambulance District	Yes	April 25, 2018
	New Haven-Berger FPD	Yes	April 25, 2018
	Pacific FPD	Yes	May 11, 2018
	PWSD 1 Franklin County	Yes	June 27, 2018
	PWSD 4 Franklin County	Yes	June 30, 2018
	St. Clair Ambulance District	Yes	June 13, 2018
	St. Clair FPD	Yes	May 30, 2018
	Sullivan FPD	Yes	June 13, 2018
	Sylvan Manor Sunset Acres SwrD	Yes	January 27, 2018
	Union Ambulance District	Yes	June 27, 2018
	Union FPD	Yes	April 26, 2018
	Washington Area Ambulance District	Yes	June 29, 2018
	Washington SRD Franklin County	Yes	May 29, 2018
Gasconade	Bland FPD	No	
	Gasconade County 911 Board	No	
	Gasconade County Health Department	Yes	January 9, 2018
	Gasconade Manor NHD	Yes	May 23, 2018
	Hermann Area Ambulance District	Yes	June 29, 2018
	Hermann Area Hospital District	No	
	Morrison Levee District	Yes	June 23, 2018
	Morrison SRD 4 Gasconade County	No	
	Owensville Ambulance District	No	
	PWSD 1 Gasconade County	Yes	February 28, 2018
Gentry	Gentry County 911 Board	Yes	January 30, 2018
	Gentry County Library District	Yes	January 25, 2018
	King City FPD	Yes	June 1, 2018
	McFall FPD	No	
	PWSD 1 Gentry County	Yes	March 16, 2018

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Greene	Ash Grove FPD	No	
	Battlefield FPD	Yes	May 9, 2018
	Bois D'Arc FPD	Yes	June 19, 2018
	Brookline FPD	Yes	January 30, 2018
	Ebenezer FPD	Yes	January 19, 2018
	Fair Grove FPD	Yes	March 2, 2018
	Glenstone & East Kearney TDD	Yes	February 21, 2018
	Logan-Rogersville FPD	Yes	March 21, 2018
	PWSD 1 Greene County	No	
	PWSD 6 Greene County	No	
	Strafford Plaza CID	Yes	April 14, 2018
	Strafford Volunteer FPD	No	
	Walnut Grove FPD	Yes	March 19, 2018
	West Republic FPD	Yes	January 9, 2018
	Willard FPD	Yes	June 19, 2018
Grundy	Galt FPD	Yes	May 29, 2018
	Grundy County Health Department	Yes	January 8, 2018
	Grundy County Rural FPD	No	
	Jewett Norris-Grundy County PLD	No	
	Laredo FPD	No	
	PWSD 1 Grundy County	Yes	March 8, 2018
	Spickard FPD	Yes	March 21, 2018
	Spickard SRD Grundy County	Yes	April 2, 2018
Harrison	Bethany 136 CID	Yes	June 26, 2018
	Cainsville FPD	Yes	April 12, 2018
	Gilman City FPD	No	
	Harrison County Health Department	Yes	June 27, 2018
	New Hampton FPD	Yes	January 19, 2018
	Noel Adams Ambulance District	Yes	February 7, 2018
	North Harrison Ambulance District	Yes	March 7, 2018
	North Harrison FPD	No	
	PWSD 1 Harrison County	Yes	June 8, 2018
	PWSD 2 Harrison County	Yes	June 28, 2018
Henry	Ridgeway FPD	Yes	February 3, 2018
	Bethlehem SRD 2 Henry County	Yes	January 26, 2018
	Clinton Country Club SRD Henry County	Yes	January 30, 2018
	Deerfield Creek SRD Henry County	Yes	March 7, 2018
	Fields Creek SRD 1 Henry County	Yes	January 18, 2018
	Henry County 911 Board	Yes	May 31, 2018
	Henry County Health Center	Yes	January 30, 2018
	Henry County Library District	Yes	May 30, 2018
	Honey Creek SRD 1 Henry County	Yes	January 31, 2018
	Montrose SRD Henry County	Yes	March 22, 2018
	Mt. Hope SRD Henry County	No	
	Osage SRD 1 Henry County	Yes	January 26, 2018
	PWSD 3 Henry County	Yes	April 20, 2018

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Henry	Shawnee SRD 1 Henry County	Yes	June 26, 2018
	Tightwad FPD	Yes	January 22, 2018
	Wagner SRD Henry County	Yes	February 1, 2018
	Windsor Ambulance District	No	
Hickory	Windsor SRD Henry County	Yes	February 1, 2018
	Hickory County Health Department	Yes	February 6, 2018
	Hickory County Library District	Yes	April 10, 2018
	PWSD 2 Hickory County	Yes	May 15, 2018
Holt	Bigelow Independent SRD Holt County	No	
	Corning SRD Holt County	Yes	January 31, 2018
	Drainage District 2 Holt County	No	
	Fortescue SRD Holt County	Yes	March 19, 2018
	Levee District 10 Holt County	Yes	March 19, 2018
	Levee District 4 Holt County	No	
	Levee District 7 Holt County	No	
	Levee District 9 Holt County	No	
	Maitland Volunteer FPD	Yes	April 5, 2018
	Northwest Holt County FPD	No	
	S Union Township Independent SRD Holt	Yes	June 7, 2018
	Southern FPD of Holt County	Yes	June 26, 2018
	Armstrong FPD	No	
	Armstrong SRD Howard County	Yes	January 18, 2018
	Bonne Femme Levee District 1	Yes	February 13, 2018
Howard	Consolidated PWSD 1 Howard County	No	
	D&LD 2 Howard County	Yes	February 13, 2018
	Drainage District 1 Howard County	Yes	February 2, 2018
	Glasgow SRD 60 Howard County	Yes	April 5, 2018
	Glasgow Volunteer FPD	No	
	Howard County Regional Water Commission	Yes	June 28, 2018
	Howard County 911 Board	Yes	June 14, 2018
	Howard County Ambulance District	Yes	May 21, 2018
	Howard County FPD	Yes	January 17, 2018
	Howard County Library District	Yes	April 18, 2018
	Levee District 3 Howard County	Yes	February 13, 2018
	Levee District 4 Howard County	Yes	February 13, 2018
	Levee District 6 Howard County	No	
	Levee District 7 Howard County	No	
	Moniteau Creek WSD	Yes	January 17, 2018
Howell	PWSD 2 Howard County	Yes	March 14, 2018
	Brandsville FPD	Yes	February 27, 2018
	Howell County 911 Board	Yes	May 11, 2018
	Howell County Health Department	No	
	Howell County Rural FPD 1	Yes	March 12, 2018
	Pomona FPD	No	
	Pumpkin Center FPD	No	
	PWSD 1 Howell County	Yes	February 22, 2018
	PWSD 3 Howell County	Yes	June 22, 2018

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Howell	South Howell Ambulance District	Yes	June 21, 2018
	Willow Springs Ambulance District	Yes	May 4, 2018
	Willow Springs Library District	No	
Iron	Iron County 911 Board	Yes	June 8, 2018
	Iron County Ambulance District	Yes	June 8, 2018
	Iron County Health Department	Yes	April 19, 2018
	Ozark Regional Library District	Yes	January 5, 2018
	Pilot Knob FPD	No	
	Quad County FPD	No	
	Southern Iron County FPD	Yes	June 6, 2018
Jackson	1200 Main/South Loop TDD	Yes	June 28, 2018
	12th & Wyandotte CID	Yes	June 21, 2018
	23rd & Sterling CID	No	
	71 Highway & 150 Highway TDD	Yes	April 18, 2018
	Bi-State Commission	No	
	Bridgewood Plaza CID	No	
	Country Club Plaza TDD	Yes	June 25, 2018
	Douglas Square TDD	Yes	April 3, 2018
	Douglas Station TDD	Yes	April 3, 2018
	Grain Valley Marketplace CID	Yes	June 14, 2018
	Grandview Crossing CID	Yes	May 16, 2018
	Harry Truman Drive TDD	Yes	June 26, 2018
	I-470 & 350 TDD	Yes	June 28, 2018
	I-70 & Adams Dairy Parkway TDD	Yes	June 27, 2018
	Inter City FPD	No	
	Lake Lotawana CID	Yes	January 15, 2018
	Lone Jack Community FPD	Yes	May 24, 2018
	Lotawana FPD	Yes	June 20, 2018
	M150 & 135th Street TDD	Yes	June 28, 2018
	New Longview TDD	No	
	Prairie Township FPD	No	
	PWSD 12 Jackson County	Yes	June 6, 2018
	PWSD 13 Jackson County	Yes	June 20, 2018
	PWSD 15 Jackson County	No	
	PWSD 16 Jackson County	Yes	May 8, 2018
	Raintree Lake Village TDD	Yes	April 19, 2018
	Raintree North TDD	Yes	June 14, 2018
	Raytown FPD	No	
	Ritter Plaza CID	No	
	Strother Interchange TDD	Yes	June 27, 2018
	Truman Road TDD	No	
	Watts Mill CID	No	
Jasper	Asbury FPD	No	
	Carl Junction FPD	Yes	June 27, 2018
	Carl Junction SRD Jasper County	Yes	March 4, 2018

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Jasper	Carthage FPD	Yes	June 25, 2018
	Central Jasper County FPD	No	
	Duenweg Volunteer FPD	No	
	Jasper County EMS Board	Yes	May 21, 2018
	Jasper Volunteer FPD	No	
	La Russell SRD Jasper County	Yes	February 6, 2018
	Oronogo FPD	Yes	June 28, 2018
	PWSD 1 Jasper County	Yes	June 20, 2018
	PWSD 2 Jasper County	No	
	Tri-Cities FPD	Yes	June 21, 2018
Jefferson	Big River Ambulance District	Yes	February 21, 2018
	Biltmore East CID	No	
	Cedar Hill FPD	Yes	January 31, 2018
	De Soto Rural FPD	Yes	June 14, 2018
	Dunklin FPD	No	
	Festus SRD Jefferson County	Yes	June 19, 2018
	Hematite FPD	Yes	April 4, 2018
	High Ridge Commons CID	Yes	June 27, 2018
	Highway 141/67 TDD	Yes	January 31, 2018
	Hillsboro FPD	Yes	January 31, 2018
	Hillsboro Lake Terrace TDD	Yes	March 21, 2018
	Jefferson County 911 Board	Yes	January 29, 2018
	Jefferson County Health Department	Yes	June 19, 2018
	Jefferson R-7 FPD	Yes	February 23, 2018
	Joachim-Plattin Ambulance District	Yes	June 5, 2018
	Lake Adelle Sewer District	Yes	June 27, 2018
	Mapaville FPD	Yes	March 22, 2018
	Northeast Public Sewer District	Yes	June 28, 2018
	Northwest Library Subdistrict	Yes	April 2, 2018
	PWSD 12 Jefferson County	Yes	June 26, 2018
	PWSD 2 Jefferson County	Yes	June 27, 2018
	PWSD 3 Jefferson County	Yes	June 20, 2018
	PWSD 5 Jefferson County	Yes	March 13, 2018
	PWSD 6 Jefferson County	Yes	June 29, 2018
	PWSD 8 Jefferson County	Yes	June 29, 2018
	Ridgecrest TDD	Yes	January 31, 2018
	Rock Community FPD	Yes	February 17, 2018
	Rock Creek Public Sewer District	Yes	March 23, 2018
	Rock Township Ambulance District	Yes	February 21, 2018
	Saline Valley FPD	Yes	February 12, 2018
	Springdale CID	Yes	February 15, 2018
	Truman Boulevard TDD	Yes	June 13, 2018
	Windsor-Fox Library Subdistrict	Yes	April 2, 2018
Johnson	Hawthorne Development TDD	Yes	June 28, 2018
	Johnson County Ambulance District	Yes	June 29, 2018
	Johnson County EMS Board	Yes	June 25, 2018
	Johnson County FPD	Yes	June 26, 2018

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Johnson	Johnson County FPD 2	Yes	June 28, 2018
	Knob Noster Ninth Street CID	No	
	PWSD 1 Johnson County	Yes	March 7, 2018
	PWSD 2 Johnson County	Yes	February 26, 2018
	PWSD 3 Johnson County	No	
Knox	Western Missouri Medical Center	Yes	June 12, 2018
	Knox County Ambulance District	Yes	May 10, 2018
	Knox County Health Department	Yes	January 26, 2018
Laclede	Bennett Spring FPD	Yes	May 25, 2018
	Competition Volunteer FPD	No	
	Conway SRD 2 Laclede County	Yes	May 1, 2018
	Laclede County Health Department	Yes	January 24, 2018
	Lebanon Rural FPD	Yes	June 26, 2018
	Lebanon-Laclede County PLD	Yes	April 18, 2018
	Nebo Falcon FPD	No	
	Phillipsburg SRD 3 Laclede County	No	
	PWSD 1 Laclede County	No	
	PWSD 2 Laclede County	Yes	May 8, 2018
	PWSD 3 Laclede County	Yes	April 18, 2018
	Consolidated PWSD 2 Lafayette County	Yes	May 18, 2018
	Higginsville FPD	Yes	March 23, 2018
	Lafayette County Health Department	No	
	Mayview FPD	Yes	June 29, 2018
Lawrence	Odessa Fire & Rescue Protection	Yes	May 17, 2018
	Wellington-Napoleon R-IX RRD	No	
	Aurora Rural FPD	Yes	June 27, 2018
	Aurora SRD Lawrence County	Yes	January 17, 2018
	Buck Prairie SRD Lawrence County	No	
	Freistatt SRD Lawrence County	Yes	January 29, 2018
	Green Benefit SRD Lawrence County	Yes	May 29, 2018
	Midway Benefit SRD Lawrence County	No	
	Miller Benefit SRD Lawrence County	Yes	May 29, 2018
	Miller Rural FPD	No	
	Mt. Pleasant Benefit SRD Lawrence	Yes	April 19, 2018
	Mt. Vernon Ambulance District	No	
	Mt. Vernon Benefit SRD Lawrence	Yes	January 24, 2018
	Pierce Benefit SRD Lawrence County	Yes	January 29, 2018
	Pierce City FPD	Yes	May 21, 2018
Lewis	Red Oak Benefit SRD Lawrence County	No	
	Sarcozie Rural FPD	No	
	Verona Benefit SRD Lawrence County	Yes	June 6, 2018
	Vineyard Benefit SRD Lawrence	No	
	Buck & Doe Run Creeks WSD	Yes	March 6, 2018
	Canton R-V FPD	Yes	May 26, 2018
	Durgens Creek Watershed Subdistrict	Yes	March 5, 2018
	Ewing-Maywood R-4 FPD	No	

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Lewis	Grassey Creek Watershed Subdistrict	Yes	March 27, 2018
	Lewis County 911 Board	Yes	June 27, 2018
	Lewis County Ambulance District	No	
	Lewis County Health Department	Yes	January 24, 2018
	PWSD 1 Lewis County	No	
	Troublesome Watershed Subdistrict	Yes	March 30, 2018
	Western Lewis County FPD	No	
Lincoln	Clarence Cannon Memorial WSD	Yes	January 27, 2018
	Elsberry FPD	Yes	May 16, 2018
	Elsberry SRD Lincoln County	Yes	March 8, 2018
	Hawk Point FPD	Yes	May 9, 2018
	Highway 61/State Highway U TDD	Yes	April 20, 2018
	Lincoln County Ambulance District	Yes	June 28, 2018
	Lincoln County FPD	No	
	Lincoln County Memorial Hospital	Yes	June 4, 2018
	Northwest FPD Lincoln County	No	
	Old Monroe FPD	No	
	PWSD 1 Lincoln County	Yes	June 7, 2018
	PWSD 2 Lincoln County	No	
	Winfield-Foley FPD	Yes	March 6, 2018
Linn	Consolidated PWSD 1 Linn County	Yes	June 18, 2018
	Laclede Community FPD	Yes	January 30, 2018
	Linn County 911 Board	Yes	June 20, 2018
	Linn County Ambulance District	No	
	Linn County Health Department	Yes	January 9, 2018
	Marceline Carnegie Library District	Yes	February 23, 2018
	Marceline SRD Linn County	Yes	March 16, 2018
	Purdin SRD Linn County	No	
	PWSD 3 Linn County	No	
	PWSD 3 Linn-Livingston County	Yes	June 1, 2018
Livingston	Livingston County Health Center	Yes	January 19, 2018
	Livingston County Memorial PLD	Yes	February 7, 2018
	Livingston County NHD	Yes	April 30, 2018
	Mooreville Township FPD	No	
	PWSD 1 Livingston County	Yes	March 8, 2018
	PWSD 2 Livingston County	Yes	March 5, 2018
	PWSD 3 Livingston County	No	
	PWSD 4 Livingston County	Yes	March 8, 2018
Macon	Bevier FPD	Yes	June 27, 2018
	La Plata Community FPD	No	
	La Plata NHD	Yes	May 24, 2018
	Macon County 911 Board	Yes	February 27, 2018
	Macon County Ambulance District	No	
	Macon County Health Department	Yes	January 31, 2018
	PWSD 1 Macon County	Yes	March 16, 2018
Madison	Samaritan Memorial Hospital	No	
	Madison County Ambulance District	No	

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Madison	Madison County Health Department	No	
Maries	Belle SRD 6 Maries-Osage County	No	
	Maries-Osage Ambulance District	Yes	January 19, 2018
	Ozark Central Ambulance District	No	
	Vienna Volunteer FPD	Yes	February 26, 2018
Marion	Marion County 911 Board	Yes	June 27, 2018
	Marion County Ambulance District	Yes	June 29, 2018
	Marion County Health Department	Yes	January 26, 2018
	Marion County Library Subdistrict 1	Yes	April 16, 2018
	Marion County NHD	No	
	Palmyra FPD	Yes	January 30, 2018
	PWSD 1 Marion County	Yes	February 23, 2018
	South River Drainage District	Yes	April 5, 2018
	SZC Development District, Inc. CID	Yes	June 20, 2018
McDonald	Goodman Area FPD	No	
	McDonald County 911 Board	Yes	February 27, 2018
	McDonald County Library District	Yes	May 25, 2018
	PWSD 1 McDonald County	Yes	June 12, 2018
	PWSD 3 McDonald County	Yes	June 25, 2018
Mercer	Mercer County Ambulance District	Yes	January 24, 2018
	Mercer County Extension District	Yes	May 25, 2018
	Mercer County FPD	Yes	June 23, 2018
	Mercer County Health Department	Yes	January 12, 2018
	Mercer County Library District	Yes	March 22, 2018
	Mercer FPD	Yes	January 9, 2018
	PWSD 1 Mercer County	No	
Miller	Bagnell SRD Miller County	Yes	May 31, 2018
	Brumley FPD	Yes	June 29, 2018
	Eagles Landing CID	Yes	May 1, 2018
	Heartland Regional Library District	Yes	April 19, 2018
	Horseshoe Bend TDD	Yes	May 24, 2018
	Iberia Rural FPD	No	
	Isla Del Sol CID	Yes	May 30, 2018
	Kaiser SRD Miller County	No	
	Lake Ozark FPD	No	
	Lake Ozark-Osage Beach SwrD	No	
	Miller County Ambulance District	No	
	Miller County Health Center	Yes	March 19, 2018
	Moreau FPD	No	
	Prewitt Point TDD	Yes	May 16, 2018
	St. Elizabeth FPD	No	
	Tuscumbia FPD	No	
Mississippi	Big Lake Drainage District	Yes	January 6, 2018
	Mississippi Ambulance District	No	
	Mississippi County Health	No	
	Mississippi County Library District	No	
	Mississippi/Scott County FPD	Yes	February 13, 2018

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Moniteau	California Rural FPD	Yes	June 1, 2018
	Fortuna FPD	Yes	April 16, 2018
	Jamestown Rural FPD	Yes	February 20, 2018
	Moniteau County 911 Board	No	
	Moniteau County Health Center	Yes	June 22, 2018
	PWSD 1 Moniteau County	No	
	PWSD 2 Moniteau County	No	
Monroe	Madison-West Monroe FPD	No	
	Monroe City Area FPD	No	
	Monroe County Ambulance District	No	
	Monroe County Health Department	Yes	February 14, 2018
	Monroe County NHD	No	
	Paris Rural FPD	Yes	June 21, 2018
	Bellflower FPD	No	
Montgomery	Big Spring FPD	No	
	Jonesburg-High Hill FPD	No	
	Middletown Community FPD	No	
	Montgomery Ambulance District	No	
	Montgomery County Health Department	Yes	January 9, 2018
	Montgomery Volunteer FPD	No	
	New Florence FPD	Yes	June 13, 2018
	Rhineland Bottom SRD Montgomery County	No	
	Wellsville SRD Montgomery County	Yes	April 5, 2018
	Barnett SRD 3 Morgan County	Yes	May 31, 2018
Morgan	Gravois Arm Sewer District	No	
	Gravois FPD	No	
	Gravois SRD 8 Morgan County	Yes	January 30, 2018
	Morgan County Health Center	Yes	June 27, 2018
	Morgan County Library District	Yes	June 12, 2018
	PWSD 2 Morgan County	Yes	June 14, 2018
	Rocky Mount FPD	No	
	Stover Rural FPD	Yes	February 5, 2018
	Versailles Rural FPD	Yes	May 24, 2018
	Drainage District 39 New Madrid County	No	
New Madrid	Drainage District 41 New Madrid County	Yes	December 21, 2017
	Lilbourn Highway D CID	No	
	New Madrid Ambulance District	No	
	New Madrid County Health Department	Yes	April 26, 2018
	New Madrid County Library District	No	
	PWSD 2 New Madrid County	Yes	June 27, 2018
	PWSD 4 New Madrid County	No	
	PWSD 5 New Madrid County	Yes	June 8, 2018
	Diamond Area FPD	Yes	January 23, 2018
	Diamond SRD Newton County	Yes	June 27, 2018
Newton	East Newton Area FPD	Yes	June 28, 2018
	Fairview SRD Newton County	Yes	June 28, 2018

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Newton	Highway 166 CID	Yes	April 24, 2018
	Midway FPD	No	
	Midway SRD Newton County	No	
	Neosho Area FPD	Yes	June 28, 2018
	Neosho Developers CID	Yes	March 29, 2018
	Neosho SRD Newton County	No	
	Neosho TDD	Yes	June 27, 2018
	Neosho-Newton County PLD	No	
	Newton County Ambulance District	Yes	February 1, 2018
	Newton County Health Department	Yes	January 9, 2018
	PWSD 1 Newton County	No	
	Redings Mill FPD	Yes	June 28, 2018
	Seneca Area FPD	Yes	April 13, 2018
	Seneca SRD Newton County	Yes	June 28, 2018
Nodaway	Clearmont FPD	No	
	Elmo Area FPD	No	
	Graham FPD	Yes	May 7, 2018
	Hopkins FPD	No	
	Jackson Township FPD	Yes	February 9, 2018
	Nodaway County Ambulance District	Yes	January 11, 2018
	Nodaway County Health Center	Yes	March 30, 2018
	Parnell FPD	No	
	Polk Rural FPD	No	
	PWSD 1 Nodaway County	Yes	June 28, 2018
	Skidmore FPD	Yes	June 7, 2018
	Union Township FPD	Yes	January 19, 2018
Oregon	Oregon County Ambulance District	Yes	May 22, 2018
	Oregon County Health Department	No	
	Oregon County Library District	Yes	January 19, 2018
	Thayer SRD Oregon County	Yes	January 19, 2018
Osage	Chamois Volunteer FPD	Yes	April 8, 2018
	Lake Drainage District 1	Yes	December 8, 2017
	Linn FPD	Yes	March 20, 2018
	Meta Fire & Rescue FPD	Yes	January 9, 2018
	Osage Ambulance District	No	
	PWSD 1 Osage County	No	
	PWSD 2 Osage County	Yes	June 22, 2018
	PWSD 3 Osage County	Yes	June 13, 2018
	PWSD 4 Osage County	No	
Ozark	Ozark County Health Center	No	
	PWSD 1 Ozark County	Yes	April 13, 2018
Pemiscot	Pemiscot County Health Center	Yes	May 9, 2018
	Pemiscot County Memorial Hospital	No	
Perry	Steele Highway 61 CID	No	
	Perry County Health Department	Yes	January 16, 2018
	Perryville Highway 61 & 51 CID	No	
	PWSD 1 Perry County	No	

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Perry	PWSD 2 Perry County	Yes	May 10, 2018
Pettis	Pettis County Ambulance District	Yes	June 28, 2018
	Pettis County FPD 1	No	
	Pettis County Health Center	Yes	June 14, 2018
	PWSD 1 Pettis-Johnson-Saline County	No	
Phelps	Doolittle Rural FPD	Yes	June 8, 2018
	Duke Rural FPD	No	
	Edgar Springs Rural Volunteer FPD	No	
	Phelps County Regional Medical Center	Yes	May 30, 2018
	Phelps County 911 Board	No	
	PWSD 1 Phelps County	Yes	June 29, 2018
	PWSD 2 Phelps County	Yes	June 26, 2018
	PWSD 4 Phelps County	Yes	February 7, 2018
	Rolla Rural FPD	No	
	St. James Ambulance District	No	
	St. James FPD	Yes	May 19, 2018
Pike	Buffalo Township FPD	No	
	Curryville Volunteer FPD	Yes	May 3, 2018
	Eolia Community FPD	No	
	Louisiana SRD 3 Pike County	No	
	Pike County Health Department	Yes	June 27, 2018
Platte	9 Highway Corridor CID	No	
	Blair Heights Sewer District	Yes	May 14, 2018
	Camden Point FPD	Yes	June 17, 2018
	Central Platte FPD	Yes	January 24, 2018
	Clemstone Sewer District	No	
	Dearborn Area FPD	Yes	January 30, 2018
	Drainage District 1 Platte County	Yes	June 4, 2018
	Edgerton-Trimble FPD	No	
	Farley SRD Platte County	Yes	June 4, 2018
	Northland Regional AD	Yes	June 21, 2018
	Park Plaza TDD	Yes	June 28, 2018
	Parkville Commons TDD	Yes	January 15, 2018
	Parkville Old Towne CID	Yes	April 2, 2018
	Parkville SRD Platte County	Yes	June 4, 2018
	PC-I CID	Yes	January 15, 2018
	Platte City SRD Platte County	Yes	June 4, 2018
	Platte County Regional Sewer District	Yes	June 20, 2018
	Platte County Health Department	Yes	June 29, 2018
	Platte County Missouri South TDD I	Yes	June 29, 2018
	Platte County Missouri South TDD II	Yes	June 29, 2018
	Platte Valley Plaza TDD	Yes	June 26, 2018
	PWSD 2 Platte County	Yes	February 23, 2018
	PWSD 4 Platte County	Yes	June 29, 2018
	PWSD 7 Platte County	No	
	PWSD 8 Platte County	No	

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Platte	Smithville Area FPD	No	
	Southern Platte Ambulance District	Yes	April 4, 2018
	Southern Platte FPD	Yes	June 13, 2018
	Tremont Square TDD	Yes	June 27, 2018
	Tuileries Plaza TDD	Yes	April 11, 2018
	Village of Green Hills TDD	Yes	June 26, 2018
	Waldron Levee District	Yes	May 29, 2018
	Weatherby Lake FPD	No	
	West Platte FPD	Yes	January 13, 2018
	Weston SRD Platte County	Yes	June 4, 2018
Polk	Blue Mound SRD Polk County	Yes	February 26, 2018
	Bolivar SRD Polk County	No	
	Central Polk County FPD	Yes	March 29, 2018
	Flemington SRD Polk County	Yes	March 13, 2018
	Humansville SRD Polk County	Yes	February 20, 2018
	Morrisville FPD	No	
	Pleasant Hope FPD	Yes	June 28, 2018
	Polk County Health Center	No	
	Polk County Library District	Yes	January 26, 2018
	Prairie Heights Area Common SwrD	No	
Pulaski	Southwest SRD Polk County	No	
	Bowman TDD	No	
	Crocker Highway 17 CID	No	
	Crocker Rural FPD	No	
	Dixon Ambulance District	Yes	June 13, 2018
	Dixon Rural FPD	No	
	Ehrhardt Properties TDD	Yes	June 22, 2018
	Farris Family TDD	No	
	Hazelgreen FPD	No	
	Interstate Plaza/North Town Village TDD	Yes	June 26, 2018
	Liberty Commons CID	Yes	April 2, 2018
	Plattner CID	Yes	June 26, 2018
	Pulaski County 911 Board	Yes	January 16, 2018
	Pulaski County Ambulance District	Yes	April 3, 2018
	Pulaski County Health Department	No	
	Pulaski County Library District	Yes	April 19, 2018
	Pulaski County Sewer District	No	
	PWSD 1 Pulaski County	Yes	May 11, 2018
	PWSD 2 Pulaski County	Yes	May 10, 2018
	Waynesville Rural FPD	No	
Putnam	Westgate CID	Yes	April 20, 2018
	Elm Township FPD	Yes	January 31, 2018
	Grant Township FPD	No	
	Lake Thunderhead SRD Putnam County	Yes	March 6, 2018
	Liberty Township FPD	Yes	March 7, 2018
	Putnam County Ambulance District	No	
	Putnam County E-911 Board	No	

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Putnam	Putnam County Health Department	Yes	January 8, 2018
	Putnam County Library District	Yes	March 15, 2018
	Unionville SRD Putnam County	No	
Ralls	York Township Volunteer FPD	Yes	January 26, 2018
	Hannibal Rural FPD	Yes	May 11, 2018
	PWSD 1 Ralls County	Yes	June 27, 2018
	Ralls County 911 Board	Yes	June 27, 2018
	Ralls County Ambulance District 3	Yes	June 29, 2018
	Ralls County Health Department	No	
	Ralls County Library District	Yes	February 5, 2018
	Eastern Randolph Rural FPD	No	
Randolph	Higbee Area FPD	No	
	Little Dixie Regional PLD	Yes	June 28, 2018
	Northeast R-IV Rural FPD	No	
	Randolph County Ambulance District	No	
	Randolph County Health Department	Yes	May 24, 2018
	Southeastern Randolph FPD	No	
	Thomas Hill PWSD 1 Randolph County	Yes	March 26, 2018
	Westran FPD	No	
	City of Crystal Lakes SRD Ray County	No	
	Consolidated PWSD 2 Ray County	Yes	May 21, 2018
Ray	Crooked River Drainage District	Yes	January 11, 2018
	Drainage District Ray County	Yes	January 17, 2018
	Egypt Levee District	Yes	January 17, 2018
	Hardin FPD	No	
	Hardin SRD Ray County	No	
	Hardin-Oak Grove Drainage District	No	
	Henrietta-Crooked River D&LD	Yes	February 14, 2018
	Lawson Community Fire & Rescue	No	
	Levee District 1 Ray County	No	
	Levee District 5 Ray County	No	
	Missouri Valley D&LD	Yes	February 12, 2018
	Orrick FPD	Yes	March 22, 2018
	PWSD 1 Ray County	Yes	June 14, 2018
	Ray County Health Department	Yes	February 6, 2018
	Ray County Library District	Yes	April 13, 2018
	Richmond City FPD	No	
	Stet Rural FPD	Yes	June 1, 2018
	Tri-County Drainage District	Yes	June 7, 2018
	Wood Heights FPD	Yes	May 29, 2018
Reynolds	Garwood FPD	No	
	Northern Reynolds County FPD	Yes	April 5, 2018
	PWSD 1 Reynolds County	Yes	January 18, 2018
	Reynolds County 911 Board	No	
	Reynolds County Ambulance District	Yes	June 14, 2018
	Reynolds County Health Center	No	
	Reynolds County Library District	Yes	June 11, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Ripley	Bennett SRD Ripley County	Yes	February 22, 2018
	Current River SRD Ripley County	Yes	February 22, 2018
	Doniphan SRD Ripley County	No	
	Fairdealing SRD Ripley County	Yes	February 22, 2018
	Flatwoods SRD Ripley County	Yes	February 22, 2018
	Jordan SRD Ripley County	Yes	February 22, 2018
	Little Black SRD Ripley County	Yes	February 22, 2018
	Logan Creek SRD Ripley County	Yes	February 22, 2018
	Mabrey Bay SRD Ripley County	Yes	February 22, 2018
	Naylor Drainage District	No	
	Naylor SRD Ripley County	Yes	February 22, 2018
	Oxly SRD Ripley County	Yes	February 22, 2018
	Pine Bardley SRD Ripley County	Yes	February 22, 2018
	Ponder Gatewood SRD Ripley County	Yes	February 22, 2018
	Poynor SRD Ripley County	Yes	February 22, 2018
	Pratt SRD Ripley County	Yes	February 22, 2018
	Purman SRD Ripley County	No	
	PWSD 1 Ripley County	No	
	PWSD 2 Ripley County	Yes	May 12, 2018
	Ripley County Public Health Center	Yes	June 11, 2018
	Running Water SRD Ripley County	Yes	February 22, 2018
	Tucker Bay SRD Ripley County	Yes	February 22, 2018
	Wolfe Creek SRD Ripley County	Yes	February 22, 2018
Saline	Blackburn Elmwood SRD Saline County	Yes	January 31, 2018
	Cole Lake Drainage District 2	Yes	March 22, 2018
	Fish Creek Drainage District	Yes	February 3, 2018
	Gilliam SRD Saline County	No	
	Grand Pass SRD Saline County	No	
	Levee District 2 Saline County	Yes	January 25, 2018
	Levee District Saline County	Yes	February 7, 2018
	Malta Bend FPD	Yes	April 2, 2018
	Malta Bend Levee District	Yes	April 2, 2018
	Malta Bend SRD Saline County	Yes	March 22, 2018
	Marshall SRD Saline County	Yes	January 18, 2018
	PWSD 1 Saline County	Yes	February 22, 2018
	PWSD 2 Saline County	Yes	May 31, 2018
	PWSD 3 Saline County	Yes	June 26, 2018
	Saline County 911 Board	Yes	May 4, 2018
	Saline County Ambulance District 3	Yes	February 9, 2018
	Saline County FPD	Yes	April 17, 2018
	Saline County Health Department	Yes	June 27, 2018
	Slater Ambulance District 1	Yes	June 28, 2018
	Slater City FPD	No	
	Slater Public Library District	No	
	Slater SRD Saline County	Yes	January 12, 2018
	Sweet Springs Ambulance District	Yes	May 3, 2018
	Sweet Springs SRD Saline County	Yes	January 23, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Saline	West Central FPD	Yes	April 30, 2018
	West Glasgow Levee District	Yes	December 15, 2017
Schuyler	Consolidated PWSD 1 Schuyler County	Yes	April 23, 2018
	Schuyler County Health Department	Yes	April 25, 2018
Scotland	Schuyler County Library District	Yes	April 18, 2018
	Bear Creek Watershed Subdistrict	No	
	Consolidated PWSD 1 Scotland County	Yes	June 27, 2018
	Scotland County Ambulance District	No	
	Scotland County Health Department	Yes	January 19, 2018
Scott	Scotland County Library District	Yes	June 29, 2018
	NBC FPD	No	
	North Main/Malone TDD	Yes	January 16, 2018
	Oran FPD	No	
	PWSD 1 Scott County	No	
	PWSD 2 Scott County	Yes	June 27, 2018
	Scott County Health Department	No	
	Scott County Rural FPD	Yes	June 26, 2018
	Southern Scott Ambulance District	Yes	January 26, 2018
	Shannon County Ambulance District	No	
Shannon	Shannon County Health Department	No	
	Timber Community FPD	Yes	January 8, 2018
	Salt River Ambulance District	Yes	June 25, 2018
Shelby	Salt River NHD	Yes	May 15, 2018
	Shelbina FPD	Yes	April 4, 2018
	Shelbina SRD Shelby County	Yes	March 13, 2018
	Shelby County Health Department	Yes	January 2, 2018
	Augusta FPD	No	
St. Charles	BaratHaven CID	Yes	June 27, 2018
	BaratHaven TDD	Yes	April 30, 2018
	Bear Creek CID	Yes	June 29, 2018
	Belleau CID	Yes	April 2, 2018
	Boscherts Landing TDD	No	
	Bryan Road CID	Yes	April 3, 2018
	Caledonia CID	Yes	April 30, 2018
	Central County Fire & Rescue	Yes	June 28, 2018
	Cottleville FPD	No	
	Dardenne Creek Drainage District 3	No	
	Dardenne Town Square TDD	Yes	June 26, 2018
	Darst Bottom Levee District	No	
	Duckett Creek Sewer District	Yes	April 25, 2018
	Elm & 370 CID	Yes	April 4, 2018
	Elm Point Commons CID	Yes	April 4, 2018
	Fairgrounds Road CID	Yes	April 2, 2018
	First Capital Drive TDD	Yes	April 2, 2018
	Fountain Lakes Community Center N CID	Yes	April 20, 2018
	Fountain Lakes Community Center S CID	Yes	April 3, 2018
	Greens Bottom Drainage District	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Charles	Hancock Drainage District	No	
	Hutchings Farm Plaza TDD	No	
	Kingsmill TDD	Yes	June 20, 2018
	Lake St. Louis FPD	Yes	June 28, 2018
	Mark Twain Mall TDD	Yes	June 26, 2018
	Megan Shoppes TDD	Yes	June 27, 2018
	Mexico Road TDD	Yes	June 27, 2018
	Mid Rivers/North TDD	Yes	June 26, 2018
	New Melle FPD	No	
	New Town at St. Charles	No	
	New Town at St. Charles II	No	
	O'Fallon FPD	Yes	June 29, 2018
	O'Fallon Retail Walk CID	Yes	June 26, 2018
	Old Town Cottleville CID	Yes	March 9, 2018
	Orchard Farm FPD	Yes	February 23, 2018
	Plaza at Noah's Ark CID	Yes	April 4, 2018
	Rivers Pointe FPD	Yes	May 14, 2018
	Salt Lick Road TDD	Yes	June 25, 2018
	St. Charles Ambulance District	Yes	June 29, 2018
	St. Charles Riverfront CID	Yes	June 29, 2018
	St. Charles Riverfront TDD	Yes	June 29, 2018
	Veterans Memorial Parkway CID	Yes	April 3, 2018
	Waterbury Storm Water CID	Yes	February 20, 2018
	Wentzville Bluffs CID	Yes	April 2, 2018
	Wentzville Commons Connector TDD	Yes	April 25, 2018
	Wentzville FPD	Yes	June 15, 2018
	Wentzville II TDD	Yes	June 21, 2018
	Wentzville Industrial TDD	No	
	Wentzville Parkway I TDD	Yes	June 25, 2018
	Wentzville TDD	Yes	June 27, 2018
	Wentzville Three TDD	Yes	June 21, 2018
	West Clay Extension CID	Yes	June 5, 2018
	West Pearce CID	Yes	May 2, 2018
	WingHaven TDD	Yes	June 26, 2018
St. Clair	Appleton City SRD St. Clair County	Yes	January 31, 2018
	Chloe SRD St. Clair County	Yes	June 29, 2018
	Collins CID	No	
	Collins FPD	Yes	May 1, 2018
	Collins SRD St. Clair County	No	
	Hillsdale SRD St. Clair County	No	
	Iconium FPD	Yes	January 2, 2018
	Lowry City SRD St. Clair County	No	
	Osceola SRD St. Clair County	Yes	March 21, 2018
	Sac Osage FPD	No	
	St. Clair County Health Center	Yes	April 4, 2018
	St. Clair County Library District	Yes	February 6, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Clair	Vista SRD St. Clair County	No	
St. Francois	Bismarck FPD	No	
	Doe Run FPD	Yes	May 31, 2018
	Park Hills TDD	Yes	May 11, 2018
	Pilot Knob Rural Water District	No	
	PWSD 1 St. Francois County	Yes	May 22, 2018
	PWSD 2 St. Francois County	Yes	January 26, 2018
	St. Francois Ambulance District	Yes	June 26, 2018
	St. Francois County Health Center	No	
St. Louis	10100 Watson Road CID	Yes	April 27, 2018
	1030 Woodcrest Terrace Drive CID	Yes	May 4, 2018
	1030 Woodcrest Terrace Drive TDD	Yes	May 4, 2018
	370/MO Bottom Rd/Taussig Rd TDD	Yes	June 25, 2018
	8750 Manchester Road CID	Yes	April 27, 2018
	Adie/St. Charles Rock Road CID	Yes	January 31, 2018
	Affton FPD	Yes	June 25, 2018
	Affton Plaza CID	No	
	Ballwin Town TDD	Yes	June 20, 2018
	Big Bend Crossing TDD	Yes	June 26, 2018
	Black Jack FPD	Yes	June 27, 2018
	Brentwood Pointe TDD	Yes	June 25, 2018
	Brentwood Public Library District	No	
	Brentwood/Eager TDD	Yes	June 20, 2018
	Bridgeton NWP CID	Yes	January 31, 2018
	Bridgeton NWP TDD	Yes	January 31, 2018
	Castle Point Street Light District	Yes	June 14, 2018
	Centene Plaza TDD	Yes	June 22, 2018
	Center at Kenrick Plaza CID	No	
	Chambers/West Florissant CID	Yes	March 29, 2018
	Chesterfield Blue Valley CID	Yes	June 26, 2018
	Chesterfield Commons TDD	No	
	Chesterfield Valley TDD	Yes	June 25, 2018
	Clarkson Kehrs Mill TDD	Yes	June 28, 2018
	Colonial Marketplace CID	Yes	June 6, 2018
	Community FPD	Yes	June 27, 2018
	Crestwood Market CID	Yes	June 26, 2018
	Crestwood Point CID	Yes	June 26, 2018
	Crestwood Point TDD	Yes	June 26, 2018
	Crestwood Square CID	Yes	April 27, 2018
	Creve Coeur FPD	Yes	June 5, 2018
	Crossings CID	Yes	June 29, 2018
	Des Peres Corners TDD	Yes	June 26, 2018
	Dierbergs Des Peres TDD	Yes	June 25, 2018
	Ellisville Marketplace CID	Yes	May 11, 2018
	Elm Grove TDD	Yes	June 27, 2018
	Elmwood Park Street Light District	No	
	Eureka Commercial Park TDD	Yes	April 5, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Eureka FPD	Yes	June 30, 2018
	Fenton FPD	Yes	June 14, 2018
	Florissant Valley FPD	Yes	June 25, 2018
	Fountain Plaza CID	Yes	April 12, 2018
	Francis Place TDD	No	
	Glasgow Village SLD	No	
	Grant Center CID	Yes	April 30, 2018
	Gravois Bluffs TDD	Yes	June 26, 2018
	Green Trails CID	Yes	June 21, 2018
	Hancock Street Light District	Yes	February 19, 2018
	Hanley Road Corridor TDD	Yes	June 27, 2018
	Hanley Station TDD	Yes	June 15, 2018
	Hanley/Eager Road TDD	Yes	June 27, 2018
	Highway 367 & Parker Road TDD	Yes	June 26, 2018
	Hilltop CID	Yes	June 27, 2018
	Kenrick Plaza CID	Yes	April 27, 2018
	Kinloch FPD	No	
	Koch Plaza TDD	Yes	April 2, 2018
	Lafayette Center CID	Yes	April 20, 2018
	Lemay CID	Yes	February 8, 2018
	Lemay FPD	Yes	June 19, 2018
	Lindbergh East Concord TDD	Yes	June 19, 2018
	Loop Trolley TDD	Yes	March 19, 2018
	Lormil Heights TDD	Yes	May 4, 2018
	Lucas & Hunt/Chandler TDD	Yes	April 20, 2018
	Manchester Highlands TDD	Yes	June 27, 2018
	Manchester/Ballas CID	Yes	June 22, 2018
	Market at McKnight TDD	Yes	June 26, 2018
	Maryland Heights FPD	Yes	June 5, 2018
	Mayfair Plaza CID	Yes	June 26, 2018
	Mehlville FPD	Yes	June 29, 2018
	Meramec Station Road & Hwy 141 TDD	Yes	June 20, 2018
	Metro North FPD	Yes	June 29, 2018
	Metro West FPD	Yes	June 15, 2018
	Metro Zoological Park & Museum District	Yes	June 22, 2018
	Metropolitan Taxicab Commission	No	
	Mid-County FPD St. Louis County	Yes	June 20, 2018
	Midwest Plaza CID	Yes	February 22, 2018
	Missouri Bottom Road CID	No	
	Missouri Bottom Road TDD	No	
	Monarch FPD	Yes	June 27, 2018
	Natural Bridge/St. Charles Rock Rd CID	Yes	February 2, 2018
	NEWCO TDD	Yes	June 27, 2018
	North Oaks Plaza Shopping Center CID	Yes	June 21, 2018
	North Outer Forty TDD	Yes	June 26, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Northeast Ambulance & FPD	No	
	NWP CID	Yes	January 31, 2018
	Old Dorsett Road CID	Yes	April 20, 2018
	Old Dorsett Road TDD	Yes	April 20, 2018
	Olive/Graeser TDD	No	
	Paddock Forest CID	Yes	June 21, 2018
	Pattonville FPD	Yes	June 29, 2018
	Pershall Road TDD	Yes	June 26, 2018
	Riverview FPD	Yes	June 13, 2018
	Robertson FPD	Yes	June 21, 2018
	Robinwood West CID	No	
	Seven Trails Drive TDD	Yes	June 27, 2018
	Shoppes at Cross Keys TDD	Yes	April 20, 2018
	Shoppes at Hilltop TDD	Yes	April 2, 2018
	Shoppes at Old Webster TDD	No	
	South Manchester TDD	Yes	April 3, 2018
	Spanish Lake FPD	Yes	June 13, 2018
	St. Charles Rock Road CID	Yes	June 28, 2018
	St. Charles Rock Road TDD	Yes	June 27, 2018
	St. Cyr Road TDD	Yes	June 22, 2018
	St. John Crossings TDD	Yes	June 28, 2018
	St. John's Church Road TDD	Yes	June 26, 2018
	St. Louis County Library District	Yes	May 24, 2018
	Station Plaza TDD	Yes	February 1, 2018
	Telegraph Crossing North CID	Yes	April 2, 2018
	Tori Pines Commons CID	Yes	March 21, 2018
	Town & Country Crossing TDD	Yes	June 18, 2018
	University Place TDD	Yes	June 28, 2018
	Upper West End Park CID	No	
	Valley Park FPD	Yes	June 27, 2018
	Victoria Crossing CID	Yes	March 21, 2018
	Viking Conference Center CID	Yes	April 30, 2018
	Watson-Laclede Station Road CID	Yes	June 12, 2018
	West County EMS & FPD	Yes	June 19, 2018
	West Overland EMS & FPD	Yes	June 20, 2018
	Westport Plaza I CID	Yes	April 20, 2018
	Westport Plaza II CID	Yes	April 27, 2018
	Westport Plaza TDD	Yes	April 20, 2018
	Wheaton Cook Lyndhurst SLD	No	
St. Louis City	620 Market TDD	Yes	June 7, 2018
	705 Olive CID	No	
	Adler Lofts TDD	No	
	Bottle District TDD	No	
	Broadway Carrie TDD	No	
	Broadway Hotel TDD	Yes	April 20, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis City	CB 5421/5975 TDD	Yes	June 5, 2018
	Crowne Plaza TDD	Yes	June 7, 2018
	Euclid Buckingham TDD	No	
	Grand Center Area CID	No	
	Grand Center Area Two CID	No	
	Hampton/Berthold TDD	No	
	Highlands TDD	Yes	April 2, 2018
	Laclede's Landing CID	Yes	June 27, 2018
	Laurel TDD	No	
	Meadows TDD	Yes	June 26, 2018
	Merchant's Laclede TDD	Yes	June 20, 2018
	Southtown TDD	Yes	April 2, 2018
	St. Louis Food Hub TDD	No	
	Tower Grove South Concerned Citizen SBD	No	
Ste. Genevieve	Ozora CID	Yes	April 20, 2018
	PWSD 1 Ste. Genevieve County	Yes	March 7, 2018
	Ste. Genevieve County Health	No	
	Ste. Genevieve County PLD	Yes	January 9, 2018
Stoddard	Ste. Genevieve County SRD A	Yes	April 8, 2018
	Bluff SRD Stoddard County	No	
	Crowder Zeta SRD Stoddard County	Yes	March 2, 2018
	DD 1 Reform 7-13-33-14-17-19	Yes	February 22, 2018
	DD 4-5-6-8-12-15-23-36-37-38	No	
	Drainage District 28 Stoddard County	Yes	January 31, 2018
	Dudley SRD Stoddard County	No	
	Gray Ridge SRD Stoddard County	No	
	Lavalle SRD Stoddard County	No	
	PWSD 3 Stoddard County	Yes	January 13, 2018
	PWSD 5 Stoddard County	No	
	PWSD 6 Stoddard County	Yes	February 8, 2018
	PWSD 7 Stoddard County	Yes	January 5, 2018
	Stoddard County Ambulance District	Yes	April 30, 2018
	Stoddard County Public Health	Yes	March 30, 2018
Stone	Hurley FPD	Yes	April 11, 2018
	Indian Ridge TDD	No	
	North Stone-Northeast Barry County FPD	No	
	PWSD 1 Stone County	Yes	May 18, 2018
	PWSD 2 Stone County	Yes	June 7, 2018
	Sewer District 1 Stone County	Yes	June 7, 2018
	Southern Stone County FPD	Yes	June 22, 2018
	Stone County 911 Board	Yes	June 28, 2018
	Stone County Health Department	Yes	May 17, 2018
	Stone County Library District	No	
Sullivan	Flori Drive CID	Yes	June 25, 2018
	Harris SRD Sullivan County	Yes	February 7, 2018
	Locust Creek Watershed Subdistrict	Yes	February 20, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Sullivan	Medicine Creek FPD	Yes	May 23, 2018
	Milan SRD Sullivan County	Yes	January 10, 2018
	Sullivan County Ambulance District	Yes	January 3, 2018
	Sullivan County Health Department	Yes	January 17, 2018
Taney	Sullivan County Library District	No	
	76 Entertainment CID	No	
	Branson Commerce Park CID	No	
	Branson Creek CID	No	
	Branson Hills CID	Yes	April 27, 2018
	Branson Hills Infrastructure Fa CID	Yes	March 30, 2018
	Branson Landing TDD	Yes	June 26, 2018
	Branson Regional Airport TDD	Yes	June 26, 2018
	Cedarcreek FPD	No	
	Central Taney County FPD	Yes	May 23, 2018
	Forsythe Road CID	Yes	April 2, 2018
	Forsythe Road TDD	Yes	April 2, 2018
	Historic Downtown Branson CID	Yes	June 19, 2018
	Protem FPD	No	
	PWSD 1 Taney County	No	
	PWSD 2 Taney County	No	
	PWSD 3 Taney County	No	
	Taney County Ambulance District	Yes	June 28, 2018
	Taney County Health Department	No	
	Taney County Regional SwrD	Yes	May 24, 2018
	Western Taney County FPD	Yes	January 9, 2018
Texas	Licking Route 32 CID	No	
	PWSD 1 Texas County	Yes	May 4, 2018
	PWSD 2 Texas County	No	
	PWSD 4 Texas County	No	
	Texas County 911 Board	No	
	Texas County Health Department	No	
	Texas County Library District	Yes	February 6, 2018
	Texas County Memorial Hospital	Yes	April 27, 2018
Vernon	Consolidated PWSD 1 Vernon County	No	
	PWSD 1 Vernon County	No	
	PWSD 2 Vernon County	No	
	PWSD 7 Vernon County	Yes	March 19, 2018
	Vernon County Health Department	No	
Warren	Marthasville Community AD	Yes	February 6, 2018
	Marthasville Volunteer FPD	Yes	May 9, 2018
	Warren County 911 Board	Yes	May 29, 2018
	Warren County Ambulance District	Yes	June 27, 2018
	Wright City FPD	Yes	June 29, 2018
Washington	Caledonia FPD	No	
	Irondale FPD	Yes	May 30, 2018
	Potosi FPD	Yes	May 14, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Washington	PWSD 1 Washington County	Yes	May 2, 2018
	PWSD 4 Washington County	Yes	April 16, 2018
	Richwoods FPD	Yes	February 21, 2018
	Washington County 911 Board	No	
	Washington County Health Department	No	
	Washington County Library District	Yes	March 9, 2018
Wayne	Clearwater FPD	Yes	June 20, 2018
	PWSD 2 Wayne County	No	
	PWSD 4 Butler-Wayne County	No	
	Wayne County Health Center	No	
Webster	Marshfield FPD	Yes	May 10, 2018
	Niangua FPD	No	
	Seymour SRD Webster County	Yes	February 17, 2018
	Southern Webster County FPD	No	
	Spindler TDD	Yes	January 20, 2018
	Webster County 911 Board	Yes	January 16, 2018
	Webster County Health Unit	Yes	January 17, 2018
	Webster County Library District	Yes	June 19, 2018
	Worth County 911 Board	Yes	January 29, 2018
	Worth County Ambulance District	Yes	January 22, 2018
Worth	Worth County FPD	Yes	March 14, 2018
	Mountain Grove SRD Wright County	Yes	February 20, 2018
	PWSD 1 Wright County	Yes	May 23, 2018
Wright	Wright County Health Department	Yes	March 28, 2018
	Wright County Library District	Yes	May 15, 2018
Total Filed		1,005	
Total Not Filed		461	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
D&LD	Drainage and Levee District
DD	Drainage District
EMS	Emergency Services
FPD	Fire Protection District
NHD	Nursing Home District
PLD	Public Library District
PWSD	Public Water Supply District
SLD	Street Light Maintenance District
SRD	Special Road District
SwrD	Sewer District
TDD	Transportation Development District
WSD	Watershed District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2017
Filed in June 2018

Fiscal Year Ended April 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Platte	PWSD 3 Platte County	Yes	June 17, 2018
Wayne	Clearwater Ambulance District	Partial	June 15, 2018
Total Filed		1	
Total Partially Filed		1	

Acronyms:

PWSD Public Water Supply District

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2017
 Filed in June 2018

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Chariton	Brunswick Southeast Drainage	Partial	June 4, 2018
St. Louis City	60 Plaza Square CID	Yes	June 6, 2018
Total Filed		1	
Total Partially Filed		1	

Acronyms:

CID Community Improvement District



Office of Missouri State Auditor
Nicole Galloway, CPA

Monthly Report on Municipal Court
and Revenue Filings
June 2018

Monthly Report on Municipal Court and Revenue Filings

June 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the counties, cities, towns, and villages required to file a financial report by June 30, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for these 257 cities, 12 towns, and 137 villages is presented in summary on page 3 and by individual entity in Appendix A. The filing status for 5 counties is presented in summary on page 4 and by individual entity in Appendix B. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for cities, towns, and villages that filed at least one of the items (financial report, addendum, or certification) in June 2018, after their filing deadline. The filing status for these 21 cities and 1 village is presented in summary on page 4 and by individual entity in Appendixes C to G.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

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Monthly Report on Municipal Court and Revenue Filings

June 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 257 cities, 12 towns, and 137 villages, with a fiscal year end of December 31, 2017, whose financial report was due by June 30, 2018. Of these entities, 258 filed their financial report timely, while 2 filed their financial report for only a portion of the fiscal year timely. Of the 131 entities required to file an addendum, 77 were filed. Of the 124 entities required to file a certification, 76 were filed.



Monthly Report on Municipal Court and Revenue Filings
June 2018
Executive Summary

This report includes the filing status for the 5 counties, with a fiscal year end of December 31, 2017, whose addendum and certification was due by June 30, 2018. Of these entities, 3 filed their addendum timely, and 3 filed their certification timely.

This report includes the filing status for 21 cities and 1 village that filed at least one of the items (financial report, addendum, or certification) in June 2018, after their filing deadline. Of these entities, 6 filed an annual financial report, 17 filed an addendum, 7 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Adair	City of Brashear	No		n/a	n/a
	City of Kirksville	Yes	June 27, 2018	Yes	n/a
	Village of Millard	Yes	April 5, 2018	n/a	n/a
Andrew	City of Bolckow	No		n/a	n/a
	Village of Cosby	Yes	April 23, 2018	n/a	n/a
	Village of Country Club	Yes	June 21, 2018	n/a	n/a
	Village of Rea	No		n/a	n/a
Atchison	Village of Rosendale	Yes	March 27, 2018	n/a	n/a
	City of Fairfax	No		n/a	n/a
	City of Rock Port	Yes	June 28, 2018	Yes	Yes
	Village of Watson	Yes	April 13, 2018	n/a	n/a
Audrain	Village of Rush Hill	No		n/a	n/a
Barry	Arrow Point Village, Inc.	Yes	March 1, 2018	n/a	n/a
	City of Butterfield	No		No	No
	City of Cassville	Yes	May 15, 2018	No	No
	City of Seligman	Yes	April 10, 2018	Yes	Yes
	City of Wheaton	Yes	April 4, 2018	Yes	Yes
	Village of Chain O Lakes	Yes	March 11, 2018	n/a	n/a
	Village of Emerald Beach	Yes	March 8, 2018	n/a	n/a
	City of Liberal	No		n/a	n/a
Barton	Village of Lamar Heights	No		n/a	n/a
	City of Amoret	No		n/a	n/a
Bates	City of Hume	No		n/a	n/a
	City of Rich Hill	No		n/a	n/a
	City of Rockville	No		n/a	n/a
	Village of Foster	Yes	February 6, 2018	n/a	n/a
	Village of Passaic	No		n/a	n/a
	City of Cole Camp	Yes	June 13, 2018	Yes	n/a
Benton	City of Lincoln	Yes	May 30, 2018	No	n/a
	City of Warsaw	Yes	May 30, 2018	Yes	n/a
	Village of Glen Allen	No		n/a	n/a
Bollinger	Village of Sedgwickville	No		n/a	n/a
	Town of Harrisburg	Yes	May 14, 2018	n/a	n/a
Boone	Town of McBaine	Yes	April 12, 2018	n/a	n/a
	Village of Pierpont	Yes	February 12, 2018	n/a	n/a
	City of Easton	No		Yes	No
Buchanan	Village of DeKalb	Yes	January 8, 2018	n/a	n/a
	Village of Rushville	Yes	February 3, 2018	n/a	n/a
	City of Neelyville	No		n/a	n/a
Butler	City of Poplar Bluff	Yes	June 29, 2018	No	No

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Caldwell	City of Kidder	Yes	May 17, 2018	n/a	n/a
	City of Kingston	No		n/a	n/a
	City of Polo	Yes	June 5, 2018	n/a	n/a
Callaway	City of Auxvasse	Yes	June 26, 2018	n/a	n/a
	City of Fulton	Yes	June 28, 2018	Yes	Yes
	City of Holts Summit	No		No	No
	City of Mokane	Yes	February 1, 2018	n/a	n/a
	City of New Bloomfield	No		n/a	n/a
Camden	City of Osage Beach	Yes	June 13, 2018	No	No
	Village of Four Seasons	Yes	February 21, 2018	n/a	n/a
Cape Girardeau	City of Jackson	Yes	June 12, 2018	Yes	Yes
	Town of Allenville	No		n/a	n/a
	Town of Dutchtown	No		n/a	n/a
Carroll	City of Bosworth	No		n/a	n/a
	City of Hale	Yes	June 7, 2018	n/a	n/a
	Town of Carrollton	Yes	June 19, 2018	n/a	n/a
	Village of Tina	Yes	June 7, 2018	n/a	n/a
Carter	City of Grandin	Yes	January 15, 2018	n/a	n/a
	City of Van Buren	Yes	May 31, 2018	n/a	n/a
Cass	City of Drexel	Yes	February 15, 2018	n/a	n/a
	City of East Lynne	Yes	May 31, 2018	n/a	n/a
	City of Harrisonville	Yes	April 30, 2018	Yes	Yes
	City of Lake Winnebago	Yes	April 18, 2018	Yes	No
	City of Strasburg	No		n/a	n/a
	Village of Gunn City	No		n/a	n/a
	Village of Riverview Estates	Yes	February 12, 2018	n/a	n/a
	Village of West Line	Yes	January 19, 2018	n/a	n/a
	Village of UMBER View Heights	No		n/a	n/a
Cedar					
Chariton	City of Mendon	No		n/a	n/a
	City of Sumner	Yes	June 29, 2018	n/a	n/a
	Village of Rothville	No		n/a	n/a
Christian	City of Billings	Yes	April 24, 2018	No	No
	City of Fremont Hills	Yes	April 24, 2018	n/a	n/a
	City of Nixa	Yes	April 27, 2018	No	No
	City of Ozark	Yes	June 29, 2018	Yes	Yes
	Village of Saddlebrooke	Yes	January 2, 2018	n/a	n/a
Clark	City of Revere	Yes	June 29, 2018	n/a	n/a
	City of Wyaconda	Yes	February 26, 2018	n/a	n/a
	Village of Luray	No		n/a	n/a
Clay	City of Liberty	Yes	June 29, 2018	Yes	No

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Clay	City of Missouri City	Yes	May 13, 2018	n/a	n/a
	City of Randolph	Yes	May 29, 2018	No	No
	Village of Prathersville	No		n/a	n/a
Clinton	City of Trimble	No		Yes	Yes
	Village of Turney	No		n/a	n/a
Cole	City of Russellville	No		n/a	n/a
	Village of Wardsville	Yes	June 29, 2018	n/a	n/a
Cooper	City of Otterville	No		n/a	n/a
	Village of Windsor Place	Yes	February 22, 2018	n/a	n/a
Crawford	Village of Leasburg	No		n/a	n/a
	Village of West Sullivan	Yes	June 26, 2018	No	No
Dade	Village of Arcola	No		n/a	n/a
	Village of Dadeville	Yes	February 17, 2018	n/a	n/a
	Village of South Greenfield	No		n/a	n/a
Daviess	City of Gallatin	Yes	June 27, 2018	n/a	n/a
	Village of Jameson	Yes	June 29, 2018	n/a	n/a
	Village of Lock Springs	Partial	October 19, 2017	n/a	n/a
	Village of Winston	Yes	May 14, 2018	n/a	n/a
DeKalb	City of Stewartsville	No		n/a	n/a
	City of Union Star	Yes	June 6, 2018	n/a	n/a
Dunklin	City of Cardwell	No		No	No
	Village of Rives	No		n/a	n/a
Franklin	City of Gerald	Yes	June 19, 2018	n/a	n/a
	City of St. Clair	Yes	June 28, 2018	Yes	No
	Town of Charmwood	Yes	April 17, 2018	n/a	n/a
	Village of Oak Grove	No		n/a	n/a
Gentry	City of McFall	Yes	May 7, 2018	n/a	n/a
	City of Stanberry	Yes	June 15, 2018	n/a	n/a
Greene	City of Republic	Yes	June 20, 2018	No	No
	City of Walnut Grove	No		No	No
	City of Willard	Yes	June 13, 2018	Yes	Yes
Grundy	City of Laredo	No		n/a	n/a
	Village of Brimson	No		n/a	n/a
	Village of Dunlap	No		n/a	n/a
Harrison	City of Bethany	Partial	October 3, 2017	n/a	n/a
	City of Cainsville	Yes	April 12, 2018	n/a	n/a
	City of Gilman City	Yes	June 27, 2018	n/a	n/a
	City of New Hampton	Yes	February 23, 2018	n/a	n/a
	City of Ridgeway	No		No	n/a
	Village of Blythedale	No		n/a	n/a

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Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Harrison	Village of Eagleville	Yes	June 8, 2018	n/a	n/a
Henry	City of Blainstown	No		n/a	n/a
	City of Deepwater	Yes	January 25, 2018	n/a	n/a
	Village of Tightwad	No		n/a	n/a
Hickory	City of Cross Timbers	No		n/a	n/a
	Village of Preston	Yes	May 4, 2018	n/a	n/a
Holt	City of Forest City	No		n/a	n/a
	Village of Fortescue	No		n/a	n/a
Howard	City of Armstrong	Yes	June 29, 2018	No	No
Howell	City of Brandsville	Yes	March 14, 2018	n/a	n/a
	City of Willow Springs	No		No	No
Iron	City of Annapolis	No		No	No
	Village of Des Arc	No		n/a	n/a
Jackson	City of Grain Valley	Yes	June 14, 2018	No	No
	City of Lake Lotawana	Yes	May 2, 2018	Yes	Yes
	City of Levasy	Yes	March 7, 2018	n/a	n/a
	City of Oak Grove	Yes	June 19, 2018	Yes	Yes
	Town of Unity Village	Yes	April 11, 2018	n/a	n/a
	Village of River Bend	No		No	No
	Village of Sibley	Yes	April 15, 2018	n/a	n/a
Jasper	City of Carytown	No		n/a	n/a
	City of Duenweg	Yes	June 7, 2018	Yes	No
	City of Jasper	No		n/a	n/a
	City of Purcell	Yes	June 28, 2018	n/a	n/a
	City of Sarcoxie	Yes	January 18, 2018	n/a	n/a
	Village of Airport Drive	Yes	March 26, 2018	n/a	n/a
	Village of Avilla	Yes	May 13, 2018	n/a	n/a
	Village of Fidelity	Yes	May 30, 2018	n/a	n/a
	Village of Reeds	No		n/a	n/a
Jefferson	City of Kimmswick	Yes	February 15, 2018	n/a	n/a
	City of Pevely	Yes	March 7, 2018	Yes	No
	Village of Cedar Hill Lakes	Yes	March 20, 2018	n/a	n/a
	Village of Lake Tekakwitha	Yes	May 29, 2018	n/a	n/a
	Village of Parkdale	Yes	February 6, 2018	n/a	n/a
	Village of Peaceful Village	No		n/a	n/a
Johnson	City of Centerview	Yes	January 17, 2018	n/a	n/a
	City of Chilhowee	Yes	June 29, 2018	n/a	n/a
Johnson	City of Kingsville	Yes	April 12, 2018	n/a	n/a
	City of Knob Noster	Yes	May 31, 2018	No	Yes
	City of Leeton	Yes	June 27, 2018	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Knox	City of Baring	No		n/a	n/a
	City of Edina	Yes	May 10, 2018	n/a	n/a
	Village of Newark	No		n/a	n/a
	Village of Novelty	No		n/a	n/a
Laclede	Village of Phillipsburg	No		n/a	n/a
Lafayette	City of Bates City	No		No	No
Lawrence	City of Aurora	Yes	April 27, 2018	Yes	Yes
	City of Halltown	No		n/a	n/a
	City of Marionville	Yes	May 21, 2018	Yes	Yes
	City of Mount Vernon	Yes	February 6, 2018	Yes	Yes
	City of Stotts City	Yes	May 8, 2018	n/a	n/a
	Village of Freistatt	Yes	January 25, 2018	n/a	n/a
	Village of Hoberg	No		n/a	n/a
Lewis	Village of East Fenway	No		n/a	n/a
Lincoln	City of Elsberry	No		No	No
	City of Foley	Yes	June 30, 2018	n/a	n/a
	City of Hawk Point	No		n/a	n/a
	City of Moscow Mills	Yes	June 25, 2018	Yes	Yes
	City of Old Monroe	Yes	May 31, 2018	n/a	n/a
	City of Silex	No		n/a	n/a
	City of Winfield	Yes	March 8, 2018	Yes	Yes
	Village of Fountain 'N Lakes	No		n/a	n/a
	Village of Whiteside	Yes	May 10, 2018	n/a	n/a
	City of Browning	Yes	June 8, 2018	n/a	n/a
Linn	City of Bucklin	Yes	January 26, 2018	n/a	n/a
	City of Laclede	No		n/a	n/a
	City of Linneus	Yes	January 10, 2018	n/a	n/a
	City of Meadville	Yes	March 16, 2018	n/a	n/a
Livingston	City of Wheeling	No		n/a	n/a
	Village of Ludlow	No		n/a	n/a
	Village of Utica	Yes	March 28, 2018	n/a	n/a
Macon	City of Elmer	No		n/a	n/a
	City of Ethel	No		n/a	n/a
	City of Macon	Yes	June 26, 2018	Yes	Yes
	City of New Cambria	No		n/a	n/a
Madison	Village of South Gifford	Yes	May 14, 2018	n/a	n/a
	City of Marquand	Yes	May 30, 2018	n/a	n/a
	Village of Junction City	No		n/a	n/a
McDonald	City of Goodman	Yes	January 23, 2018	Yes	Yes
	City of Lanagan	Yes	June 28, 2018	Yes	Yes

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
McDonald	City of Noel	Yes	June 28, 2018	No	Yes
	City of Pineville	Yes	January 17, 2018	Yes	Yes
	City of Southwest City	No		No	Yes
	Town of Jane	Yes	December 20, 2017	n/a	n/a
	Village of Ginger Blue	Yes	January 3, 2018	n/a	n/a
Mercer	Village of South Lineville	No		n/a	n/a
Miller	City of Eldon	Yes	June 29, 2018	n/a	n/a
	City of Lake Ozark	Yes	June 19, 2018	Yes	Yes
	Village of St. Elizabeth	Yes	April 12, 2018	n/a	n/a
	Village of Tuscumbia	Yes	April 13, 2018	n/a	n/a
Mississippi	City of Anniston	No		n/a	n/a
	City of Wyatt	No		No	No
	Village of Pinhook	No		n/a	n/a
Moniteau	City of Jamestown	No		n/a	n/a
	City of Lupus	Yes	June 22, 2018	n/a	n/a
Monroe	Village of Holliday	Yes	January 26, 2018	n/a	n/a
	Village of Stoutsville	No		n/a	n/a
Montgomery	City of Bellflower	Yes	April 6, 2018	n/a	n/a
	City of High Hill	Yes	April 9, 2018	n/a	n/a
Morgan	City of Barnett	Yes	June 26, 2018	n/a	n/a
	City of Laurie	Yes	June 7, 2018	n/a	n/a
	City of Syracuse	No		n/a	n/a
	City of Versailles	Yes	January 25, 2018	Yes	Yes
New Madrid	City of Canalou	No		No	Yes
	City of Marston	No		No	No
	City of Matthews	No		No	Yes
	City of Morehouse	Yes	January 8, 2018	Yes	Yes
	City of New Madrid	No		n/a	n/a
	Village of Tallapoosa	No		n/a	n/a
Newton	City of Fairview	Yes	February 7, 2018	Yes	No
	City of Seneca	No		Yes	Yes
	Town of Loma Linda	Yes	June 19, 2018	n/a	n/a
	Village of Cliff Village	Yes	March 17, 2018	n/a	n/a
	Village of Leawood	No		n/a	n/a
	Village of Newtonia	Yes	May 26, 2018	n/a	n/a
	Village of Redings Mill	Yes	June 20, 2018	n/a	n/a
	Village of Ritchey	Yes	January 17, 2018	n/a	n/a
	Village of Shoal Creek Drive	No		n/a	n/a
	Village of Shoal Creek Estates	Yes	June 11, 2018	n/a	n/a
Nodaway	City of Clearmont	Yes	June 26, 2018	n/a	n/a

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Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Nodaway	City of Conception Junction	No	March 20, 2018	n/a	n/a
	City of Graham	Yes	May 3, 2018	n/a	n/a
	City of Hopkins	Yes	January 25, 2018	n/a	n/a
	City of Parnell	Yes	April 9, 2018	n/a	n/a
	Village of Clyde	Yes	January 29, 2018	n/a	n/a
	Village of Guilford	No		n/a	n/a
	Village of Pickering	Yes	February 27, 2018	n/a	n/a
Osage	City of Chamois	No		n/a	n/a
	Village of Argyle	No		n/a	n/a
Pemiscot	City of Bragg City	No		n/a	n/a
	City of Homestown	Yes	May 18, 2018	n/a	n/a
	City of Pascola	No		n/a	n/a
	Village of Holland	No		n/a	n/a
	Village of Wardell	Yes	March 9, 2018	Yes	Yes
Perry	Village of Longtown	No		n/a	n/a
Pettis	City of Houstonia	Yes	January 23, 2018	n/a	n/a
	Village of Hughesville	Yes	March 22, 2018	n/a	n/a
Phelps	City of Edgar Springs	No		n/a	n/a
Pike	City of Curryville	Yes	May 15, 2018	Yes	No
	Town of Paynesville	No		n/a	n/a
Platte	Village of Annada	Yes	March 19, 2018	n/a	n/a
	City of Camden Point	Yes	April 2, 2018	n/a	n/a
	City of Dearborn	No		Yes	Yes
	City of Edgerton	No		n/a	n/a
	City of Lake Waukomis	Yes	June 21, 2018	n/a	n/a
	City of Parkville	Yes	June 1, 2018	No	Yes
	City of Tracy	Yes	June 21, 2018	Yes	Yes
	City of Weatherby Lake	Yes	April 18, 2018	Yes	Yes
	City of Weston	Yes	June 14, 2018	No	Yes
	Town of Ridgely	Yes	February 7, 2018	n/a	n/a
	Village of Farley	Yes	April 21, 2018	n/a	n/a
	Village of Ferrelview	Yes	March 5, 2018	No	No
	Village of Iatan	No		n/a	n/a
	City of Bolivar	Yes	January 10, 2018	Yes	No
	City of Fair Play	Yes	March 3, 2018	n/a	n/a
	City of Humansville	Yes	June 13, 2018	No	No
	City of Pleasant Hope	Yes	April 26, 2018	n/a	n/a
Polk	Village of Halfway	Yes	March 2, 2018	n/a	n/a
Pulaski	City of St. Robert	Yes	December 21, 2017	Yes	Yes
	City of Waynesville	Yes	May 30, 2018	Yes	Yes

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County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Putnam	Village of Powersville	No		n/a	n/a
	Village of Worthington	Yes	March 22, 2018	n/a	n/a
Ralls	City of Center	No		n/a	n/a
Randolph	Village of Cairo	No		n/a	n/a
Ray	City of Camden	Yes	June 29, 2018	Yes	Yes
	City of Crystal Lakes	Yes	June 29, 2018	Yes	Yes
	City of Excelsior Estates	Yes	June 7, 2018	n/a	n/a
	City of Fleming	Yes	June 29, 2018	Yes	Yes
	City of Henrietta	Yes	June 29, 2018	Yes	Yes
	City of Homestead Village	No		n/a	n/a
	City of Orrick	Yes	January 31, 2018	Yes	Yes
Reynolds	City of Centerville	No		n/a	n/a
Ripley	City of Naylor	Yes	February 23, 2018	n/a	n/a
Saline	City of Blackburn	Yes	June 29, 2018	n/a	n/a
	City of Emma	No		n/a	n/a
	City of Gilliam	Yes	March 7, 2018	n/a	n/a
	City of Malta Bend	Yes	January 30, 2018	n/a	n/a
	City of Miami	No		n/a	n/a
	City of Slater	No		n/a	n/a
Schuyler	City of Downing	Yes	June 22, 2018	n/a	n/a
	City of Greentop	Yes	June 27, 2018	n/a	n/a
	City of Lancaster	Yes	June 22, 2018	n/a	n/a
	City of Queen City	Yes	June 26, 2018	n/a	n/a
	Village of Glenwood	No		n/a	n/a
Scotland	City of South Gorin	Yes	March 23, 2018	n/a	n/a
Scott	City of Morley	Yes	June 29, 2018	n/a	n/a
	Village of Kelso	Yes	June 15, 2018	n/a	n/a
Shannon	City of Birch Tree	No		n/a	n/a
	City of Eminence	Yes	May 9, 2018	n/a	n/a
	City of Winona	No		No	Yes
Shelby	City of Shelbyville	Yes	June 12, 2018	n/a	n/a
St. Charles	City of Cottleville	Yes	June 29, 2018	Yes	Yes
	City of Dardenne Prairie	Yes	June 22, 2018	Yes	Yes
	City of Flint Hill	Yes	January 18, 2018	n/a	n/a
	City of Foristell	Yes	May 30, 2018	Yes	Yes
	City of New Melle	Yes	January 17, 2018	No	No
	City of O'Fallon	Yes	June 15, 2018	Yes	Yes
	City of St. Charles	Yes	June 29, 2018	Yes	No
	City of St. Paul	No		n/a	n/a
	City of Wentzville	Yes	June 18, 2018	Yes	Yes

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
St. Charles	Town of Weldon Springs Heights	Yes	February 7, 2018	n/a	n/a
	Village of Josephville	Yes	February 4, 2018	n/a	n/a
St. Clair	Village of Collins	Yes	May 10, 2018	n/a	n/a
	Village of Roscoe	Yes	January 31, 2018	n/a	n/a
St. Francois	City of Iron Mountain Lake	Yes	May 23, 2018	Yes	Yes
St. Louis	City of Ballwin	Yes	May 17, 2018	Yes	Yes
	City of Bel Nor	Yes	June 27, 2018	Yes	Yes
	City of Bel Ridge	Yes	June 15, 2018	No	Yes
	City of Breckenridge Hills	Yes	June 26, 2018	Yes	Yes
	City of Brentwood	No		Yes	Yes
	City of Bridgeton	Yes	June 21, 2018	Yes	Yes
	City of Chesterfield	Yes	June 28, 2018	Yes	Yes
	City of Crestwood	Yes	June 12, 2018	Yes	Yes
	City of Crystal Lake Park	Yes	June 5, 2018	n/a	n/a
	City of Dellwood	Yes	June 27, 2018	No	No
	City of Des Peres	Yes	April 27, 2018	Yes	Yes
	City of Ellisville	Yes	June 22, 2018	Yes	No
	City of Fenton	Yes	May 11, 2018	Yes	Yes
	City of Flordell Hills	No		No	Yes
	City of Green Park	Yes	June 29, 2018	Yes	No
	City of Huntleigh	No		n/a	n/a
	City of Ladue	Yes	May 29, 2018	Yes	Yes
	City of Lakeshire	Yes	June 11, 2018	No	No
	City of Manchester	No		No	No
	City of Maryland Heights	Yes	June 14, 2018	Yes	Yes
	City of Moline Acres	No		No	No
	City of Northwoods	Yes	June 29, 2018	Yes	Yes
	City of Shrewsbury	Yes	June 27, 2018	No	Yes
	City of St. Ann	Yes	June 29, 2018	Yes	Yes
	City of St. John	Yes	June 28, 2018	Yes	Yes
	City of Sunset Hills	No		No	Yes
	City of Town and Country	Yes	June 26, 2018	Yes	Yes
	City of Wilbur Park	Yes	June 26, 2018	No	No
	City of Wildwood	Yes	June 28, 2018	No	No
	Village of Bellerive Acres	Yes	June 25, 2018	Yes	Yes
	Village of Champ	No		No	No
	Village of Country Life Acres	Yes	June 14, 2018	n/a	n/a
	Village of Glen Echo Park	No		n/a	n/a
	Village of Mackenzie	Yes	March 27, 2018	No	Yes
	Village of Marlborough	Yes	April 26, 2018	No	No

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	Village of Riverview	Yes	June 29, 2018	Yes	Yes
	Village of Twin Oaks	No		No	No
	Village of Westwood	No		n/a	n/a
Ste. Genevieve	City of Bloomsdale	No		n/a	n/a
Stoddard	Village of Pendermon	No		n/a	n/a
Stone	City of Galena	No		No	Yes
	City of Kimberling City	Yes	June 22, 2018	Yes	Yes
	City of Reeds Spring	No		No	No
Sullivan	Village of Indian Point	Yes	June 19, 2018	n/a	n/a
	City of Green Castle	Yes	May 11, 2018	n/a	n/a
	City of Green City	Yes	June 27, 2018	n/a	n/a
	City of Harris	Yes	February 7, 2018	n/a	n/a
	Village of Humphreys	Yes	May 18, 2018	n/a	n/a
	Village of Newtown	Yes	May 23, 2018	n/a	n/a
	Village of Osgood	No		n/a	n/a
	Village of Pollock	Yes	February 21, 2018	n/a	n/a
Taney	City of Branson	Yes	June 28, 2018	No	Yes
	City of Merriam Woods	No		n/a	n/a
	Village of Kirbyville	No		n/a	n/a
	Village of Taneyville	Yes	June 28, 2018	n/a	n/a
Texas	City of Houston	No		Yes	No
	Village of Plato	Yes	January 24, 2018	n/a	n/a
	Village of Raymondville	Yes	June 22, 2018	n/a	n/a
Vernon	City of Bronaugh	Yes	February 14, 2018	n/a	n/a
	City of Metz	Yes	February 13, 2018	n/a	n/a
	City of Nevada	Yes	June 29, 2018	No	Yes
	City of Richards	No		n/a	n/a
	City of Schell City	Yes	June 29, 2018	n/a	n/a
	City of Sheldon	Yes	May 2, 2018	n/a	n/a
	Village of Deerfield	No		n/a	n/a
	Village of Milo	Yes	March 12, 2018	n/a	n/a
	Village of Moundville	Yes	April 24, 2018	n/a	n/a
	Village of Stotesbury	No		n/a	n/a
Warren	City of Wright City	Yes	June 29, 2018	Yes	Yes
	Village of Pendleton	No		n/a	n/a
Washington	Village of Caledonia	No		n/a	n/a
	Village of Mineral Point	Yes	April 13, 2018	n/a	n/a
Wayne	City of Williamsville	No		No	n/a
	Village of Mill Spring	Yes	June 29, 2018	No	n/a
Webster	City of Marshfield	Yes	June 4, 2018	Yes	No

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Webster	City of Niangua	Yes	January 29, 2018	n/a	n/a
Worth	City of Grant City	Yes	June 26, 2018	n/a	n/a
	City of Sheridan	Yes	April 23, 2018	n/a	n/a
	Village of Allendale	No		n/a	n/a
	Village of Denver	No		n/a	n/a
	Village of Worth	Yes	February 15, 2018	n/a	n/a
Total Filed		258		77	76
Total Partially Filed		2		0	0
Total Not Filed		146		54	48
Total n/a		0		275	282

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Counties Required to File Addendums and Certifications
Reports Due June 30, 2018

Fiscal Year Ended December 31, 2017

County	Filed Addendum	Filed Certification
Franklin County	No	No
Jackson County	Yes	Yes
Jefferson County	No	No
St. Charles County	Yes	Yes
St. Louis County	Yes	Yes
Total Filed	3	3
Total Not Filed	2	2

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2017
Filed in June 2018

Fiscal Year Ended March 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	Village of Sycamore Hills	**	August 24, 2017	No	Yes
Taney	City of Hollister	**	August 22, 2017	Yes	Yes
Total Filed		0		1	2

** Filed by September 30, 2017.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due November 30, 2017
Filed in June 2018

Fiscal Year Ended May 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Pettis	City of La Monte	**	October 30, 2017	Yes	**
Total Filed		0		1	0

** Filed by November 30, 2017.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in June 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Christian	City of Sparta	**	October 25, 2017	Yes	***
Jefferson	City of Byrnes Mill	***	February 5, 2018	***	Yes
	City of Hillsboro	**	November 6, 2017	Yes	***
Lewis	City of Canton	**	November 21, 2017	Yes	n/a
Montgomery	City of Montgomery	**	December 1, 2017	Yes	***
Newton	City of Granby	***	March 22, 2018	Yes	***
Pemiscot	City of Hayti Heights	Yes	June 22, 2018	Yes	Yes
St. Louis	City of Ferguson	**	December 21, 2017	Yes	**
	City of Pine Lawn	**	December 29, 2017	Yes	***
	City of Velda City	***	February 19, 2018	Yes	***
Total Filed		1		9	2

** Filed by December 31, 2017.

*** Filed after December 31, 2017, but before June 2018.

n/a Entities without a municipal judge are not required to file a certification.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2018
Filed in June 2018

Fiscal Year Ended September 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Barry	City of Exeter	Yes	June 7, 2018	Yes	No
Lafayette	City of Lake Lafayette	Yes	June 30, 2018	n/a	n/a
	City of Odessa	**	December 6, 2017	Yes	Yes
Phelps	City of Rolla	Yes	June 13, 2018	No	**
Pulaski	City of Dixon	Yes	June 7, 2018	No	***
Saline	City of Marshall	**	January 16, 2018	Yes	Yes
St. Francois	City of Bonne Terre	***	April 16, 2018	Yes	**
Stone	City of Branson West	**	March 19, 2018	Yes	**
Total Filed		4		5	2

** Filed by March 31, 2018.

*** Filed after March 31, 2018, but before June 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix G
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2018
Filed in June 2018

Fiscal Year Ended October 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Jasper	City of Cartersville	Yes	June 14, 2018	Yes	Yes
Total Filed		1		1	1



Office of Missouri State Auditor
Nicole Galloway, CPA

City of Coffey



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Audit of the City of Coffey

Background

The former City Clerk, Mary L. Browning, was solely responsible for financial accounting functions and records of the city.

In early August 2017, a bank official contacted a member of the Board of Aldermen regarding various and frequent bank fees incurred by the city, numerous transfers between city bank accounts, and a lack of cash being deposited. The Board terminated the former City Clerk on August 2, 2017. The Board then contacted the Daviess County Sheriff and Prosecuting Attorney and requested assistance regarding the suspicious bank activity. The Daviess County Prosecuting Attorney subsequently contacted the State Auditor's Office (SAO) and requested an investigation.

Based on discussions with the Daviess County Sheriff and Prosecuting Attorney regarding missing cash receipts from utility payments and unsupported checks issued to the former City Clerk, the SAO conducted an initial review of these matters under Section 29.221, RSMo. After completion of this review of documentation and communications provided, the SAO determined further investigation was warranted under Section 29.221, RSMo. On August 16, 2017, the Board passed an ordinance formally requesting and authorizing an audit and the audit began on December 4, 2017.

The SAO is currently working with the Daviess County Sheriff and Prosecuting Attorney regarding criminal prosecution.

Missing Monies and Unsupported and Falsified Transactions

The lack of adequate controls and absence of proper oversight by the Board of Aldermen resulted in missing receipts, improper payments, and over (under) payments going undetected for almost 2 years. Between September 2015 and August 2017, the former City Clerk did not deposit \$33,984 of recorded utility receipts. Improper payroll checks totaling \$24,634 were written to the former City Clerk from the city's water and sewer bank accounts from April 29, 2016, through July 28, 2017. A comparison of the hours reported on timesheets to hours paid according to the payroll reports showed discrepancies and therefore, over (under) payments totaling \$1,556 on 19 of the 42 former City Clerk's regular payroll checks. According to city officials, the former City Clerk created false meeting minutes indicating a special Board meeting was held on February 23, 2017, authorizing a withdrawal from one of the city's savings accounts and subsequent deposit into 3 other city bank accounts; allowing the former City Clerk to conceal a portion of account shortages.

Conflict of Interest, Board Objectivity, Oversight, and Annual Audits

Some activities involving former Alderman Browning created a conflict of interest, and the employment of relatives directly supervised by the Board can compromise the Board's objectivity. Former Alderman Browning created a conflict of interest when he voted to approve salary increases and payroll checks to his wife, the former City Clerk. Despite concerns related to the former City Clerk's handling of disbursements and utility payments and prior audit findings, the Board has not established adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the City Clerk. The city does not obtain annual audits as required.

Accounting Controls and Procedures	<p>Significant weaknesses exist in the city's accounting controls and procedures. The city's procedures for receipting and depositing monies are poor. Controls and procedures over bank accounts and reconciliations need improvement. Despite a similar concern in our prior petition audit of the city, the city continues to maintain an excessive number of bank accounts. The former City Clerk did not perform monthly bank reconciliations from March 2017 through July 2017. The Board and the former City Clerk failed to monitor the city's cash balances. Despite a similar concern in our prior petition, city officials do not maintain accurate accounting records and financial statements. The former City Clerk made excessive and unauthorized transfers between various bank accounts, and did not always deposit utility receipts into the proper bank account, which led to commingling of restricted funds. The list of refundable utility deposits was not accurate and not reconciled to the balance of the utility deposit bank account.</p>
Electronic Data Security	<p>Controls over the city's computer are not sufficient. The city has not established adequate password controls to reduce the risk of unauthorized access to the city's computer and data. The City Clerk was not required to change passwords periodically or have a minimum number of characters in the passwords. Security controls are not in place to lock the city's computer after a specified number of incorrect logon attempts or after a certain period of inactivity. The city did not have antivirus software installed on the city's computer to ensure protection of city data. The City Clerk does not store data backup files at an off-site location. The city did not obtain adequate documentation for 2 disbursements pertaining to software technical support services.</p>

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Coffey

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Coffey, Missouri

We have audited certain operations of the City of Coffey as they relate to the city's finances in fulfillment of our duties under Section 29.200.3, RSMo. Due to concerns regarding missing monies and unsupported payments, the State Auditor initiated the audit with the approval of the City of Coffey Board of Aldermen. The scope of our audit included, but was not necessarily limited to, the period from September 14, 2015, through August 2, 2017. The objectives of our audit were to:

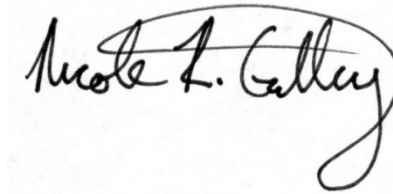
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the amount of missing monies and unsupported payments to the extent possible.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) missing monies and unsupported payments totaling at least \$60,174. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Coffey.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. It is written over a faint, rectangular background.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison, CPA
In-Charge Auditor:	Rex Murdock, M.S.Acct. Marian Rader, M.Acct., CPA, CFE
Audit Staff:	James C. Kayser Troy Tallman

City of Coffey

Introduction

Background

The former City Clerk, Mary L. Browning, was solely responsible for financial accounting functions and records of the city, including receipting and recording payments received, preparing and making deposits, preparing and cosigning checks, and performing bank reconciliations.

In early August 2017, a bank official contacted a member of the Board of Aldermen regarding various and frequent bank fees incurred by the city, numerous transfers between city bank accounts, and a lack of cash being deposited. The Board terminated the former City Clerk on August 2, 2017. The Board then contacted the Daviess County Sheriff and Prosecuting Attorney and requested assistance regarding the suspicious bank activity. The Daviess County Prosecuting Attorney subsequently contacted the State Auditor's Office (SAO) and requested an investigation.

Based on discussions with the Daviess County Sheriff and Prosecuting Attorney regarding missing cash receipts from utility payments and unsupported checks issued to the former City Clerk, the SAO conducted an initial review of these matters under Section 29.221, RSMo. After completion of this review of documentation and communications provided, the SAO determined further investigation was warranted under Section 29.221, RSMo. On August 16, 2017, the Board passed an ordinance formally requesting and authorizing an audit and the audit began on December 4, 2017.

The city's fiscal year is July 1 through June 30. The scope of our audit included, but was not necessarily limited to, the period from September 14, 2015, through August 2, 2017, the time period during which the former City Clerk was employed. We applied procedures to receipts and disbursements to identify the amount of missing monies and unsupported payments made to the former City Clerk and the methods used to perpetrate and conceal the theft. See Appendixes B and C for details regarding undeposited utility receipts and problems with the former City Clerk's utility account, and Appendixes D and E for details regarding improper payroll payments to the former City Clerk.

City of Coffey

Management Advisory Report

State Auditor's Findings

1. Missing Monies and Unsupported and Falsified Transactions

Utility receipts totaling at least \$33,984¹ were received but not deposited. In addition, unsupported payroll checks totaling \$24,634 were written to the former City Clerk, and payroll records indicate the former City Clerk was overpaid an additional \$1,556.

The lack of adequate controls and the absence of proper oversight by the Board of Aldermen, as discussed throughout this report, resulted in the missing receipts, improper payments, and over (under) payments going undetected for almost 2 years.

Undeposited utility receipts

Between September 2015 and August 2017, the former City Clerk did not deposit \$33,984 of recorded utility receipts (see Appendix B).

The former City Clerk recorded payments to multiple different records and did not ensure payments were consistently and properly recorded to all appropriate records. The former City Clerk recorded payments to the computerized utility system, manual receipt slips, utility billing stubs, utility deposit check register, and utility deposit listing. She also prepared unofficial payment stubs on a blank square of paper for some of the monies received. We compared payments recorded in these records to deposits to determine the amount of undeposited utility receipts. City records indicate approximately 98 percent of the undeposited receipts were cash payments.

The former City Clerk recorded unsupported utility payments for herself totaling \$2,645 (see Appendix C). These utility payments could not be traced to a deposit and are included in the total undeposited utility receipts amount mentioned earlier. The computerized utility system shows payments of \$2,523 (\$2,374 cash and \$149 check) recorded on the former City Clerk's personal utility account. Most of these payments were recorded on the last day of the month or the first day of the following month. It is likely this timing was to record payments just prior to preparation of the next month's utility billings. As a result, the former City Clerk's utility account did not show as delinquent and the possibility of a past due billing being generated was eliminated. In addition, a payment stub (sometimes used to record customer utility deposits) indicated she paid a \$122 deposit. The stub did not indicate a method of payment and we could not trace the payment to a deposit. Utility deposits are not recorded in the computerized utility system.

Improper payroll checks

Improper payroll checks totaling \$24,634 were written to the former City Clerk from the city's water and sewer bank accounts from April 29, 2016, through July 28, 2017 (see Appendix D). The former City Clerk wrote 136 payroll checks to herself during this time period, and 94 (69 percent) of these

¹ Amounts presented in the report findings are rounded to the nearest dollar, whereas amounts presented in Appendixes B, C, D, and E are exact.



City of Coffey
Management Advisory Report - State Auditor's Findings

checks were not supported by a timesheet or payroll report. In addition, 46 of the 94 improper checks were written for even dollar amounts. The remaining 42 checks were associated with a weekly timesheet and/or amounts recorded on payroll reports; however we noted discrepancies as discussed later in the report. The number of checks written to the former City Clerk and the checks written for even dollar amounts should have caused suspicion and alerted the Board to the misappropriation.

The memo line of some of these checks indicated a different payroll period than the city's actual payroll period, and some of the checks were written a few days prior to and after the regular payroll checks. In addition, one of these checks was not accurately recorded in the computerized accounting system (see MAR finding number 3.3). Regular payroll checks were supported by timesheets prepared by the former City Clerk. Timesheets reported hours worked for a typical work week (4 to 6 hours a day on Monday, Wednesday, and Friday) and additional time worked on days of Board meetings and other busy periods (i.e., preparation of utility billings). City payroll checks require 2 signatures, and these improper checks were signed by both the former City Clerk and former Mayor. However, as discussed at MAR finding number 2.2, the former Mayor's practice of signing blank checks in advance allowed the improper payroll checks to occur and go undetected.

Also, \$13,432 of improper payroll payments made during 2016 and \$11,202 of improper payroll payments and \$201 of regular payroll payments made during 2017 were not included on the former City Clerk's W-2 forms and not subject to payroll tax withholdings. The Internal Revenue Service (IRS) requires employers to report all compensation on W-2 forms and withhold and remit income and payroll taxes.

Payroll over (under)
payments

A comparison of the hours reported on timesheets to hours paid according to the payroll reports showed discrepancies and therefore, over (under) payments on 19 of the 42 former City Clerk's regular payroll checks. The former City Clerk was overpaid a net total of \$1,556 from November 2015 through August 2017 (see Appendix E). The over (under) payments occurred because the former City Clerk entered different hours into the payroll report than she recorded as being worked on her timesheets. We determined the over (under) payment amounts assuming the hours recorded on the timesheets signed by the former City Clerk were accurate.

Falsified document

According to city officials, the former City Clerk created false meeting minutes (see Appendix F) indicating a special Board meeting was held on February 23, 2017, authorizing a withdrawal from one of the city's savings accounts and subsequent deposit into 3 other city bank accounts. The Board members signatures affixed to the meeting minutes were copied from another city document and attached to the meeting minutes. The former City Clerk then copied this document and used white out to conceal the line where the original documents were attached. This false document was faxed to the bank



City of Coffey
Management Advisory Report - State Auditor's Findings

by the former City Clerk to authorize the withdrawal and subsequent deposit of city funds. The unauthorized withdrawal and deposit of monies allowed the former City Clerk to conceal a portion of the shortages in the sewer, water, and solid waste bank accounts caused by the undeposited receipts and improper payments.

The falsified meeting minutes indicate 5 Board members and the former City Clerk were present at the special meeting, where the Board approved withdrawing \$1,500 from the city's savings account and depositing \$850 to the sewer bank account, \$300 to the water bank account, and \$350 to the solid waste bank account. Several Board members confirmed no meeting occurred on February 23, 2017, and they did not approve the withdrawal of monies from the savings account. Also, the former City Clerk's timesheets did not report any hours worked on that date for a Board meeting. This withdrawal from the savings account and subsequent deposits into 2 of the bank accounts indicated above, was not recorded in the computerized accounting system by the former City Clerk and the remaining deposit was not recorded until April 24, 2017 (see MAR finding number 3.3).

Overall conclusion

The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Board, as discussed in the remainder of this report, resulted in undeposited utility receipts, improper payroll checks, and over (under) payments and allowed these problems to occur without detection for almost 2 years. Given the large amount of utility receipts that were not deposited, the large number of and unusual nature of the improper payroll checks, it is apparent city financial activity was not adequately monitored. In addition, the former City Clerk's husband was a member of the Board and approved some of the payments made to his wife, creating a conflict of interest (see MAR finding number 2.1).

Recommendation

The Board of Aldermen work with law enforcement officials regarding criminal prosecution of the undeposited utility receipts, improper payroll checks, payroll over (under) payments, and the falsified meeting minutes, and take the necessary actions to seek restitution. The Board should also ensure payroll taxes are properly withheld and all compensation reported on W-2 forms, and amend W-2 forms for unreported compensation, as appropriate.

Auditee's Response

We will continue to work with law enforcement regarding criminal prosecution and restitution. We will also contact the IRS and Missouri Department of Labor and Industrial Relations to determine the appropriate reporting methods.



City of Coffey
Management Advisory Report - State Auditor's Findings

2. Conflict of Interest, Board Objectivity, Oversight, and Annual Audits

Some activities involving former Alderman Browning created a conflict of interest, and the employment of relatives directly supervised by the Board can compromise the Board's objectivity. Despite similar concerns in our prior petition audit of the city, Report No. 2014-26, released in April 2014, the Board of Aldermen have not established adequate oversight of the City Clerk position or obtained annual audits as required by state law.

2.1 Conflict of interest and objectivity

Former Alderman Browning created a conflict of interest when he voted to approve salary increases and payroll checks to his wife, the former City Clerk. In addition, the current City Clerk is the daughter of 2 of 4 current Board members, and the Board has not established policies and procedures to address employment and supervision of a related employee. As a result, the objectivity and effectiveness of the Board may be compromised.

The February 12, 2016, meeting minutes indicate the Board (including former Alderman Browning) approved a 50 cent per hour salary increase for the former City Clerk. Former Alderman Browning's action of voting to approve his wife's salary increase violated state law. In addition, meeting minutes for 15 monthly meetings between October 2015 and July 2017, indicate the Board (including former Alderman Browning) approved paying bills, which included improper payroll checks and regular payroll checks, some of which included over (under) payments to the former City Clerk (see Appendixes D and E). These 15 monthly meetings include October through December of 2015; February through April and July, August, and October of 2016; and January through May and July 2017. The November 16, 2015, meeting minutes also indicate former Alderman Browning voted to approve adding his wife as an authorized signer on city bank accounts. Former Alderman Browning was not in attendance or abstained from approving salary increases and payments to his wife in the other 7 months.

The Board directly supervises the duties of the City Clerk, who is solely responsible for the financial accounting functions and records of the city as discussed in section 2.2. The supervision of a relative may compromise a supervisor's objectivity when assigning duties, reviewing and approving records and transactions prepared by the related employee, or evaluating employee performance.

Section 105.452.1(4), RSMo, mandates that no elected official of any political subdivision shall favorably act on any matter that is so specifically designed so as to provide a special monetary benefit to such official or his spouse. The Missouri Supreme Court has stated, "A public officer owes an undivided loyalty to the public whom he serves and he should not place himself in a position which will subject him to conflicting duties or expose him to the temptation of acting other than in the best interests of the public." *State ex rel. St. Louis County v. Kelly*, 377 S.W. 2d 328, 332 (Mo. 1964) (quoting 43 Am. Jur., Public Officers, § 266, p. 81). Personal interests in



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business matters of the city create actual or the appearance of conflicts of interest, and a lack of independence could harm public confidence in the Board and reduce its effectiveness.

2.2 Oversight and segregation of duties

Despite concerns related to the former City Clerk's handling of disbursements and utility payments and prior audit findings, the Board has not established adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the City Clerk. Weaknesses identified throughout this report are significant and demonstrate a lack of segregation and proper oversight by the Board. There is little assurance city monies have been handled and accounted for properly.

The position of City Clerk has been and remains solely responsible for the record-keeping duties of the city, including receiving, recording, and depositing monies; preparing invoices for payment; maintaining payroll records; preparing and distributing payroll and accounts payable checks; preparing and distributing monthly utility billings; generating utility reports; preparing monthly bank reconciliations; transferring monies between bank accounts; preparing financial reports for Board meetings; and preparing budgets and financial statements. Board members indicated the former Mayor was responsible for reviewing the monthly bank statements and reconciliations; however, based on the various problems reported these procedures were ineffective.

In addition, Board members indicated the former Mayor often signed blank checks in advance. Two signatures are required on checks (typically the Mayor and City Clerk). Signing checks in advance is a significant control weakness, diminishes the control intended by multiple signatures, and allowed the improper payroll disbursements to occur.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent reviews of work performed and investigation into unusual items and variances is necessary. Good management practices require extensive and detailed oversight by the Board.

2.3 Annual audits

The city does not obtain annual audits as required. The last independent financial statement audit of city finances occurred for the fiscal year ended June 30, 2015. City officials contracted for the audit because of a recommendation in our prior petition audit of the city, but regular audits have not become a routine procedure.

Section 250.150, RSMo, requires the city to obtain annual audits of the combined waterworks and sewerage system, and the cost of the audit is to be paid from the revenues received from the system.



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Overall conclusion

The Board's lack of objectivity and proper oversight and failure to establish adequate controls allowed the undeposited utility receipts, improper payroll payments, and payroll over (under) payments to occur and go undetected for almost 2 years. Had proper controls and oversight procedures been in place and an annual audit obtained, some of the problems noted in this report may have been detected more timely and/or prevented.

Recommendations

The Board of Aldermen:

- 2.1 Closely examine city transactions to identify apparent and actual conflicts of interest and adopt procedures to address the employment and supervision of relatives.
- 2.2 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, the Board should not allow any check signers to sign checks in advance.
- 2.3 Obtain annual audits of the waterworks and sewerage system as required by state law.

Auditee's Response

- 2.1 *The Mayor reviews all checks and bills. Additionally, the Mayor and the current City Clerk will sign the timesheets documenting approval. The 2 related Board members will abstain from voting on any transactions related to their daughter, the current City Clerk.*
- 2.2 *The Mayor performs a documented review of the bank statements and reconciliations. The Mayor will not sign any checks in advance and reviews all checks and bills, including timesheets. We review all non-regular bills and question unusual transactions. In the future, the Mayor will review utility and deposit reports and compare them to deposits.*
- 2.3 *We agree and will ensure annual audits are obtained.*

3. Accounting Controls and Procedures

Significant weaknesses exist in the city's accounting controls and procedures.

3.1 Receipting and depositing procedures

The city's procedures for receipting and depositing monies are poor.

- The former City Clerk did not always issue receipt slips for monies received. City officials indicated the former City Clerk's procedure for the collection of monthly utility payments included issuing manual receipt slips, documenting amounts received on payment stubs, and recording receipts in the computerized utility system. The former City



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Clerk's procedures for the collection of utility deposits included issuing manual receipt slips, documenting amounts received on payment stubs, and recording the deposits on a utility deposit listing or on the utility deposit bank account check register. The former City Clerk did not issue receipt slips for property taxes and franchise fees received.

- All copies of some receipt slips were missing from the receipt books. Also, the top copy of some voided receipt slips was not retained. From September 14, 2015, through August 2, 2017, 8 receipt slips were missing from the receipt books, and the top copy of 10 voided receipt slips were not retained.
- As noted in our prior petition audit, city personnel do not consistently indicate the method of payment, or reconcile the method of payment to the composition of receipts recorded in the computerized utility system or to the deposit. The method of payment was not recorded for 3 utility deposits received totaling \$365.
- The former City Clerk generally made deposits 4 times a month regardless of the amount of monies on hand. Each deposit was typically more than \$1,000. In addition, she did not deposit receipts intact.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies will go undetected.

3.2 Bank accounts, reconciliations, and fees

Controls and procedures over bank accounts and reconciliations need improvement.

Number of bank accounts

Despite a similar concern in our prior petition audit of the city, the city continues to maintain an excessive number of bank accounts, resulting in cumbersome record keeping. The city maintains 9 checking accounts (an account for each of the city's 9 funds), a savings account, and 4 certificates of deposit. Several transfers between accounts were necessary to ensure restricted utility collections were held in the appropriate account. The high number of bank accounts may have helped conceal the undeposited utility receipts and the improper payroll checks.

Bank reconciliations

The former City Clerk did not perform monthly bank reconciliations from March 2017 through July 2017.

Overdraft and minimum balance fees

The Board and the former City Clerk failed to monitor the city's cash balances. As a result, the city incurred \$280 in overdraft fees and \$170 in minimum balance fees in the general, sewer, sewer depreciation, solid waste, and utility deposit bank accounts. The city began to incur these fees in November 2016, and they continued until July 31, 2017. A bank official contacted a Board member in early August 2017, regarding the various and



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frequent bank fees incurred, the number of transfers between bank accounts, and the lack of cash being deposited into city bank accounts.

The city may benefit from combining some bank accounts. A high number of bank accounts require additional record keeping and increases the likelihood that errors may occur. The preparation and retention of formal monthly bank reconciliations is necessary to ensure accounting records are accurate and in balance and to identify errors timely. To prevent bank account overdraft and minimum balance charges, city officials should more closely monitor bank account balances.

3.3 Accounting records and financial statements

Despite a similar concern in our prior petition audit of the city, city officials do not maintain accurate accounting records and financial statements.

- Some transactions were not accurately recorded in the computerized accounting system, and the dates recorded on the actual checks differed from those recorded in the computerized accounting system.

As noted in MAR finding number 1, the former City Clerk withdrew \$1,500 from the city's savings account and deposited \$850 in the sewer bank account, \$350 in the solid waste bank account and \$300 in the water bank account, but did not record the \$1,500 withdrawal and \$850 and \$300 deposits in the computerized accounting system. In addition, the \$350 deposited into the solid waste bank account was not recorded in the computerized accounting system until April 24, 2017.

Also, the former City Clerk recorded checks issued to herself incorrectly in the computerized accounting system, and the dates recorded on the actual checks differed from those recorded in the computerized accounting system. For example, the former City Clerk recorded check number 5392 on the sewer account check register on February 17, 2017, for \$303 for the pay period February 1 through February 17, 2017; however, she later voided this transaction. She subsequently recorded a disbursement in this check register (no check number was assigned) dated March 16, 2017, for \$201 for the same pay period of voided check number 5392. Check number 5392 was not actually voided, but was written for \$201 and issued to the former City Clerk. This check cleared the bank on March 17, 2017.

We identified numerous other instances where transfers and disbursements were not properly recorded in the computerized accounting system.

- The semiannual financial statements prepared by the former City Clerk were misleading and significantly inaccurate. For example, the semiannual financial statement for the 6 months ending December 31,



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2016, overstated the city's cash balances of various checking accounts as follows:

Bank account	Cash Balances	
	per Semiannual Financial Statement	Actual Reconciled Cash Balances
General	\$ 3,307	52
Street	656	207
Water	8,849	230
Sewer	8,946	700
Sewer Revenue	5,084	4,184
Solid Waste	7,060	516
Utility Deposit	5,284	701
Late Fees	3,348	361
Total	\$ 42,534	6,951

- The former City Clerk prepared packets for Board members for each monthly meeting and most information contained in the packets was inaccurate. For example, the former City Clerk prepared a report for the Board showing cash balances for each fund as of May 31, 2017, which reported inaccurate bank balances as follows:

Bank account	Cash Balances	
	per Board Report	Reconciled Cash Balances per Audit
General	\$ 3,466	88
Street	1,151	63
Water	8,941	104
Sewer	8,103	(355)
Sewer Revenue	5,684	4,184
Sewer Depreciation	4,516	501
Solid Waste	7,964	(305)
Utility Deposit	5,401	282
Late Fees	4,258	30
Total	\$ 49,484	4,592

In addition, the June 2017 packet included a listing of May 2017 disbursements showing a total of \$6,231 although actual disbursements totaled \$8,948. Most disbursements listed did not agree to the actual checks written and several checks written to the former City Clerk were not included on the list. However, the Mayor and all 4 Board members (including the former City Clerk's husband) initialed this listing documenting their review.



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As noted in the previous tables, most of the city's bank account balances were depleted over the course of the former City Clerk's employment; however, she falsely reported bank balances to the Board and to the public. The inaccurate bank balances reported showed a slight increase from balances maintained at July 1, 2015, just a few months prior to her employment, consistent with the Board's expectations of the city's financial condition; thus not identifying the large decline in overall account balances.

It is apparent the Board did not review the semiannual financial statements or financial reports and lists of bills included in the packets for accuracy or compare this information to any supporting documents such as invoices, checks written, or bank statements.

The inaccurate financial activity reported to the Board helped conceal shortages in these bank accounts. To be of maximum assistance to the Board and to adequately inform the public, the city's records should accurately report financial activity and account balances.

3.4 Excessive and unauthorized transfers and commingling of restricted funds

The former City Clerk made excessive and unauthorized transfers between various bank accounts, and did not always deposit utility receipts into the proper bank account, which led to commingling of restricted funds. The excessive and unauthorized transfers and incorrect deposits helped conceal shortages in city bank accounts.

- The city's accounting records indicated 60 transfers totaling almost \$45,000 were made between bank accounts during the period September 14, 2015, through August 2, 2017. Eighty percent of these transfers were for small dollar amounts (less than \$1,000). The majority of these transfers were not approved by the Board and inappropriately made from various restricted funds. Appendix A also shows the amount of transfers made during the year ended June 30, 2017.
- The former City Clerk routinely deposited incorrect amounts of utility receipts into the city's bank accounts. For example, the April 18, 2017, utility report indicated total collections of \$922, of which \$408 was for water services, \$384 was for sewer services, \$115 was for solid waste services, and \$15 was late fees and should have been deposited into those respective bank accounts. However, \$347 was deposited into the water bank account, \$320 was deposited into the sewer bank account, \$114 was deposited into the solid waste bank account, \$20 was deposited into the general bank account, \$0 was deposited into the late fees account, and \$121 (the only cash collected) was not deposited.

To ensure restricted monies are used for the intended purpose, monies received should be deposited into the appropriate bank account. In addition, Section 250.150, RSMo, restricts the use of water and sewer monies for operating the systems, payment of bonds, establishment of a reserve,



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fulfillment of any agreements contained in ordinances, and payment of costs of improvements of such systems.

3.5 Utility deposits

The list of refundable utility deposits was not accurate and not reconciled to the balance of the utility deposit bank account.

New customers are required to pay a \$122 refundable deposit for homeowners and a \$222 refundable deposit for renters before receiving utility services.

The city's list of refundable utility deposits totaled \$6,253 as of August 2, 2017; however, the bank balance of the utility deposit account was only \$95, a shortage of \$6,158. In addition, the city had 71 utility customers as of August 2, 2017, but only 41 had refundable utility deposits included on the list.

To ensure all utility deposits received from customers are accounted for properly, the Board should review utility deposit records and bank account balances for accuracy.

Recommendations

The Board of Aldermen:

- 3.1 Require receipt slips be issued for all monies received with the method of payment indicated, the composition of receipts be reconciled to the composition of amounts recorded and deposited, receipt slips (including the top copy of voided receipt slips) be retained, and monies received be deposited timely and intact.
- 3.2 Review the number of bank accounts. The Board should also ensure monthly bank reconciliations are prepared and reconciled timely, and any differences are promptly investigated and resolved. The Board should also properly monitor bank account balances to avoid bank fees.
- 3.3 Ensure accounting records and financial reports are accurate. The Board should perform adequate reviews of financial reports and checks written before approving.
- 3.4 Monitor and reduce the number of transfers made between bank accounts and ensure monies received are deposited in the appropriate bank accounts.
- 3.5 Reconcile the utility deposit listing monthly to the utility deposit bank account balance. Any discrepancies should be investigated and resolved.

Auditee's Response

- 3.1 *Manual receipt slips are now issued for all monies received, which indicate the composition of the receipt. Reports now document the*



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composition of receipts, which are reconciled to deposit slips. All copies of voided receipt slips are now retained, and deposits are now made in accordance with city ordinance, which require funds on hand greater than \$500 to be deposited.

- 3.2 *We will consider consolidating bank accounts. Monthly bank reconciliations are now being performed. The Mayor now reviews the bank reconciliations and ensures no bank fees are being incurred.*
- 3.3 *Monthly financial reports are presented to the Board and are now reviewed by the Board and Mayor and compared to the accounting records for accuracy. In the future, we will review and approve the semiannual financial statements for accuracy. We review all non-regular disbursements and the Mayor reviews all checks he signs and the related bills.*
- 3.4 *Transfers have been minimized, and we will approve all transfers. The Mayor is reviewing bank statements for transfers. The current City Clerk prepares a deposit report that indicates the amount deposited into each restricted fund.*
- 3.5 *The current City Clerk has updated the utility deposit list. We transferred monies into the utility deposit account to cover the shortages. Discrepancies will be investigated and resolved.*

4. Electronic Data Security

Controls over the city's computer are not sufficient. As a result, city records are not adequately protected and are susceptible to unauthorized access or loss of data. In addition, the city made questionable disbursements for software technical support services.

4.1 Passwords

The city has not established adequate password controls to reduce the risk of unauthorized access to the city's computer and data. The City Clerk was not required to change passwords periodically or have a minimum number of characters in the passwords.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed or contain a minimum number of characters, there is less assurance passwords are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of the city's computer and data.

4.2 Security controls

Security controls are not in place to lock the city's computer after a specified number of incorrect logon attempts or after a certain period of inactivity.



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Logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

4.3 Antivirus software

The city did not have antivirus software installed on the city's computer to ensure protection of city data. Maintaining adequate antivirus software is critical to a computer's protection.

4.4 Data backup

The City Clerk does not store data backup files at an off-site location. Off-site storage would provide reasonable assurance data could be recovered if necessary. To help prevent loss of information and ensure all essential information and computer systems can be recovered, backup files should be stored at a secure off-site location.

4.5 Software technical support service

The city did not obtain adequate documentation for 2 disbursements pertaining to software technical support services. On October 21, 2016, 2 electronic debit withdrawals, one for \$269.99 and another for \$299.99, were made from the city's general bank account payable to a software technical support service company without detailed invoices. The related invoices only indicate "software technical support service 1 computer" and documented the electronic signature of the former City Clerk indicating she was satisfied with the support services provided. These were the only instances noted where the former City Clerk utilized an electronic signature. The electronic signature was a printed signature and the former City Clerk typically wrote her signature in cursive. Our internet search of the software technical support service company indicated the firm has been associated with several technical support scams. Considering the city has only one computer, it is questionable why 2 payments were invoiced for the same software technical support service on the same day.

Images of canceled checks payable to this vendor were included with the city's bank statements and the check images did not resemble other city checks. One check had a check number that was within the city's check sequence; however, the city had already issued a check with that number (see the first check on the next page). Check number 2510 was not within the city's check sequence. The checks issued to this vendor also had various differences including the payee listed and the format. Neither of the checks included authorized signatures of city officials. The first check image presented is an actual city check and the second and third checks are the check images for payments made for the software technical support services. The city's bank account, routing numbers, and membership number have been redacted.



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CITY OF COFFEY
GENERAL FUND
100 E STATE HIGHWAY B
COFFEY, MO 64636

BTC BANK
P.O. BOX 158
PATTONSBURG, MO 64601
80-1630/1019

1620

10/10/2016

PAY TO THE ORDER OF Farmer's Electric Cooperative, Inc.

\$ **30.64

Thirty and 64/100

Farmer's Electric Cooperative, Inc.
P. O. Box 680
Chillicothe, MO 64601-0680

MEMO

Burham L. Miller
Mary Lou Browning, Clerk

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

10/17/2016 1620 \$30.64

CITY OF COFFEY
100 EAST STATE HIGHWAY B
COFFEY, MO 64636

BTC BANK

Date Oct 21, 2016

PAY TO THE ORDER OF Geeks Advise

\$ 269.99

Two Hundred And Sixty-Nine Dollars And Ninety-Nine Cents

MEMO

NO SIGNATURE REQUIRED
Your account holder has authorized this payment to the payee. The payee identifies you for payment of this check. This check shall be deposited only to the credit of the payee and the lack of endorsement is guaranteed by the payee.

10/25/2016 1620 \$269.99

City of Coffey City of Coffey
100 East State Highway B
Coffey, MO 64636

80-1630/1019

Date: 10/24/2016

2510

Pay to the Order of: Geak Support

Amount \$299.99

Two Hundred and Ninety-Nine Dollars and 99/100

Geak Support: 1-888-384-6651

by Geak Support
as authorized signatory for
City of Coffey City of Coffey

GA_101243

10/25/2016 2510 \$299.99

As noted throughout the report, a proper review by the Board of bank account information and city disbursement records should have identified these unusual transactions. To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices or other detailed documentation; and undergo a careful review process.



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Recommendations

The Board of Aldermen:

- 4.1 Require employees use unique passwords that are confidential, contain a minimum number of characters, and are periodically changed to prevent unauthorized access to the city's computer and data.
- 4.2 Ensure the city's computer has security controls in place to lock after a specified number of incorrect logon attempts and after a certain period of inactivity.
- 4.3 Ensure the city's computer is adequately protected from computer viruses.
- 4.4 Ensure backup files are stored at a secure off-site location.
- 4.5 Maintain adequate supporting documentation for all disbursements.

Auditee's Response

- 4.1 *The current City Clerk is the only employee with computer access and a unique password is required that is kept confidential. Passwords now require a minimum number of characters and are changed quarterly.*
- 4.2 *We have controls now for computer inactivity and will consider controls for incorrect logon attempts.*
- 4.3 *This recommendation has been implemented.*
- 4.4 *Backups are being stored off-site.*
- 4.5 *Adequate supporting documentation will be retained for all disbursements and the Mayor will monitor the bank statements for unusual checks.*

City of Coffey

Organization and Statistical Information

The City of Coffey is located in Daviess County. The city was incorporated in 1965 and is currently a fourth-class city. The city employed 2 part-time employees on June 30, 2017.

City operations include utilities (water, sewer, and solid waste removal).

Mayor and Board of Aldermen

The city government consists of a mayor and a 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at August 2, 2017, are identified below. The Mayor and Board of Aldermen members are paid \$20 per regular meeting. The compensation of these officials is established by ordinance.

Barbara Miller, Mayor (1)
Virgil Griffin, Alderman
William Browning, Alderman (2)
Julia Bayne, Alderwoman
Carolyn Griffin, Alderwoman

(1) Barbara Miller resigned in October 2017, and the Board appointed Ralph Ray as Mayor.
(2) William Browning resigned in September 2017, and the Board appointed Maxine Kennedy as Alderwoman.

Financial Activity and Supporting Documentation

Appendix A is a summary of the city's financial activity for the year ended June 30, 2017. The information was prepared using the city's check registers and bank statements.

Appendixes B, C, D, E, and F provide supporting documentation of undeposited utility receipts, unsupported and undeposited utility payments recorded for the former City Clerk's utility account, improper payroll checks issued to the former City Clerk, over (under) payroll payments made to the former City Clerk, and a falsified document.

Appendix A

City of Coffey

Schedule of Receipts, Disbursements, and Changes in Cash Balances

Year Ended June 30, 2017

		General	Street	Water	Sewer	Sewer Revenue	Sewer Depreciation	Solid Waste	Utility Deposit	Late Fees	Certificates of Deposit and Savings Accounts	Total
RECEIPTS	\$	7,364	8,385	31,214	26,390	0	5	8,236	633	1,048	370	83,645
TRANSFERS IN		2,470	2,158	7,000	14,039	0	0	1,066	121	0	0	26,854
DISBURSEMENTS		(10,300)	(10,746)	(43,040)	(41,652)	0	(10)	(9,059)	(733)	0	0	(115,540)
TRANSFERS OUT		0	(801)	0	(470)	(3,680)	(4,009)	(5,333)	(4,925)	(6,136)	(1,500)	(26,854)
RECEIPTS OVER (UNDER)												
DISBURSEMENTS		(466)	(1,004)	(4,826)	(1,693)	(3,680)	(4,014)	(5,090)	(4,904)	(5,088)	(1,130)	(31,895)
CASH BALANCE, JULY 1, 2016		522	1,043	4,961	1,775	4,184	4,510	5,051	5,143	5,133	77,601	109,923
CASH BALANCE, JUNE 30, 2017	\$	56	39	135	82	504	496	(39)	239	45	76,471	(1) 78,028

(1) The balances maintained in the certificates of deposits and savings accounts include \$10,567 for the General Fund, \$8,014 for the Sewer Fund, and \$57,890 for the Water Fund.

Appendix B

City of Coffey

Supporting Documentation - Undeposited Utility Receipts

Deposit Date	Cash Received	Checks (1) Received	Unknown Method of Payment (2)	Total Receipts	Cash Deposited	Checks Deposited	Total Deposited	Cash Long (Short)	Checks Long (Short)	Total Difference
9/21/2015 \$	341.60	1,156.54	0.00	1,498.14	341.60	1,156.54	1,498.14	0.00	0.00	0.00
10/2/2015	387.19	1,467.02	0.00	1,854.21	387.19	1,467.02	1,854.21	0.00	0.00	0.00
10/16/2015	936.22	2,511.41	0.00	3,447.63	791.78	2,511.41	3,303.19	(144.44)	0.00	(144.44)
10/23/2015	574.33	1,487.07	0.00	2,061.40	0.00	1,487.27	1,487.27	(574.33)	0.20	(574.13)
11/2/2015	651.93	2,218.25	0.00	2,870.18	411.12	2,218.25	2,629.37	(240.81)	0.00	(240.81)
11/10/2015	1,077.47	1,397.89	0.00	2,475.36	453.59	1,397.89	1,851.48	(623.88)	0.00	(623.88)
11/20/2015	505.25	2,730.37	0.00	3,235.62	0.00	2,730.37	2,730.37	(505.25)	0.00	(505.25)
11/30/2015	378.06	1,283.68	0.00	1,661.74	90.00	1,161.93	1,251.93	(288.06)	(121.75)	(409.81)
12/11/2015	914.00	1,886.55	0.00	2,800.55	242.00	2,008.30	2,250.30	(672.00)	121.75	(550.25)
12/21/2015	61.50	2,408.09	0.00	2,469.59	0.00	2,407.48	2,407.48	(61.50)	(0.61)	(62.11)
12/31/2015	456.78	2,633.87	243.50	3,334.15	0.00	2,485.36	2,485.36	(700.28)	(148.51)	(848.79)
Total 2015	6,284.33	21,180.74	243.50	27,708.57	2,717.28	21,031.82	23,749.10	(3,810.55)	(148.92)	(3,959.47)
1/19/2016	1,063.30	3,921.73	0.00	4,985.03	0.00	3,920.53	3,920.53	(1,063.30)	(1.20)	(1,064.50)
1/29/2016	389.90	1,090.03	0.00	1,479.93	0.00	1,090.03	1,090.03	(389.90)	0.00	(389.90)
2/8/2016	150.35	1,770.27	0.00	1,920.62	0.00	1,770.27	1,770.27	(150.35)	0.00	(150.35)
2/12/2016	985.03	2,351.36	121.75	3,458.14	0.00	2,351.37	2,351.37	(1,106.78)	0.01	(1,106.77)
2/22/2016	293.50	1,802.29	0.00	2,095.79	0.00	1,802.29	1,802.29	(293.50)	0.00	(293.50)
2/29/2016	951.34	978.46	0.00	1,929.80	115.00	978.13	1,093.13	(836.34)	(0.33)	(836.67)
3/11/2016	607.15	2,291.63	0.00	2,898.78	591.75	2,291.33	2,883.08	(15.40)	(0.30)	(15.70)
3/21/2016	663.88	1,622.55	0.00	2,286.43	310.00	1,622.55	1,932.55	(353.88)	0.00	(353.88)
3/31/2016	512.62	1,009.99	0.00	1,522.61	250.00	1,009.99	1,259.99	(262.62)	0.00	(262.62)
4/11/2016	322.02	1,446.99	0.00	1,769.01	62.00	1,446.99	1,508.99	(260.02)	0.00	(260.02)
4/15/2016	210.80	2,508.57	0.00	2,719.37	0.00	2,508.57	2,508.57	(210.80)	0.00	(210.80)
4/29/2016	636.37	1,155.14	0.00	1,791.51	0.00	1,155.14	1,155.14	(636.37)	0.00	(636.37)
5/9/2016	401.29	3,005.64	0.00	3,406.93	0.00	3,005.39	3,005.39	(401.29)	(0.25)	(401.54)
5/13/2016	541.51	1,227.78	0.00	1,769.29	0.00	1,227.78	1,227.78	(541.51)	0.00	(541.51)
5/23/2016	115.00	1,359.84	0.00	1,474.84	124.00	1,359.84	1,483.84	9.00	0.00	9.00
5/31/2016	273.67	928.08	0.00	1,201.75	0.00	928.08	928.08	(273.67)	0.00	(273.67)
6/16/2016	1,062.25	3,931.20	0.00	4,993.45	0.00	3,931.20	3,931.20	(1,062.25)	0.00	(1,062.25)
6/24/2016	544.75	938.13	0.00	1,482.88	0.00	938.13	938.13	(544.75)	0.00	(544.75)
7/5/2016	364.75	1,324.05	0.00	1,688.80	0.00	1,324.05	1,324.05	(364.75)	0.00	(364.75)
7/13/2016	252.50	2,130.82	0.00	2,383.32	0.00	2,130.82	2,130.82	(252.50)	0.00	(252.50)
7/15/2016	383.34	1,764.50	0.00	2,147.84	0.00	1,764.50	1,764.50	(383.34)	0.00	(383.34)
7/25/2016	269.01	934.23	0.00	1,203.24	0.00	934.23	934.23	(269.01)	0.00	(269.01)
8/1/2016	132.00	496.45	0.00	628.45	0.00	496.45	496.45	(132.00)	0.00	(132.00)
8/5/2016	1,002.96	2,095.18	0.00	3,098.14	121.75	2,095.18	2,216.93	(881.21)	0.00	(881.21)
8/12/2016	249.75	1,943.90	0.00	2,193.65	0.00	1,943.90	1,943.90	(249.75)	0.00	(249.75)

Appendix B

City of Coffey

Supporting Documentation - Undeposited Utility Receipts

Deposit Date	Cash Received	Checks (1) Received	Unknown Method of Payment (2)	Total Receipts	Cash Deposited	Checks Deposited	Total Deposited	Cash Long (Short)	Checks Long (Short)	Total Difference
8/19/2016	442.33	1,736.49	0.00	2,178.82	0.00	1,736.49	1,736.49	(442.33)	0.00	(442.33)
9/2/2016	511.75	1,768.43	0.00	2,280.18	0.00	1,768.43	1,768.43	(511.75)	0.00	(511.75)
9/13/2016	284.25	1,354.84	0.00	1,639.09	0.00	1,354.84	1,354.84	(284.25)	0.00	(284.25)
9/16/2016	726.25	2,795.85	0.00	3,522.10	0.00	2,795.85	2,795.85	(726.25)	0.00	(726.25)
9/30/2016	133.75	3,890.75	0.00	4,024.50	0.00	3,890.75	3,890.75	(133.75)	0.00	(133.75)
10/11/2016	381.00	1,016.32	0.00	1,397.32	0.00	1,016.32	1,016.32	(381.00)	0.00	(381.00)
10/11/2016	279.25	989.77	0.00	1,269.02	0.00	989.77	989.77	(279.25)	0.00	(279.25)
10/14/2016	344.50	6,102.23	0.00	6,446.73	0.00	6,102.23	6,102.23	(344.50)	0.00	(344.50)
10/31/2016	322.50	1,070.32	0.00	1,392.82	0.00	1,070.32	1,070.32	(322.50)	0.00	(322.50)
11/8/2016	469.50	1,234.25	0.00	1,703.75	0.00	1,134.25	1,134.25	(469.50)	(100.00)	(569.50)
11/14/2016	457.00	3,358.47	0.00	3,815.47	0.00	3,358.47	3,358.47	(457.00)	0.00	(457.00)
11/16/2016	0.00	3,131.13	0.00	3,131.13	0.00	3,131.13	3,131.13	0.00	0.00	0.00
11/23/2016	229.50	1,200.93	0.00	1,430.43	0.00	1,200.93	1,200.93	(229.50)	0.00	(229.50)
12/5/2016	641.55	1,748.67	0.00	2,390.22	0.00	1,748.67	1,748.67	(641.55)	0.00	(641.55)
12/12/2016	691.25	1,362.49	0.00	2,053.74	0.00	1,362.49	1,362.49	(691.25)	0.00	(691.25)
12/15/2016	536.50	1,209.02	0.00	1,745.52	0.00	1,209.02	1,209.02	(536.50)	0.00	(536.50)
12/16/2016	0.00	1,617.73	0.00	1,617.73	0.00	1,617.73	1,617.73	0.00	0.00	0.00
12/27/2016	123.75	994.42	0.00	1,118.17	0.00	994.42	994.42	(123.75)	0.00	(123.75)
12/30/2016	658.25	1,165.00	0.00	1,823.25	0.00	1,164.98	1,164.98	(658.25)	(0.02)	(658.27)
Total 2016	19,611.92	81,775.92	121.75	101,509.59	1,574.50	81,673.83	83,248.33	(18,159.17)	(102.09)	(18,261.26)
1/11/17	183.75	3,256.27	0.00	3,440.02	0.00	3,256.27	3,256.27	(183.75)	0.00	(183.75)
1/17/17	459.50	1,699.25	0.00	2,158.75	0.00	1,699.25	1,699.25	(459.50)	0.00	(459.50)
1/23/17	290.10	1,602.27	0.00	1,892.37	0.00	1,602.27	1,602.27	(290.10)	0.00	(290.10)
1/27/17	0.00	214.91	0.00	214.91	0.00	214.91	214.91	0.00	0.00	0.00
1/31/17	0.00	1,808.38	0.00	1,808.38	0.00	1,808.38	1,808.38	0.00	0.00	0.00
2/6/17	385.50	720.25	0.00	1,105.75	0.00	720.25	720.25	(385.50)	0.00	(385.50)
2/13/17	359.51	1,706.17	0.00	2,065.68	0.00	1,706.17	1,706.17	(359.51)	0.00	(359.51)
2/17/17	293.83	1,921.06	0.00	2,214.89	0.00	1,921.06	1,921.06	(293.83)	0.00	(293.83)
2/21/17	220.25	1,089.49	0.00	1,309.74	0.00	1,089.49	1,089.49	(220.25)	0.00	(220.25)
2/28/17	871.00	380.75	0.00	1,251.75	0.00	380.75	380.75	(871.00)	0.00	(871.00)
3/1/17	463.50	292.26	0.00	755.76	0.00	292.26	292.26	(463.50)	0.00	(463.50)
3/6/17	0.00	97.25	0.00	97.25	0.00	97.25	97.25	0.00	0.00	0.00
3/13/17	778.75	1,562.55	0.00	2,341.30	0.00	1,562.55	1,562.55	(778.75)	0.00	(778.75)
3/16/17	100.00	374.50	0.00	474.50	0.00	374.50	374.50	(100.00)	0.00	(100.00)
3/17/17	307.50	2,407.83	0.00	2,715.33	110.00	2,411.98	2,521.98	(197.50)	4.15	(193.35)
3/23/17	60.00	239.99	0.00	299.99	0.00	239.99	239.99	(60.00)	0.00	(60.00)
4/4/17	323.75	587.00	0.00	910.75	0.00	587.00	587.00	(323.75)	0.00	(323.75)

Appendix B

City of Coffey

Supporting Documentation - Undeposited Utility Receipts

Deposit Date	Cash Received	Checks (1) Received	Unknown Method of Payment (2)	Total Receipts	Cash Deposited	Checks Deposited	Total Deposited	Cash Long (Short)	Checks Long (Short)	Total Difference
4/10/17	622.55	1,136.54	0.00	1,759.09	0.00	1,136.54	1,136.54	(622.55)	0.00	(622.55)
4/13/17	423.75	734.04	0.00	1,157.79	0.00	734.04	734.04	(423.75)	0.00	(423.75)
4/14/17	227.20	922.30	0.00	1,149.50	0.00	922.30	922.30	(227.20)	0.00	(227.20)
4/18/17	121.00	801.25	0.00	922.25	0.00	801.25	801.25	(121.00)	0.00	(121.00)
4/21/17	0.00	354.50	0.00	354.50	0.00	354.50	354.50	0.00	0.00	0.00
4/27/17	435.00	224.75	0.00	659.75	200.00	224.75	424.75	(235.00)	0.00	(235.00)
5/1/17	0.00	2,106.66	0.00	2,106.66	0.00	2,106.66	2,106.66	0.00	0.00	0.00
5/8/17	234.00	1,643.93	0.00	1,877.93	0.00	1,643.93	1,643.93	(234.00)	0.00	(234.00)
5/12/17	249.25	903.75	0.00	1,153.00	0.00	903.75	903.75	(249.25)	0.00	(249.25)
5/16/17	589.26	1,512.50	0.00	2,101.76	0.00	1,512.50	1,512.50	(589.26)	0.00	(589.26)
5/22/17	71.00	965.96	0.00	1,036.96	0.00	965.96	965.96	(71.00)	0.00	(71.00)
5/26/17	83.75	418.00	0.00	501.75	0.00	417.95	417.95	(83.75)	(0.05)	(83.80)
5/30/17	136.25	276.50	0.00	412.75	0.00	276.50	276.50	(136.25)	0.00	(136.25)
6/5/17	422.25	279.10	0.00	701.35	0.00	279.10	279.10	(422.25)	0.00	(422.25)
6/7/17	467.20	1,025.26	0.00	1,492.46	0.00	1,025.26	1,025.26	(467.20)	0.00	(467.20)
6/12/17	0.00	574.25	0.00	574.25	0.00	574.25	574.25	0.00	0.00	0.00
6/13/17	223.75	427.50	0.00	651.25	50.00	427.50	477.50	(173.75)	0.00	(173.75)
6/16/17	319.00	1,727.80	0.00	2,046.80	0.00	1,727.80	1,727.80	(319.00)	0.00	(319.00)
6/26/17	362.25	428.39	0.00	790.64	0.00	428.39	428.39	(362.25)	0.00	(362.25)
6/29/17	0.00	100.00	0.00	100.00	0.00	100.00	100.00	0.00	0.00	0.00
7/3/17	465.00	536.50	0.00	1,001.50	0.00	536.50	536.50	(465.00)	0.00	(465.00)
7/5/17	0.00	319.75	0.00	319.75	0.00	319.75	319.75	0.00	0.00	0.00
7/10/17	63.75	290.53	0.00	354.28	0.00	290.53	290.53	(63.75)	0.00	(63.75)
7/11/17	0.00	399.80	0.00	399.80	0.00	401.80	401.80	0.00	2.00	2.00
7/12/17	515.00	687.75	0.00	1,202.75	0.00	687.75	687.75	(515.00)	0.00	(515.00)
7/17/17	397.00	1,209.48	0.00	1,606.48	0.00	1,209.48	1,209.48	(397.00)	0.00	(397.00)
7/20/17	0.00	277.50	0.00	277.50	0.00	277.50	277.50	0.00	0.00	0.00
7/20/17	247.25	1,056.10	0.00	1,303.35	0.00	1,056.10	1,056.10	(247.25)	0.00	(247.25)
7/24/17	0.00	188.00	0.00	188.00	0.00	188.00	188.00	0.00	0.00	0.00
7/24/17	287.00	354.50	0.00	641.50	0.00	354.50	354.50	(287.00)	0.00	(287.00)
7/28/17	0.00	238.50	0.00	238.50	0.00	238.50	238.50	0.00	0.00	0.00
8/1/17	70.00	1,404.96	0.00	1,474.96	0.00	1,404.96	1,404.96	(70.00)	0.00	(70.00)
Total 2017	12,129.40	43,486.53	0.00	55,615.93	360.00	43,492.63	43,852.63	(11,769.40)	6.10	(11,763.30)
Total	\$ 38,025.65	146,443.19	365.25	184,834.09	4,651.78	146,198.28	150,850.06	(33,739.12)	(244.91)	(33,984.03)

(1) The term "check" includes checks, cashier's checks, and money orders.

(2) The method of payment was not indicated on 3 utility deposit payments. These receipts were included with the cash receipts for the analysis of undeposited receipts.

Appendix C

City of Coffey

Supporting Documentation - Unsupported and Undeposited Utility Payments Recorded for the Former City Clerk's Utility Account (Account Number 6)

Date Recorded	Amount Recorded	Composition of Payment Recorded	Total Cash Deposited for all Utility Receipts (1)	Deposit Date (1)
11/30/2015	\$ 166.91	Cash	*	90.00 11/30/2015
12/28/2015	148.51	Check	*	N/A N/A (2)
12/28/2015	121.75	Unknown	**	0.00 12/31/2015
1/29/2016	141.15	Cash	*	0.00 1/29/2016
2/29/2016	160.42	Cash	*	115.00 2/29/2016
3/23/2016	125.00	Cash	*	250.00 3/31/2016
4/29/2016	129.14	Cash	*	0.00 4/29/2016
6/1/2016	130.52	Cash	*	0.00 6/16/2016
7/1/2016	152.75	Cash	*	0.00 7/5/2016
7/29/2016	129.75	Cash	*	121.75 8/5/2016
8/31/2016	134.75	Cash	*	0.00 9/2/2016
9/30/2016	141.00	Cash	*	0.00 10/11/2016
10/31/2016	151.50	Cash	*	0.00 11/8/2016
11/30/2016	124.25	Cash	*	0.00 12/5/2016
12/30/2016	127.00	Cash	*	0.00 12/30/2016
1/31/2017	145.50	Cash	*	0.00 2/6/2017
3/1/2017	146.75	Cash	*	0.00 3/1/2017
5/31/2017	136.25	Cash	*	0.00 6/5/2017
6/30/2017	131.75	Cash	*	0.00 7/3/2017
	<u>\$ 2,644.65</u>			

(1) The total amount of cash deposited with other monies recorded at these times indicates the former City Clerk's utility payments were not deposited (See Appendix B).

(2) This check was not included in any deposits.

* Utility receipts were recorded in the computerized utility system.

** The payment was recorded on a manual utility payment stub.

Appendix D

City of Coffey

Supporting Documentation - Improper Payroll Checks Issued to the Former City Clerk

Date of Check	Check Number*	Amount	Purpose per Memo Line of Check	Fund
4/29/2016	3516	\$ 150.00	Pay period 4/16/16-4/29/16	Water
5/20/2016	3528	250.00	Payroll 5/1-5/15	Water
5/20/2016	5272	250.00	Payroll 5/1-5/15	Sewer
5/30/2016	3532	250.00	Payroll 5/15-5/30	Water
5/30/2016	5276	155.00	Payroll 5/15-5/30	Sewer
6/22/2016	3545	155.00	Payroll 6/1-6/15	Water
6/29/2016	3546	351.15	Payroll 6/15-6/30	Water
6/29/2016	5285	349.26	Payroll 6/15-6/30	Sewer
7/1/2016	3548	255.00	Payroll 6/15-6/30	Water
7/6/2016	3552	495.15	Payroll 6/15-7/1	Water
7/6/2016	5287	488.26	Payroll 6/15-7/1	Sewer
7/20/2016	3553	386.15	Payroll 7/1-7/15	Water
7/20/2016	5290	253.26	Payroll 7/1-7/15	Sewer
7/22/2016	3554	575.45	Payroll 7/1-7/22	Water
8/1/2016	3562	255.46	Payroll 7/15-7/31	Water
8/10/2016	3583	252.16	Payroll 8/1-8/10	Water
8/19/2016	3571	153.26	Payroll 8/12-8/19	Water
8/19/2016	5300	136.45	Payroll 8/12-8/19	Sewer
8/26/2016	3587	325.15	Payroll 8/13-8/26	Water
9/2/2016	5301	175.26	Payroll 7/1-7/22	Sewer
9/16/2016	3572	103.26	Payroll 9/1-9/15	Water
9/16/2016	3601	73.00	Payroll 9/1-9/15	Water
9/23/2016	3605	455.26	Payroll Period 9/9-9/23	Water
9/23/2016	3606	150.25	Payroll 9/1-9/23	Water
9/23/2016	5320	150.26	Payroll 9/1-9/23	Sewer
9/30/2016	3609	300.25	Payroll 9/15-9/30	Water
9/30/2016	5323	100.16	Payroll 9/15-9/30	Sewer
10/7/2016	3613	152.16	Payroll 10/1-10/7	Water
10/7/2016	5325	151.24	Payroll 10/1-10/7	Sewer
10/19/2016	3618	400.15	Payroll 10/1-10/19	Water
10/19/2016	5335	503.26	Payroll 10/1-10/19	Sewer
10/24/2016	5336	120.00	Payroll 10/15-10/24	Sewer
10/26/2016	3619	224.21	Payroll 10/1-10/25	Water
10/26/2016	5337	251.35	Payroll 10/1-10/25	Sewer
10/31/2016	3622	250.00	Payroll 10/15-10/31	Water
11/4/2016	3623	151.26	Payroll 11/1-11/4	Water
11/4/2016	5341	149.15	Payroll 10/24-10/31	Sewer
11/10/2016	3630	248.26	Payroll 11/1-11/11	Water
11/10/2016	5344	153.45	Payroll 11/1-11/11	Sewer
11/16/2016	3632	373.50	Payroll 11/1-11/15	Water

Appendix D

City of Coffey

Supporting Documentation - Improper Payroll Checks Issued to the Former City Clerk

Date of Check	Check Number	Amount	Purpose per Memo Line of Check	Fund
11/16/2016	5353	348.26	Payroll 11/1-11/15	Sewer
11/18/2016	3633	363.26	Payroll 11/1-11/18	Water
11/23/2016	3636	153.25	Payroll 11/15-11/25	Water
11/23/2016	5355	248.25	Payroll 11/14-11/25	Sewer
12/2/2016	3640	150.00	Payroll 11/12-11/30	Water
12/7/2016	5359	100.00	Payroll 12/1-12/5	Sewer
12/14/2016	3645	340.45	Payroll Period 12/1-12/15	Water
12/16/2016	3646	400.00	Payroll Period 12/1-12/16	Water
12/21/2016	5371	200.00	Payroll 12/1-12/21	Sewer
12/23/2016	3647	250.00	Payroll 12/1-12/23	Water
12/27/2016	5372	350.00	Payroll 12/1-12/27	Sewer
12/30/2016	3649	353.00	Payroll 12/15-12/30	Water
12/30/2016	5373	53.26	Payroll 12/15-12/30	Sewer
1/9/2017	3651	90.00	Payroll 1/1/17-1/9/17	Water
1/12/2017	3654	400.00	Payroll 1/1/17-1/12/17	Water
1/12/2017	5374	650.00	Payroll 1/1/17-1/12/17	Sewer
1/17/2017	3661	203.16	Payroll 1/1/-1/17	Water
1/17/2017	5379	253.12	Payroll 1/1/-1/17	Sewer
1/20/2017	3660	373.40	Payroll 1/1-1/20	Water
1/23/2017	3664	101.00	Payroll 1/16-1/23	Water
1/25/2017	5381	252.02	Payroll 1/1-1/25	Sewer
2/10/2017	3669	430.34	Payroll 2/1-2/10	Water
2/17/2017	3674	102.13	Payroll 2/1-2/17	Water
2/17/2017	5392	201.34	Payroll 2/1-2/17	Sewer
2/21/2017	3675	292.10	Payroll 2/1-2/17	Water
2/21/2017	5394	383.05	Payroll 2/1-2/17	Sewer
2/24/2017	5396	100.30	Payroll 2/1-2/24	Sewer
3/10/2017	3680	410.12	Payroll 3/1-3/10	Water
3/23/2017	5398	500.00	Payroll 3/1-3/22	Sewer
3/30/2017	3687	70.00	Payroll 3/15-3/30	Water
4/12/2017	5405	203.00	Payroll 4/1-4/12	Sewer
4/20/2017	3698	550.00	Payroll 4/1-4/19	Water
4/21/2017	5415	253.00	Payroll 4/1-4/20	Sewer
5/5/2017	3700	415.00	Payroll 4/15-4/30	Water
5/12/2017	5417	300.00	Payroll 5/1-5/12	Sewer
5/19/2017	3705	523.00	Payroll 4/17-5/19	Water
5/19/2017	5427	245.00	Payroll 5/1-5/19	Sewer
5/25/2017	5428	298.00	Payroll 5/15-5/25	Sewer
5/26/2017	5431	253.00	Payroll 5/15-5/26	Sewer
5/31/2017	5432	351.26	Payroll 5/1-5/31	Sewer

Appendix D

City of Coffey

Supporting Documentation - Improper Payroll Checks Issued to the Former City Clerk

<u>Date of Check</u>	<u>Check Number</u>	<u>Amount</u>	<u>Purpose per Memo Line of Check</u>	<u>Fund</u>
6/2/2017	3710	203.00	Payroll 5/15-5/31	Water
6/9/2017	5419	249.00	Payroll 6/1-6/9	Sewer
6/22/2017	5434	250.00	Payroll Period 6/12/17-6/21/17	Sewer
6/23/2017	3721	100.00	Payroll Period 6/16-6/23	Water
6/26/2017	3714	203.00	Payroll Period 6/1-6/23	Water
6/26/2017	5435	150.00	Payroll Period 6/19-6/26	Sewer
7/3/2017	3724	103.00	Payroll Period 6/1-6/30	Water
7/5/2017	3727	153.00	Payroll Period 6/1-6/30	Water
7/10/2017	5437	103.00	Payroll Period 7/3-7/7	Sewer
7/19/2017	3728	122.00	Payroll Period 7/1-7/18	Water
7/19/2017	5441	250.00	Payroll Period 7/1-7/18	Sewer
7/21/2017	3736	402.00	Payroll Period 6/1-7/21	Water
7/21/2017	5442	403.00	Payroll Period 6/1-7/21	Sewer
7/28/2017	5452	308.00	Payroll Period 7/15-7/28	Sewer
Total		<u>\$ 24,633.92</u>		

* Two different check sequences were used for payroll checks, one for the Sewer Fund and the other for the Water Fund.

Appendix E

City of Coffey

Supporting Documentation - Over (Under) Payroll Payments Made to the Former City Clerk

Month and Year	Hours Recorded on Timesheets	Hours Paid per Payroll Reports	Hours Over (Under) Paid	Amount Over (Under) Paid*
November 2015	66.25	67.25	1.00	\$ 10.00
January 2016	66.00	107.00	41.00	410.00
April 2016	70.50	86.00	15.50	162.75
May 2016	71.50	65.50	(6.00)	(63.00)
June 2016	76.50	129.00	52.50	551.25
July 2016	62.50	119.00	56.50	609.50
August 2016	78.50	93.50	15.00	165.00
September 2016	72.75	82.00	9.25	101.75
October 2016	75.50	85.00	9.50	104.50
November 2016	64.50	90.50	26.00	286.00
December 2016	64.50	35.00	(29.50)	(359.00)
January 2017	65.00	37.75	(27.25)	(327.00)
February 2017	62.00	33.25	(28.75)	(345.00)
March 2017	68.50	31.75	(36.75)	(441.00)
April 2017	55.75	40.50	(15.25)	(183.00)
May 2017	65.50	74.75	9.25	111.00
June 2017	70.00	138.50	68.50	822.00
July 2017	62.50	62.00	(0.50)	(6.00)
August 2017	4.50	0.00	(4.50)	(54.00)
Total	<u>1,222.75</u>	<u>1,378.25</u>	<u>155.50</u>	<u>\$ 1,555.75</u>

* The former City Clerk was paid \$10.00 an hour from September 2015 until February 12, 2016; \$10.50 an hour from February 13, 2016, until July 12, 2016; \$11.00 an hour from July 13, 2016, until December 12, 2016; and \$12.00 an hour from December 13, 2016, until August 2, 2017.

Appendix F

City of Coffey

Supporting Documentation - Falsified Document

The city's bank account numbers have been redacted.

February 23, 2017
CITY OF COFFEY
SPECIAL BOARD MEETING MINUTES

Mayor Barbara Miller called the meeting to order at 6:30 p.m.

Council members present: Mayor Barbara Miller, Aldermen Virgil Griffin, William Browning, Julia Bayne and Carolyn Griffin. Others present were Mary Lou Browning, City Clerk.

The council was in an open special session to discuss withdrawing monies from the Savings Account [REDACTED] and apply monies into Water, Sewer and Solid Waste Accounts with BTC Bank.

The Council discussed withdrawing \$1,500.00 from the Savings Account [REDACTED] and apply \$850.00 into the Sewer Fund Account [REDACTED], then apply \$300.00 into the Water Fund Account [REDACTED] and apply \$350.00 into the Solid Waste Account [REDACTED], Julia Bayne made a motion to transfer monies as mentioned and stated above, Carolyn Griffin seconded with all in favor. Voting went as follows: Julia Bayne, Aye; Carolyn Griffin, Aye, William Browning, Aye, and Virgil Griffin, Aye.

The Council unanimously decided to adjourn the Special Meeting.

Meeting adjourned at 6:35 p.m.

Next Meeting is set for March 13, 2017 at 5:00 p.m.

William D Browning
Carolyn Griffin
Virgil Griffin

Barbara Miller
Julia Bayne



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

Putnam County Memorial Hospital

Putnam County Memorial Hospital

Follow-Up Report on Audit Findings

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*Includes selected findings



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Putnam County Memorial Hospital Board
and
Putnam County Commission
Unionville, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2017-074, *Putnam County Memorial Hospital* (rated as Poor), issued in August 2017, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the hospital's management about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation and held discussions with hospital personnel and board members to verify the status of implementation for the recommendations. Documentation provided by hospital personnel and board members included minutes of meetings, financial records, written contracts and agreements, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during March, April, and May 2018.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name of the State Auditor.

Nicole R. Galloway, CPA
State Auditor

Putnam County Memorial Hospital

Follow-Up Report on Audit Findings

Status of Findings

1.1 Lack of Board Oversight - Management contracts	The Board of Trustees did not perform sufficient due diligence over the process of awarding management contracts and did not adequately document how decisions related to the hiring of management companies were made or retain sufficient documentation to show discussions with legal counsel occurred prior to entering into the contracts.
Proposals not formally requested, procured, or analyzed	The Board entered into management services contracts in April 2012 with Practice Plus, Inc. (Practice Plus), and again in September 2016 with Hospital Partners, Inc. (Hospital Partners). The Board entered into both contracts without requesting formal bids or proposals for such services. Board minutes did not document what, if any, documents or presentations the Board received from the prospective management companies or how or what led to the decision to enter into agreements with these firms.
Lack of adequate documentation to support contract reviews	The Board could not provide adequate documentation to show discussions with legal counsel occurred prior to entering into the management contract with Hospital Partners. The Board signed the agreement without adequate legal counsel input despite the County Commission's offer to pay for legal services and despite the contract being drafted by the entity being contracted with.

As a result of inadequate legal review, the management contract included an indemnity clause. Such a clause left the Board and the hospital potentially liable for any fraudulent or negligent activity of the contractor, which was unusual for a contract of this nature. The contract also omitted basic financial terms defining how much the contractor was to be compensated.

Recommendation

The Board establish procedures to provide sufficient due diligence over the awarding of contracts. The Board should also document how and why final decisions are made in order to support the decision made was in the best interest of the hospital. In addition, the Board should ensure legal counsel perform a formal, documented review prior to entering into future contracts in order to ensure the contracts do not include broad indemnity clauses.

Status

In Progress

The Board has taken steps to improve its oversight of contracts and has obtained legal representation to help ensure any future contracts are adequately reviewed. The Board issued a request for proposals for a new management company with a deadline of May 1, 2018, but received no official responses. However, the Board has been corresponding with a potential vendor who may have an interest in managing the hospital.

In addition, in June 2017 the Board hired an attorney who specializes in healthcare law as the Board's official legal counsel to represent it in all decisions. The attorney will formally review any new contracts the Board is



Putnam County Memorial Hospital
Follow-up Report on Audit Findings
Status of Findings

considering, and in the future the Board will sufficiently document how decisions made are in the best interest of the hospital. The attorney's role is to both act in and protect the hospital's best interest for any future agreements or significant operational, management, ownership, or other changes. In March 2018, he reviewed an engagement letter between the hospital and a consulting firm prior to the Board's final approval.

1.2 Lack of Board
Oversight - Oversight
of management
compensation

The Board did not ensure personnel were in place to provide oversight of management company activities, and did not provide sufficient direct oversight of the compensation paid to the companies, including salaries paid to executive administration personnel.

Hospital Partners
compensation and fees

The new CEO, who was also the President of the management company, approved his own salary, and paid his own management company management and accounting fees not specified in the management contract. The contract with Hospital Partners did not contain any compensation terms for the CEO or contain a specific management fee structure for work performed. In addition, the Board did not ensure other hospital officials not associated with the contractor monitored the activity of the management company.

The new CEO initially approved an annual salary for himself of \$160,000 and, over the next 5 months, directed the hospital's human resources personnel to increase his annual salary to \$180,000, and eventually to \$200,000. Board members indicated they were aware the CEO may be included in the hospital's payroll and thus receive a salary; however, the Board Chairman indicated a salary amount for the CEO was not discussed and approved by the Board prior to March 2017, when we discussed this issue with the Board.

The CEO also directed hospital staff to pay management and accounting fees totaling \$360,000 from September 2016 through February 2017 to Hospital Partners, none of which were outlined and defined in the management services contract or discussed in Board meeting minutes. Board members indicated they were not aware the hospital was making these payments although they approved the check register, which includes these expenditures, at each monthly Board meeting.

Recommendation

The Board establish procedures to ensure sufficient oversight of contracts is performed and provide direct oversight of the compensation paid to management companies and executive administration personnel.



Putnam County Memorial Hospital
Follow-up Report on Audit Findings
Status of Findings

Status

Partially Implemented

In September 2017, former CEO David Byrns informed the Board that he was retiring and selling his interest in the business to his business partner Jorge Perez, and subsequently resigned as the hospital's CEO. Prior to that, he appointed an administrator to assist with overseeing operations temporarily. In October 2017, the Board appointed long-time hospital employee and former Director of Nursing Gayle Pickens as CEO. If a new management company takes control of hospital operations, the Board intends to retain the CEO in her current position or a similar alternate position so there is proper oversight of the activities of the management company and the Board does not fully relinquish control of day to day operations.

The hospital discontinued paying the monthly management fee to Hospital Partners effective September 12, 2017. However after that date, hospital management continued to approve large wire transfers to Empower HIS LLC for billing fees, and approved wire transfers directly to the accounts of certain laboratories or other vendors associated with Empower HIS LLC without adequate documentation to support the amounts billed. For example, emails from January and February 2018 indicate the Controller of Empower HIS LLC routinely requested up to \$170,000 be wired immediately to his company and two other unknown vendors, without always providing sufficient supporting documentation as to the purpose of the transfer or how the transfer amount was determined. The current CEO indicated she and other personnel with accounting duties were repeatedly instructed by Byrns and his colleagues to follow instructions and directives of management and billing companies and not to ask any questions about the laboratory billings. As a result of the lack of documentation provided to the Board, the Board had little assurance the hospital was retaining the 14 percent of lab revenues allowed after paying approximately 80 percent of lab revenues for laboratory management fees and 6 percent of lab revenues to the billing company per the signed agreements. The hospital terminated the billing agreement with Empower HIS LLC as of April 20, 2018.

The Board's attorney and a consulting firm are currently working to determine if the hospital is owed any additional monies from the management company, laboratory management companies, or billing company. Board members indicated they will ensure any future contracts the hospital enters into include clear and definite terms for fees, expenses, reimbursements, and other forms of compensation.



Putnam County Memorial Hospital
Follow-up Report on Audit Findings
Status of Findings

1.3 Lack of Board
Oversight - Laboratory
contracts and
questionable laboratory
billings

The Board did not provide appropriate oversight of laboratory contracts entered into by the CEO/management company President. As a result, the hospital incurred unnecessary payroll costs, and was involved in questionable laboratory billing practices.

Laboratory contract and
payroll costs

In October 2016, the hospital contracted with Hospital Laboratory Partners, LLC¹ (Hospital Lab Partners) to operate all clinical and operational aspects of a clinical laboratory on behalf of the hospital. The Board did not formally approve the contract, did not provide any oversight of the terms of the contract, and was not aware of any of the contract's terms or the hospital's obligations to the contractor. Due to this lack of oversight, beginning in November 2016, the former CEO added payroll expenses of approximately \$68,000 per month for 33 phlebotomists to facilitate laboratory activity, in violation of the contract's terms.

As a result of our inquiries about these payroll expenses, the former CEO stated Hospital Lab Partners had reimbursed the hospital for the costs. However, in verifying this information the former CEO was only able to provide documentation of a journal entry on the hospital's financial system, but could not provide evidence that a check was deposited or monies wired into the hospital's bank account.

Questionable laboratory
billing practices

The hospital's laboratory contract with Hospital Lab Partners resulted in a significant increase of questionable revenues from laboratory billings of health insurance companies.

From November 2016 through February 2017 the hospital paid Hospital Lab Partners \$19.8 million for laboratory billings received. However, as of January 23, 2017, the hospital's Unionville, Missouri lab had not begun processing tests, according to discussions with the former CEO, but billings for the lab had begun immediately upon Hospital Partners signing the management agreement with the Board. Our review of lab billings received by the hospital indicated the originating activity was for out-of-state patients for lab work not conducted in Putnam County.

During the audit, the State Auditor's Office was contacted by the fraud examiner of a private insurance company in Florida that had recently denied claims of approximately \$700,000 from the hospital due to the excessive cost of the claims, a lack of documentation to support the claims, and indications the billings may be fraudulent. This individual referred us to a fraud

¹ Hospital Lab Partners was incorporated in Florida on October 13, 2016, and entered into the Putnam County Hospital laboratory contract on October 20, 2016.



Putnam County Memorial Hospital
Follow-up Report on Audit Findings
Status of Findings

investigator for a second, much larger, private insurance company who stated payments of up to \$4.3 million in what the company considered fraudulent claims had been paid to the hospital in recent months. Based on this information, the second insurance company was no longer paying any claims from the hospital because the billings submitted were pass-through billings, which were indicative of a fraud scheme. Continued use of such questionable laboratory billings could leave the hospital at risk.

Laboratory subcontractors

In addition to the lab management fees paid to Hospital Lab Partners, the hospital also paid approximately \$10.6 million in lab management fees without adequate supporting documentation to other subcontracted laboratories from November 2016 through February 2017. Without adequate documentation to support the expenditures there was no assurance the payments were for legitimate hospital business.

Questionable use of
phlebotomy services

The employment of 33 primarily out-of-state phlebotomists to perform pre-laboratory services throughout the country was a questionable practice, and could put the hospital at risk. Based on documentation provided by hospital personnel, the phlebotomists on the payroll work out of various medical practices throughout the country.

It was unclear why the CEO placed staff from 33 different medical practices on the hospital's payroll, however, such practices may not be legitimate, and could put the hospital at risk if questioned.

Recommendation

The Board recover payments made to laboratory-related staff and ensure laboratory contract terms are followed going forward, and provide additional oversight of laboratory activity to ensure activity being billed is appropriate.

Status

In Progress

The questionable laboratory billings are no longer occurring at the hospital. The Board terminated the management agreement with Hospital Partners, Inc. as of February 28, 2018, and terminated the billing agreement with Empower HIS LLC as of April 20, 2018. The hospital is currently performing billing duties in house with plans to issue a request for proposal for a new billing company in the near future. According to the Board, the hospital's legal counsel is continuing to research all agreements, contracts, and other correspondence established during the time Hospital Partners, Inc. managed operations and will take appropriate measures to recover any monies due to the hospital if there are any.

The Board removed all out-of-state phlebotomists from the hospital's payroll effective October 31, 2017. We found no indication the management company had reimbursed the hospital for the cost of these personnel, though the Board's attorney is considering this issue as part of his ongoing



Putnam County Memorial Hospital
Follow-up Report on Audit Findings
Status of Findings

investigation. According to the hospital's accounting records, the hospital paid approximately \$2.3 million to Empower HIS LLC, \$2.2 million to Hospital Laboratory Partners, LLC, and \$18.4 million to at least 10 other labs for billing and lab management fees from July 1, 2017 through April 30, 2018.

Similar laboratory billing practices to those discussed in the audit report have resulted in ongoing litigation between major private insurers and entities and individuals related to Hospital Partners. In a complaint filed in the U.S. District Court for the Northern District of Georgia, insurers allege Jorge Perez, Vice President of Hospital Partners, assisted "in the management of [a] pass-through billing scheme" at Chestatee Regional Hospital² located in Georgia causing plans to reimburse improper laboratory claims totaling approximately \$111 million. The complaint also states had the claims been billed to the plans directly by the laboratory or the other non-participating laboratories where the testing was performed, many of the claims would not have been paid, and those that were would have been paid at substantially lower rates. A similar practice at the former Campbellton-Graceville hospital in Florida resulted in one lab receiving about \$25 million in improper reimbursements. In 2015, a former laboratory company agreed to pay \$256 million to the U.S. Department of Justice to resolve allegations that it billed Medicare "many millions of dollars' worth" of urine drug testing claims that were "not reasonable and necessary or that were furnished pursuant to prohibited referrals" in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and other statutes.

The hospital has made efforts to increase legitimate lab activity. In an effort to continue to provide lab services and increase revenues, the hospital is processing approximately 20 lab specimens per day for a small hospital based in Arkansas, in addition to any activity generated from the hospital or the clinic. The hospital does not bill insurers directly for the services performed for the Arkansas hospital, but generates revenue through billing that hospital for services provided.

2. Financial Condition

The hospital was in extremely poor financial condition. According to discussions with the hospital's Controller, accounting firms had been unwilling to perform a financial statement audit of the hospital in recent years due to a lack of resources for payment.

The hospital's financial condition had steadily declined since we reported similar concerns in our 2 year-end December 31, 2011, audit report of Putnam County.³ In addition, several prior financial statement audit reports, including

² Complaint (Mar. 28, 2018), *Blue Cross and Blue Shield of Georgia, Inc., et al. v. DL Investment Holdings. LLC, et al.* N.D. Ga. (No. 1:18 CV 01304).

³ Report No. 2012-058, *Putnam County*, issued in June 2012.



Putnam County Memorial Hospital
Follow-up Report on Audit Findings
Status of Findings

the audit report for the year ended June 30, 2014, identified a going concern issue with the hospital (conditions and events given rise to substantial doubt about the entity's ability to continue).

The hospital's audited and unaudited financial information indicated net position had been consistently negative and continued to worsen, and the hospital had continued to operate at a deficit since at least the year ended June 30, 2013.

For the year ended June 30, 2016, actual revenues totaled \$7.5 million, or approximately 49 percent of the \$15.2 million budgeted revenues. In addition, although the hospital expended only \$11.1 million of the \$15.4 million expenditure budget, actual expenditures exceeded actual revenues by approximately \$3.6 million.

As the hospital's financial condition continued to worsen, hospital management began using tax anticipation notes and promissory notes to obtain funding to pay hospital expenses. From 2011 to 2015, hospital management financed funding of \$1,410,000 through various tax anticipation notes and promissory notes.

Accounts receivable and
accounts payable

The hospital had high levels of uncollectible accounts receivable, while at the same time experiencing high accounts payable balances. As of June 2016, accounts receivable totaled approximately \$5.5 million, of which 76 percent, or approximately \$4.2 million, remained uncollected after 120 days. According to the hospital's financial report, nearly \$3.6 million of the accounts receivable were likely uncollectible.

In addition, the Board meeting minutes indicated the hospital was extremely behind in making payments to vendors. As of June 2016, the hospital calculated it took, on average, 379 days to make payments to vendors and current accounts payable totaled approximately \$7.9 million.

After Hospital Partners began providing management services for the administration of the hospital in September 2016, the accounts payable were significantly reduced and the hospital entered settlement agreements.

Statewide performance
comparison

We obtained statewide hospital data from the Missouri Department of Health and Senior Services to evaluate the performance of the hospital relative to statewide averages of other critical access hospitals (CAH). Our analysis determined that despite an occupancy rate of 37.5 percent, which was higher than the statewide CAH average of 32.2 percent, the hospital generates revenues per bed and governmental revenues per Medicare discharge at a significantly lower rate than other peer hospitals.



Putnam County Memorial Hospital
Follow-up Report on Audit Findings
Status of Findings

CPA audits and cost reports

The hospital did not receive an independent CPA audit for fiscal year 2015 or 2016. In addition, the hospital did not submit required annual cost reports to the Centers for Medicare and Medicaid Services during this time period.

The lack of an independent CPA audit limited the reliability of financial information available to the Board for budgeting and planning purposes. In addition, the untimely completion and submission of cost reports to CMS could present significant potential liabilities to the hospital.

Recommendation

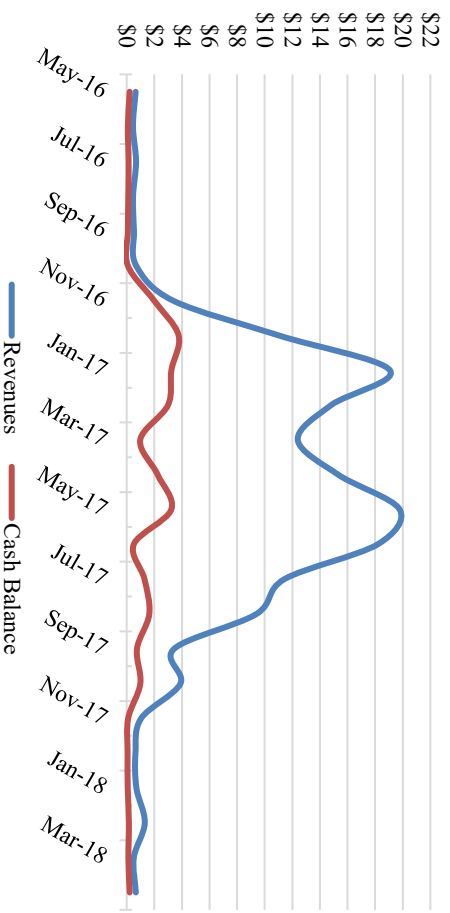
The Board better monitor the financial condition of the hospital and continue to explore all options to improve the hospital's financial condition, including a review of federal billing procedures, to ensure the healthcare needs of Putnam County citizens continue to be met.

Status

In Progress

The hospital's financial condition continues to be a concern. While the hospital's bank account balances improved while Hospital Partners was managing the hospital, balances have since returned to their original levels. See Figure 1 for a graph of hospital revenues and cash balances from May 2016 to April 2018.

Figure 1 : Revenues and cash balance, May 2016 to April 2018 (in millions)



Source: Hospital bank statements

Hospital Partners took over hospital operations in September 2016. As shown in the chart, the hospital's revenues and bank balance increased significantly shortly thereafter beginning in November 2016. Monthly revenues reached a high of nearly \$20 million in May 2017 before falling off sharply upon the release of our audit report in August 2017. As the chart shows the majority of the revenue coming into the hospital during this period did not remain in the hospital's bank account. As discussed previously, the majority of these revenues were transferred out to laboratory and management contractors.



Putnam County Memorial Hospital
Follow-up Report on Audit Findings
Status of Findings

Subsequent to the audit release, both revenues and the cash balance returned to similar levels as November 2016 and prior months; therefore, the laboratory billing arrangement questioned in the audit did not put the hospital in a significantly better financial position in the long term. The Board has worked to reduce the hospital's long and short term liabilities, and accounts payable were current (less than 30 days) as of February 2018. The only remaining significant long-term liability is a bond issuance that requires payments through 2033, and hospital personnel indicated the property and sales tax monies collected have generally been enough to make these annual debt service payments.

To help address the financial condition the Board signed an engagement letter with a consulting firm in March 2018 to provide various accounting and consulting services "including, but not limited to, (1) analysis of management arrangement and financial position and (2) identifying and analyzing options for an alternative management arrangement and sale and/or lease options." The Board indicated the consultant may also help determine the status of compliance with critical documentation or other requirements associated with federally funded healthcare, consult with the Board on ways to increase revenues or decrease expenses, and perform an assessment of potential or actual demands and/or claims from insurance companies and monitor the status of recoupments of overpayments due, if applicable.

To increase revenues, the Board continues to perform lab testing for another hospital at a competitive rate and is exploring the potential to market the hospital as a qualified substance abuse medical stabilization (detox) facility, which would potentially increase the number of inpatient bed days. Due to the ongoing opioid crisis at the local, state, and national level, Board members indicate they feel very strongly about the need for this service because they have noted an extreme shortage of doctors in the northern half of Missouri with credentials to prescribe the most commonly used prescription medication for treating opioid withdrawals (Suboxone). The hospital employs two doctors who have these prescribing rights. Patients would then be seen in the outpatient clinic to monitor their medical status. The Board is investigating this option as a possible pilot project and has been in discussions with the Missouri General Assembly and Missouri Department of Mental Health, as well as providers of counseling or other behavioral services.

Based on the lawsuits referred to in Section 1.3, there is more than a remote risk of the hospital facing similar types of lawsuits from insurance companies but the probability of that occurring and the timing is not determinable. This risk, coupled with the hospital being heavily reliant on federal sources of patient service revenue like Medicaid and Medicare, could quickly destabilize the hospital's financial condition if lawsuits are filed or reductions occur in these programs.



Office of Missouri State Auditor
Nicole Galloway, CPA

Department of Conservation



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Conservation

Director Compensation	The Missouri Department of Conservation's (MDC) practice of providing compensatory time to the MDC director provides the director unnecessary additional benefits; and this practice, along with the terms and administration of a separation and release agreement, provided the former Director significant additional benefits after his termination. In total, the MDC provided over \$120,000 in additional benefits to the former Director after his termination.
Compensatory Time Policies	The MDC has not established limits on employee accruals for one type of compensatory time, resulting in an accumulated balance of approximately \$2.4 million as of June 30, 2017. The MDC grants compensatory time to top level supervisory and managerial staff, such as deputy directors and division chiefs. These practices are inconsistent with policies of other state agencies, and appear unnecessary and/or costly.
Commission Flights	As noted in previous audits, the MDC's practice of transporting commissioners and employees for commission-related business via airplane results in questionable and excessive expenses to taxpayers.
Reemployed Retirees	As noted in a previous audit, the MDC does not have adequate procedures to ensure retirees reemployed part-time are being properly classified. As a result, some reemployed retirees may have been incorrectly classified as working in non-benefit eligible positions, and therefore, erroneously received their retirement payments while reemployed.
Travel Meals	Despite recommendations in our prior audit and an MDC internal audit, the MDC has not established limits for employee meal purchases while traveling as required by state travel regulations and executive order, and some meal costs exceeded the Office of Administration established per diem rates.
Real Estate Appraisal Services	MDC procedures do not provide for adequate verification or assurance amounts billed to the MDC for real estate appraisal services comply with statewide contract pricing.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Conservation

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Conservation Commission
and
Sara Parker Pauley, Director
Department of Conservation
Jefferson City, Missouri

We have audited certain operations of the Department of Conservation in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2017 and 2016. The objectives of our audit were to:

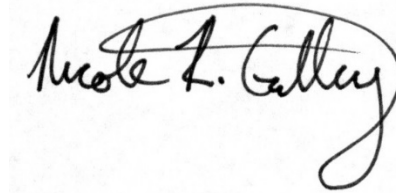
1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Conservation.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written between the first and last names.

Nicole R. Galloway, CPA
State Auditor

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Department of Conservation

Management Advisory Report

State Auditor's Findings

1. Director Compensation

The Missouri Department of Conservation's (MDC) practice of providing compensatory time to the MDC director provides the director unnecessary additional benefits; and this practice, along with the terms and administration of a separation and release agreement, provided the former Director significant additional benefits after his termination. In total, the MDC provided over \$120,000 in additional benefits to the former Director after his termination.

The MDC's separation and release agreement (the agreement) with former Director Robert Ziehmer had significant weaknesses. The agreement (1) was not supported by documented justification of need or purpose, (2) included excessive compensation that was not a prudent use of MDC resources or in the best interest of Missouri taxpayers, (3) lacked clear and definite terms and conditions, and (4) deviated from MDC policy and standard practices for state employee terminations. The former Director's termination was effective July 15, 2016. While not explicitly stated in the agreement, the former Director remained on the payroll and continued to receive salary payments and benefits for approximately 10 months after termination at his final director annual salary of about \$140,000.¹ After termination, the former Director received the following benefits in addition to the value of his maximum payable annual leave balance of approximately \$22,600: (1) approximately \$76,000 for compensatory time earned during his 20 years of employment, (2) over \$19,300 for various other benefits earned after termination, including annual leave, holiday pay, and paid health insurance premiums, (3) approximately \$5,600 for annual leave in excess of the maximum allowed payout, and (4) additional credited service for future retirement benefits (MDC cost of approximately \$19,800).

The agreement stated, "To ensure an amicable parting, the Parties wish to compromise, resolve and settle, finally and forever, any claims and causes of action that were or could have been asserted by the Employee against MDC. . . ." The agreement, which overrides MDC policy, stated the former Director would (1) resign and could no longer act on the MDC's behalf as of July 15, 2016, (2) remain on the MDC's payroll solely for the purpose of using his accrued annual leave and compensatory time balances, (3) be removed from the payroll upon exhausting his accrued leave balances, and (4) remain eligible to participate in the MDC's employee benefit plan until removed from the MDC's payroll. The agreement specified he would be paid his full compensatory time balance as of June 1, 2016. At the time of his termination, the former Director's compensatory time balance was 1,129 hours (valued at about \$76,000 based on his equivalent hourly rate of pay) and his annual leave

¹ Equivalent to \$67.31 hourly (annual salary of \$140,000 divided by 2,080 hours).



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balance was 419 hours (valued at about \$22,600² based on his equivalent hourly rate of pay).

The Conservation Commission appointed a new director effective November 2016.

1.1 Director compensatory time

The MDC's practice of providing compensatory time to the director is unnecessary based on the nature and requirements of the position. In addition, the agreement to pay the former Director for all accrued compensatory time was not consistent with MDC policy and cost the state approximately \$76,000.

The former Director began his career at the MDC in 1996. He served in various positions until he was ultimately appointed director effective November 2009. His compensatory time balance was 720 hours at the time he became director and 1,129 hours at the time of his termination. He used approximately 88 hours of compensatory time during the year prior to his termination. The current Director's compensatory balance was 206 hours at July 1, 2017, and she used 16 hours of compensatory time in her first 8 months in the position.

Compensatory time earned

As discussed in Management Advisory Report (MAR) finding number 2, MDC policies provide compensatory time to employees exempt from the Fair Labor Standards Act (FLSA) at a rate of 0.5 hour or 1 hour for each hour worked in excess of a 40-hour work week; however, providing such compensatory time to the director is an unnecessary cost to the state. Similar to any other state agency or department director, there are times the director must perform his or her duties over and above the normal 40 hour work-week, and the general expectation is the extra time worked should be covered by the director's annual salary. No other state agency or department director earns compensatory time; therefore, it is unreasonable to provide this additional benefit to the MDC director.

Compensatory time paid

The MDC's agreement to pay the former Director for his compensatory time balance was not consistent with MDC policy and cost the state approximately \$76,000.

The former Director remained on MDC payroll subsequent to his termination until his compensatory time and annual leave balances were exhausted. Payments for his compensatory time balance of 1,129 hours totaled approximately \$76,000 (1,129 hours at \$67.31 per hour). This compensatory time, earned throughout his 20 years of employment, was paid entirely at his

² Maximum payable annual leave balance of 336 hours, per MDC policy.



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higher director rate of pay although only approximately 36 percent of the balance was earned while he was Director.

According to the MDC's Human Resources Policy, employees who are exempt from the FLSA will not be paid for compensatory time earned at any time, including termination or retirement, except in unique circumstances such as out-of-state firefighting.

Additional concerns with the MDC's compensatory time policies are discussed in MAR finding number 2.

1.2 Former Director's separation agreement

The compensation provided to the former Director through the agreement appears questionable and unnecessary. In total, after his termination, the former Director was provided various benefits costing the MDC an estimated \$120,700.

Table 1.1: Estimated cost of
benefits provided

Type of Benefit	Amount
Accrued compensatory time	\$ 76,000
Additional benefits earned ¹	19,300
Excess annual leave payments	5,600
Additional credited service ²	<u>19,800</u>
	\$ 120,700

¹See Table 1.2 below.

²MDC contributions to the retirement system for future retirement benefits.

This level of compensation appears excessive for an "at-will" director position and is not in the best interest of the MDC or taxpayers. The MDC did not prepare documentation supporting the purpose or need for the agreement. MDC officials indicated this was a "confidential personnel matter," and the establishment of the agreement was well within the Commission's powers.

The agreement did not clearly define the process for payout of accrued annual leave and compensatory time balances, and the MDC's administration of the payout provided the former Director additional benefits over and above the compensation specified in the agreement, and significantly more than he would have received if policies and standard procedures were followed. Instead of making a lump sum payment to the former Director for his compensatory time and annual leave balances, which is the standard practice for terminated state employees, the MDC retained him on the payroll as an active employee until these balances were exhausted. Each semi-monthly pay period, the MDC reduced his annual leave and/or compensatory balances by about 87 hours, until these balances were zero. The former Director remained on the MDC's payroll until May 23, 2017, approximately 10 months after his termination. During this 10-month period, he continued to receive regular



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semi-monthly paychecks and earn benefits of an active employee although he was no longer performing any work on behalf of the MDC and had accepted full-time employment in the private sector.

The agreement specified the former Director would remain on the MDC's payroll after termination solely for purposes of using his annual leave and compensatory time balances and he would be removed from the payroll after exhausting these balances. However, the agreement did not state how long he should remain on payroll or whether he should continue to earn the benefits of an active employee. The only benefit addressed in the agreement was the Missouri Conservation Employee Benefit Plan. The agreement stated the former Director would be eligible to participate in this plan while on payroll after termination, but it did not state whether the MDC or the former Director would pay his health insurance premiums. It appears the Commission intended to pay the accrued annual leave and compensatory balances over a period of time, but the Commission was not provided with, and did not discuss, the additional costs of retaining him on the payroll as an active employee.

Additional benefits earned
and paid after termination

Because the former Director remained an active employee on the payroll after termination, he earned additional annual leave and holiday pay, further extending his time on the payroll to a total of 10 months. The following table shows the additional benefits earned and paid to the former Director during the 10-month period.

Table 1.2: Additional benefits
earned

Type of Benefit	Hours	Rate	Total
Annual leave	140	\$ 67.31	\$ 9,423
Holiday pay	88	67.31	5,923
Health insurance premiums ¹	n/a	399.10	<u>3,991</u>
			\$ 19,337

¹The amount shown is the semi-monthly employer's share. He remained on the MDC's insurance plan for 5 months (10 pay periods) before he voluntarily terminated his coverage in December 2016.

As shown in the table, during this period, the former Director continued to accrue 7 hours of annual leave semi-monthly, and received holiday pay for 11 state holidays. In addition, the MDC paid the former Director's health insurance premiums for 5 months.

State agencies use the Statewide Advantage for Missouri (SAMII) integrated financial and human resource management system for processing payroll. According to the SAMII Human Resource Policies and Procedures Manual, the standard practice when an employee terminates from a state agency is to liquidate his or her compensatory and annual leave balances by issuing a check for a lump sum after the termination date. MDC officials indicated they typically follow these procedures when an employee terminates, but could not



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	<p>explain why the MDC deviated from standard practice for paying the balances to the former Director.</p>
Excess annual leave payments	<p>Because the former Director remained on the payroll as an active employee instead of receiving a lump sum payout, he was paid his entire accumulated annual leave balance of 419 hours, instead of the maximum annual leave accrual of 336 hours, a difference of 83 hours. As a result, the former Director received approximately \$28,200 for his accumulated annual leave balance instead of approximately \$22,600, an increase of approximately \$5,600.</p> <p>The MDC's Human Resources Policy states "upon leaving the department, employees may be paid for the unused annual leave up to the maximum amount they may retain." For the former Director's years of service, the policy provides a maximum leave accrual of 336 hours.</p>
Additional credited service	<p>In addition to the paid benefits shown above, the former Director continued to accrue credited service toward future retirement benefits while remaining on the payroll as an active employee after termination.</p> <p>During the 10 months he remained active on the state payroll after his termination, the former Director received additional months of credited service with the Missouri State Employee Retirement System (MOSERS). During this period, the MDC made contributions totaling approximately \$19,800 to the MOSERS on behalf of the former Director. If the MDC had paid the former Director a lump sum for accrued compensatory time and annual leave at the time of his termination, he would not have received the additional 10 months of service credit and the MDC would have saved \$19,800.</p> <p>Benefit-eligible MDC employees earn service credit in the MOSERS as defined by Sections 104.010.1(16) and 104.1003.1(9), RSMo. Sections 104.1021 and 104.1018, RSMo, provide that employees stop earning credited service when they are no longer employed in a covered position. As noted above, the agreement did not specify the former Director would continue accruing MOSERS service credit after his termination, and it is unreasonable that he was allowed to continue accruing service credit when he was no longer performing any work for the MDC.</p>
Conclusion	<p>Article IV, Section 42, of the Missouri Constitution requires the Conservation Commission to appoint a director. The MDC's Human Resources Policy indicates employment with the department is "at-will", and based on the condition of mutual consent, the employee or the MDC can terminate the employment relationship at any time, for any reason, with or without cause or notice.</p>



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Separation and release agreements should be reasonable and necessary and supported by adequate documentation justifying the need for the agreement. To prevent unnecessary additional costs, the MDC should review the propriety of including additional compensation in separation and release agreements and refrain from future arrangements similar to the agreement with the former Director. If providing additional compensation and/or benefits is necessary, the terms of the compensation and/or benefits should be clearly detailed in the agreement.

Recommendations

The MDC:

- 1.1 Discontinue the practice of providing compensatory time to the MDC director.
- 1.2 Reconsider the appropriateness and need for separation and release agreements in the future, and ensure such agreements are supported by justifiable and documented reasons and include clear and definite terms. Ensure additional compensation and benefit terms included in separation and release agreements are in the best interest of the MDC and taxpayers. The MDC should notify the MOSERS of the credited service awarded to the former Director after termination.

Auditee's Response

- 1.1 *At the Conservation Commission's direction, in April 2017 the department undertook a review of all compensation and benefits, including paid leave. In October 2017, the Commission took steps to address compensatory time balance concerns, which will go into effect July 1, 2018. The existing COMPS leave category will be replaced with a new leave category for staff that will be expunged on an annual basis and will not be paid out upon termination or retirement.*
- 1.2 *The Commission believes that the separation and release agreement was appropriate, and the terms and conditions were in the department's best interest. The department provided all required information to MOSERS as with any other employment separation.*

Auditor's Comment

- 1.2 The MDC notified the MOSERS when the former Director was taken off of the payroll, not when he terminated employment. Notifying the MOSERS of the 10 months of credited service awarded the former Director after termination is necessary to ensure any needed adjustments to his retirement benefit can be made.

2. Compensatory Time Policies

The MDC has not established limits on employee accruals for one type of compensatory time, resulting in an accumulated balance of approximately \$2.4 million as of June 30, 2017. Also, the MDC grants compensatory time



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to top level supervisory and managerial staff, such as deputy directors and division chiefs, who are exempt from the FLSA.³ These practices are inconsistent with policies of other state agencies, and appear unnecessary and/or are costly to the state.

According to MDC records, approximately 1,200 MDC employees had compensatory time balances totaling 116,500 hours valued at over \$2.9 million as of June 30, 2017. The compensatory time balances of those employees averaged 98 hours, and ranged from less than 1 hour to 1,068 hours per employee. As shown in Table 2.1 below, only about \$241,000 of the \$2.9 million (8 percent) total compensatory time liability is required to be provided to employees under the FLSA, while the remaining \$2.7 million (92 percent) is provided by the MDC over and above FLSA requirements. Compensatory time balances increased by 17 percent during the audit period, from approximately 99,800 hours as of June 30, 2015, to about 116,500 hours as of June 30, 2017. MDC officials indicated the increase is attributed to many factors including (1) expansion of chronic wasting disease testing, (2) increase in staff and/or staff hours allocated to wilderness firefighting in other states, (3) emergency maintenance and repair at MDC recreational areas and/or facilities, and (4) other unexpected natural disasters such as flooding.

Compensatory time policies

The MDC's Human Resources Policy provides three types of compensatory time to employees. The first type is provided to employees in non-exempt positions in accordance with the FLSA. The other two types of compensatory time are provided to employees in exempt and/or non-exempt positions, over and above the FLSA requirements. The three types of compensatory time include the following:

- Compensatory Non-Exempt time (COMPN) may be earned by all employees in non-exempt positions subject to the FLSA. COMPN is earned at a rate of 1.5 hours for every hour physically worked over 40 hours in a workweek. Employees may not accrue more than 240 hours of COMPN at any point in time as mandated by the FLSA.
- Compensatory Exempt time (COMPE) may be earned by employees in positions exempt from the FLSA. COMPE is earned at a rate of 0.5 hours for every hour physically worked over 40 hours in a workweek. Employees may not use more than 80 hours of COMPE in a calendar

³ The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in federal, state, and local governments. MDC salaried employees occupy either non-exempt or exempt positions according to guidelines established under the FLSA, which depend on the nature of work performed. All hourly positions are considered non-exempt.



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year, and employees must forfeit any COMPE balance remaining at December 31st of each calendar year.

- Compensatory Straight time (COMPS) may be earned by all employees, regardless of whether they are in non-exempt or exempt positions. COMPS is earned at a rate of 1 hour for every hour physically worked over the expected number of hours in a workweek containing a state holiday or other type of special leave (bereavement leave, jury duty, military duty, and special leave). For example, if an employee physically works 40 hours during a week containing a holiday, he/she would earn 8 hours of COMPS for the 8 hours worked in addition to the expected 32 hours. There is no limit on the amount of COMPS that can be earned or accrued.

The policy states exempt employees will not be paid for compensatory time earned at any time, including termination or retirement, except in unique circumstances, such as out-of-state firefighting. All exceptions require written justification by the division and approval by the director.

Below is a summary of the MDC employee compensatory time balances and related liabilities, by type, as of June 30, 2017.

Table 2.1: Compensatory time balances

Type	Number of Hours		Total	Liability
	Non-Exempt Employees	Exempt Employees		
COMPEN	11,675	944 ¹	12,619	\$ 241,000
COMPE	-	10,818	10,818	298,000
COMPS	26,341	66,722	93,063	2,406,000
Total	38,016	78,484	116,500	\$ 2,945,000

¹Some employees in exempt positions as of June 30, 2017, earned COMPEN hours while working in non-exempt positions; therefore, they have both COMPEN and COMPE balances.

2.1 COMPS limits

The MDC has not established limits on the amount of COMPS that can be earned or accrued. By not limiting COMPS hours, the MDC has accrued a COMPS liability of approximately \$2.4 million as of June 30, 2017, that comprises about 82 percent of the total compensatory time liability.

As noted in Table 2.1, about 93,000 hours were COMPS hours. Of these 93,000 hours, approximately 26,300 were accrued by employees in non-exempt positions. The MDC is liable for either paying these hours upon employee termination or providing these hours as leave time during employment. For the approximately 66,700 hours accrued by employees in exempt positions, MDC policy prohibits payment for the hours upon termination, but the MDC is still liable for any hours used as leave time during employment.



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To determine the potential impact COMPS limits would have on compensatory time liabilities, we reviewed individual employee COMPS balances as of June 30, 2017. We noted 393 employees had COMPS balances exceeding 80 hours, and estimated the MDC liability for COMPS would be reduced to \$1.1 million (a reduction of \$1.3 million) if the COMPS accrual was limited to 80 hours per employee. We noted 88 employees had COMPS balances exceeding 240 hours and estimated the liability for COMPS would be reduced to \$2 million (a reduction of \$400,000) if the COMPS accrual was limited to 240 hours per employee.

We reviewed compensatory time policies at 6 randomly selected state agencies, including 3 merit⁴ agencies and 3 non-merit agencies.⁵ All 6 agencies have established policies that either limit compensatory time accruals or require any compensatory time not used to be forfeited at the end of the year for all or most employees. These policies help minimize the agencies' compensatory time liabilities. Without limiting compensatory time accruals, the MDC could experience increases to already significant liabilities, strains on financial resources, and/or difficulties sufficiently budgeting for future liabilities.

2.2 Top level exempt positions

Granting compensatory time to top level supervisory and managerial staff, such as deputy directors and division chiefs, appears unnecessary and costly.

Our review of individual employee compensatory balances as of June 30, 2017, noted the MDC employees with the highest total compensatory time balances included two deputy directors and a division chief. Together, these 3 exempt employees had compensatory time balances totaling over 3,000 hours, an average of about 1,000 hours per employee. A significant portion of the MDC's compensatory time liability could be reduced if compensatory time was not offered to top level employees who are exempt from the FLSA.

Section 13(a)(1) of the FLSA provides an exemption from overtime (compensatory) pay for employees who are employed in a bona fide executive, administrative, or professional capacity. State merit agencies are required to comply with 1 CSR 20-5.010(1)(C) which states, "Work authorized by an appointing authority for top level supervisory, managerial and administrative staff and for persons employed in a very responsible professional, technical or consultative capacity which causes the employee to

⁴ The Missouri Merit System is a personnel system established by law that governs the appointment, promotion, transfer, layoff, removal, and discipline of employees of certain agencies.

⁵ Merit agencies: Department of Natural Resources, Department of Health and Senior Services, and Department of Social Services. Non-merit agencies: Department of Higher Education, Department of Labor and Industrial Relations, and Department of Elementary and Secondary Education.



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exceed forty (40) hours in pay status during a workweek, shall not be compensated except in unusual circumstances as determined by the appointing authority." While the MDC is not a merit agency subject to these requirements, it is unreasonable for the MDC to provide compensatory time to top level exempt employees when such compensation is not provided to most other state employees in similar positions.

Recommendations

The MDC:

- 2.1 Establish limits on accruals of COMPS.
- 2.2 Amend the compensatory time policy to disallow compensatory time to top level FLSA-exempt supervisory and managerial staff.

Auditee's Response

At the Conservation Commission's direction, in April 2017 the department undertook a review of all compensation and benefits, including paid leave. In October 2017, the Commission took steps to address compensatory time balance concerns, which will go into effect July 1, 2018. The existing COMPS leave category will be replaced with a new leave category for staff that will be expunged on an annual basis and will not be paid out upon termination or retirement.

3. Commission Flights

The MDC's practice of transporting commissioners and employees for commission-related business via airplane results in questionable and excessive expenses to taxpayers. Commission-related business includes flights for regularly scheduled commission meetings, legislative activities, training and networking events, speaking engagements, and other purposes. Transportation of commissioners and employees by car instead of plane would have resulted in significant cost savings.

As previously noted in Report No. 2015-003, *State Flight Operations*, issued in January 2015, the MDC does not ensure passenger flight services represent the most efficient method of travel and regularly flies commission members to commission meetings held across the state. During the 2 years ended June 30, 2017, MDC flight records show 36 one-way and/or round-trip flights for the purpose of transporting commissioners and/or employees to 18 commission meetings held across the state.

The MDC owns and operates 3 passenger planes (1 with a pressurized cabin) and a helicopter, all of which are located in Jefferson City. The pressurized passenger plane is shared with the Missouri Department of Transportation (MoDOT). The other aircrafts can be used for passenger transport but are primarily used for various purposes to further the MDC's mission, including deer telemetry, fire patrol, wildlife code enforcement, and other research and resource management purposes. Since the prior audit, the MDC has



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discontinued the practice of using charter flights for commission-related business.

Transporting commissioners who reside in various cities across the state requires the use of multiple flights to gather individual commissioners and/or employees for commission meetings. The four commissioners who served during the 2 years ended June 30, 2017, were from Jefferson City, Columbia, St. Louis, and Sikeston. During this period, the MDC held 11 commission meetings in Jefferson City or Columbia and 7 meetings in other locations, including Van Buren, Winona, West Plains, St. Charles, Ashburn, Hannibal, and Salem. The number of flights per meeting depended on the meeting location. There was at least one flight for each meeting, and an average of two flights per meeting. As previously noted in the *State Flight Operations* report, the state of Missouri has numerous state commissions and boards, but the MDC and the MoDOT were the only state agencies that regularly flew commissioners and employees to commission meetings and for other commission-related business. Commission members of other state commissions and boards typically receive motor vehicle mileage reimbursement to cover travel costs.

The MDC has not analyzed and compared the costs of transporting commissioners and employees for commission-related business via plane versus car. The MDC developed a trip optimizer form to evaluate the costs of various methods of travel, but does not require it to be used for travel by high ranking officials including commissioners, the director, or deputy directors. Using hourly flight operating rates calculated by the MDC at our request, we estimated and compared the cost of flying versus driving for several commission meetings. The MDC's hourly flight operating rates include direct and indirect costs such as fuel, repairs, pilot salary and benefits, insurance, training, and various other costs for each plane. In this analysis, which did not include personnel costs,⁶ we noted the cost of driving (mileage reimbursement) was always significantly less than the cost of flying as shown by the following examples:

- In December 2015, the MDC flew a commissioner on the pressurized plane round-trip from Stuttgart, Arkansas to Jefferson City, Missouri. We estimate transportation by car would have cost approximately \$300 and transportation by aircraft cost approximately \$5,500, a difference of about \$5,200. Also, there was no documentation supporting why a commissioner was transported from out of state.

⁶ Our analysis did not include the cost of MDC employee time. MDC commissioners are not compensated.



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- In June 2017, the MDC flew a commissioner on the pressurized plane one-way from Sikeston, Missouri to Chesterfield, Missouri to attend a commission meeting in St. Charles, Missouri. We estimate transportation by car would have cost approximately \$50 and transportation by aircraft cost approximately \$2,400, a difference of about \$2,350.
- In July 2015, the MDC flew a deputy director on a non-pressurized plane round trip from Jefferson City, Missouri to Mountain View, Missouri to attend a commission meeting held in Van Buren, Missouri. We estimate transportation by car would have cost approximately \$100 and transportation by aircraft cost approximately \$800, a difference of about \$700.

Although Article IV, Section 40(a), of the Missouri Constitution requires the MDC commissioners to receive necessary traveling expenses, it does not require they travel by aircraft. Operation of state-owned aircraft is governed by state policy (SP-8) with the purpose to "ensure aircraft under the control of the state of Missouri are utilized in the most efficient and effective manner in the conduct of state business." The state aircraft policy indicates the department should consider the following factors prior to authorizing the flight. The flight should be (1) a necessary and reasonable means to achieve the business purposes of the agency; (2) the most efficient manner of travel considering cost, value of staff time, security, and required timeliness of travel completion; and (3) tied directly to the achievement of a clear business objective. The MDC should evaluate these factors and the costs of travel by aircraft versus car to determine if travel by aircraft is reasonable and necessary.

Recommendation

The MDC reevaluate the necessity of providing state plane transportation to commissioners and personnel for commission-related business.

Auditee's Response

The department disagrees with the suggestion that use of aircraft for transportation is not cost effective. Conservation commissioners serve without compensation by providing thousands of hours of volunteer time attending meetings and representing all areas in the state. In addition to their volunteer duties as commissioners, these dedicated individuals are fully engaged in their own professions. The efficiency of travel by plane has enabled these commissioners to participate in Conservation business meetings, department events, and public meetings throughout the state.

The bulleted examples indicating "the cost of driving was always significantly less than the cost of flying" do not include the value of staff or Commission time. The example calculations only include mileage reimbursement and do not include the amount of time savings for either the Deputy Director or Commissioners.



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Since fiscal year 2018, a trip optimizer has been used for all employee transportation flights including deputy directors and the director. The trip optimizer includes the salaries of the employee(s) being transported in the calculation, thereby including the value of staff time when doing a comparison. To date, the optimizer reflects over \$12,000 in efficiencies when including the value of staff time. A similar analysis was done for fiscal year 2017 with \$10,000 in efficiencies calculated.

4. Reemployed Retirees

As previously noted in Report No. 2014-021, *Reemployment of State Retirees*, issued in March 2014, the MDC does not have adequate procedures to ensure retirees reemployed part-time are being properly classified. As a result, some reemployed retirees may have been incorrectly classified as working in non-benefit eligible positions, and therefore, erroneously received their retirement payments while reemployed. During the 2 years ended June 30, 2017, according to MDC records, 34 reemployed retirees worked in part-time, non-benefit eligible MDC positions. Of these 34 retirees, 26 retired from the MDC and 8 retired from other agencies.

Various state laws require most state retirees reemployed in benefit-eligible positions normally requiring 1,040 or more hours per year to have their retirement payments suspended while reemployed.⁷ According to MDC officials, for budgetary purposes the MDC defines work year as fiscal year. Determining compliance with the various state laws and evaluating whether part-time employees are properly classified can be difficult because the law is based on position requirements rather than actual hours worked. While a position may normally require less than 1,040 hours per year, there are reasons why a retiree may work 1,040 or more hours in a year, such as projects with expedited timelines, project extensions, employee illnesses, or delays in hiring replacements.

Retirees who worked more than 1,040 hours

Our review found 9 of the 34 retirees (26 percent) worked 1,040 or more hours during one or both fiscal years during the 2 years ended June 30, 2017 (fiscal year 2016 and/or fiscal year 2017). Of these 9 retirees, 6 retirees worked more than 10 percent over that threshold (1,144 hours or more), and worked between 1,186 and 1,384 hours in a fiscal year.

MDC officials indicated the department generally prohibits hiring retirees as full-time employees, and only hires retirees in part-time, non-benefit eligible positions. The MDC's salary administration policy states retirement benefit payments may be stopped if a MOSERS or MPERS retiree is rehired as an

⁷ This does not include retirees of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System Closed Plan (MPERS), Judicial Closed Plan, and the Administrative Law Judges and Legal Advisors' Plan.



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employee and works 1,000 hours or more. Therefore, these individuals must be limited to less than 1,000 hours of hourly employment. However, the MDC has not established centralized procedures to monitor for compliance with MDC policy or state law. MDC officials indicated because all reemployed retirees are hired in non-benefit eligible positions, there has been no demonstrated need for central office personnel to monitor actual hours worked for purposes of monitoring retirement benefits. The MDC delegates this responsibility to individual supervisors and instructs supervisors to monitor hours worked by retirees to ensure they do not consistently exceed annual limits.

Because the MDC delegates the monitoring responsibilities to supervisors and does not maintain records regarding the monitoring, MDC central office personnel were unable to explain why the 9 reemployed retirees were allowed to work more than 1,040 hours during fiscal year 2016 and/or fiscal year 2017.

Potential improper
classification

Some of the 9 retirees may have been improperly classified and received retirement payments while reemployed, when not eligible to do so. We selected 3 of the 9 reemployed retirees (each worked more than 1,040 hours during both fiscal years 2016 and 2017), and talked to their immediate supervisors about their monitoring procedures. Each of the supervisors indicated they had monitored the employees' hours worked and they were aware the employees had worked more than 1,040 hours; however, they did not maintain documentation supporting their monitoring or the reasons the employees were allowed to work in excess of annual limits. The supervisors indicated these employees were in positions that typically require less than 1,040 hours per year, but unusual circumstances occurred each year that required them to work additional hours. These circumstances included special and/or urgent projects and employee vacancies.

MDC officials indicated annual hourly employment memorandums prepared by supervisors for each part-time employee, and signed by the employee and supervisor, serve as formal evaluations of positions and support the continued classification of positions as non-benefit eligible. However, for these 3 retirees, the hourly employment memorandums completed for fiscal year 2017, showed 2 retirees were in positions classified as "976 to 1,300 hours" and 1 retiree was in a position classified as "1,601 hours and above." Supervisors were not able to explain why the forms stated these employees were expected to work, or could work, more than 1,040 hours. Arrangements with reemployed retirees to work more than 1,040 hours, or that include ranges of hours that exceed 1,040 hours, appear to violate state law requiring retirees reemployed in positions normally requiring 1,040 or more hours annually to be classified as benefit eligible and for retirement payments to be suspended while employed.



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Conclusion

When a retiree working in a non-benefit eligible position works 1,040 hours or more in a year, the MDC should determine whether (1) the employee has exceeded this limit due to short-term, unforeseen circumstances and should continue to be classified as non-benefit eligible, or (2) the position has effectively changed and should be reclassified as benefit eligible. MOSERS guidance distributed to all state agency human resource representatives in May 2014 states if a retiree returns to work in a position that is ongoing or permanent and normally requires the person to work 1,040 or more hours per year, the position should be reported as benefit-eligible and the MOSERS will stop the retiree's retirement benefit. The MDC needs to improve procedures regarding reemployment of retirees to reduce the risk of noncompliance with laws and to provide for fair and equitable treatment of retirees and state employees. Such procedures should require centralized monitoring of actual hours worked and documented evaluations of instances when retirees in non-eligible positions work more than 1,040 hours in a year.

Recommendation

The MDC establish procedures to ensure benefit eligibility classifications for reemployed retirees are proper. The MDC should perform a formal review of all existing employment arrangements with reemployed retirees. If it is determined a retiree has been incorrectly classified or the nature of a position has changed, the MDC should make corrections to ensure compliance with state laws, and consult with the MOSERS and/or the MPERS as appropriate.

Auditee's Response

As stated during our conversations with the State Auditor's Office, all retirees returning to work in hourly positions are classified as non-benefit eligible, and are expected to work less than 1,000 hours per year as specified in policy. The department will improve our communication and procedures regarding reemployment of retirees to ensure centralized monitoring of actual hours worked and clear documentation of rare instances when retirees are required to work more than 1,000 hours per year.

5. Travel Meals

Despite recommendations in our prior audit and an MDC internal audit, the MDC has not established limits for employee meal purchases while traveling as required by state travel regulations and executive order, and some meal costs exceeded the Office of Administration (OA) established per diem rates.

Employees pay for most travel expenses, including meals for themselves and other employees, with department-issued procurement cards. Receipt slips supporting each meal purchase are attached to monthly procurement card statements and reviewed by the employee's supervisor and Administrative Services division personnel prior to payment. Expenditures for employee meals while on travel status totaled about \$915,000 during the 2 fiscal years ended June 30, 2017.



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The MDC's travel policy states travel expenses should be reasonable and necessary and comply with current State of Missouri Travel Regulations; however, the policy does not include any dollar limits on meal purchases for employees on travel status. State travel regulation, 1 CSR 10-11.010(4), states, "Departmental regulations shall not grant expenses that are not allowed under the state of Missouri travel regulations or policies established by the commissioner of administration." The state travel policy (SP-6) issued by the OA establishes standard policies and limits for state employee meal purchases while on travel status. The policy allows agencies to (1) pay the statewide meal per diem established by the OA, (2) pay a meal per diem that is lower than the statewide meal per diem, or (3) reimburse the employee for the actual meal expenses incurred, not to exceed the statewide meal per diem. However, the MDC has not adopted any of these options, and allows employees to purchase meals without any limits.

Since the MDC pays actual meal expenses without limit, the MDC could pay more than allowed by the state travel policy for some meals. We reviewed 19 meal purchases made by employees on travel status. For 13 of the 19 meal purchases (68 percent), statewide per diem rates were exceeded by \$1 to \$8 per meal, with an average excess of about \$4.

A 2015 MDC internal audit of in-state meal purchases recommended the MDC establish reasonable meal limits that are advisory in nature and would trigger additional supervisory review and approval when exceeded. The internal audit reviewed over 1,600 meals and determined average meal costs of \$9.20 for breakfast, \$10.61 for lunch, and \$16.22 for dinner; and found the highest meal cost was about \$39. The statewide per diem limits (except certain metropolitan areas) were \$6, \$10, and \$18, for breakfast, lunch, and dinner, respectively. MDC officials indicated they considered, but did not implement, recommendations to set limits from our prior audit and the internal audit because they believe overall the MDC saves costs by paying actual meal costs versus paying statewide per diem rates. In addition to complying with state travel regulations and executive order, establishing meal limits would help further minimize these costs.

Executive Order No. 92-6 Section (1)(B) requires all state boards and commissions to maintain a policy governing travel rules and regulations equivalent to (or substantially equivalent to) rules established by the OA. Limits for meal expenses while traveling, such as state per diem rates, could help ensure such payments are reasonable, control costs, and ensure compliance with Executive Order No. 92-6. Without meal limits, there is an increased risk meal purchase amounts will continue to exceed maximums established by state travel regulations and employees and supervisors will have differing views on what is reasonable and necessary.



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Recommendation

The MDC establish employee travel meal policies that are substantially equivalent to those for state agencies as required by Executive Order No. 92-6 and state travel regulations.

Auditee's Response

The department has reviewed the travel meal policies and in-state meal purchases. The review found the use of purchasing cards for meals results in significant cost savings for the department when compared to the state per-diem meal rate. The State Auditor's comparison did not consider rebates the department receives on the purchasing card, which would increase the savings. The department will continue to review in-state meal purchases to ensure continued savings through the use of the purchasing card.

Auditor's Comment

The MDC is not complying with Executive Order No. 92-6 Section (1)(B) or the State of Missouri Travel Regulations which require the MDC to set meal limits. Without limits, there is a risk that meal purchase amounts will continue to exceed maximums allowed by state travel regulations and may not be reasonable.

6. Real Estate Appraisal Services

The MDC does not have adequate controls and procedures to monitor payments for real estate appraisal services. Procedures do not provide for adequate verification or assurance amounts billed to the MDC for appraisal services comply with statewide contract pricing. The MDC spent about \$80,700 for real estate appraisal services for the 2 fiscal years ended June 30, 2017.

For real estate purchases requiring an appraisal, the MDC obtains one or two appraisals for each property, depending on the estimated value of the property. MDC officials indicated they select appraisers by obtaining at least two price quotes from appraisers on state contracts. The state contracts include daily and hourly rates for appraisal services based on region, travel expenses, and legal testimony. The price quotes are informal, are not binding, and are not always documented.

For 7 of 8 (88 percent) real estate appraisal invoices reviewed, the MDC did not require the real estate appraisal companies to submit sufficiently detailed invoices to support amounts billed. While the state contracts provide the daily rates for appraisal services by region and hourly rates for travel costs, the invoices submitted by the real estate appraisal companies only showed a total cost and did not detail the number of hours or days the services were provided. Three real estate appraisal companies billed the MDC \$17,500 for these 7 appraisals. We requested additional documentation from the MDC including original price quotes received; however, the MDC could provide no additional documentation.



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Without adequately monitoring invoices and bills received from real estate appraisal companies, including obtaining sufficiently detailed invoices, the MDC lacks assurance amounts paid to appraisers are proper and comply with state contract pricing.

Recommendation

The MDC establish procedures to monitor real estate appraisal invoices for compliance with state contract rates and require appraisers to submit sufficiently detailed invoices of services provided, including number of days and/or hours worked and rates charged.

Auditee's Response

In January 2018, MDC implemented a practice of requiring appraisers to provide detailed invoices.

Department of Conservation

Organization and Statistical Information

The Department of Conservation is constitutionally created pursuant to Article IV, Sections 40(a) and 46. The general functions of the department are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state. At June 30, 2017, the department owned 808,946 acres and leased or managed another 204,362 acres of land in the state.

The department is headed by a four-member bipartisan commission, appointed by the Governor with the advice and consent of the Senate. Commissioners serve without compensation for staggered 6-year terms.

Commission Members at June 30, 2017

Commissioner	Term Expires
James T. Blair, IV ¹	July 1, 2017
Marilynn J. Bradford	July 1, 2019
David W. Murphy	July 1, 2019
Don C. Bedell	July 1, 2021

¹This position is vacant as of May 18, 2018.

The Commission appoints a director who serves as the administrative officer of the Department of Conservation. The director appoints other employees and is assisted by 3 deputy directors with programs carried out by the divisions of fisheries, forestry, wildlife, protection, private land services, resource science, outreach and education, design and development, administrative services, and human resources.

Robert L. Ziehmer served as Director from November 2009 to July 15, 2016. Sara Parker Pauley was appointed Director effective November 1, 2016. At June 30, 2017, the department had 1,395 salaried employees and 517 hourly employees.

Appendix A

Missouri Department of Conservation

Conservation Commission Fund

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2017	2016
Receipts	\$ 192,354,605	189,189,411
Disbursements	178,024,957	172,058,665
Receipts Over (Under) Disbursements	14,329,648	17,130,746
Transfers In ¹	0	2,119
Transfers Out ²	(16,046,919)	(15,555,976)
Receipts Over (Under) Disbursements and Transfers	(1,717,271)	1,576,889
Cash and Investments, July 1	68,725,856	67,148,967
Cash and Investments, June 30	\$ 67,008,585	68,725,856

¹ Transfers In include corrections to the Conservation Commission Fund balance.

² Transfers Out generally include payments for employee fringe benefits, workers' compensation, and reimbursements for settlement payments originally paid out of the Legal Expense Fund.

Appendix B

Missouri Department of Conservation Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2017			2016		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
CONSERVATION COMMISSION FUND						
For stream access acquisition and development; lake site acquisition and development; financial assistance to other public agencies or in partnership with other public agencies; land acquisition for upland wildlife, state forests, wetlands, and natural areas and additions to existing areas; for major improvements and repairs (including materials, supplies, and labor) to buildings, roads, hatcheries, and other departmental structures; and for soil conservation activities and erosion control on department land	\$ 13,038,991	13,038,761	230	0	0	0
Department of Revenue - Personal Service	577,397	513,248	64,149	566,076	563,366	2,710
Department of Revenue - Expense and Equipment	8,277	2,131	6,146	8,277	4,621	3,656
State Auditor - Personal Service	45,743	45,705	38	44,846	44,846	0
State Auditor - Expense and Equipment	2,611	2,609	2	2,611	2,608	3
Reimbursing the Division of Employment Security benefit account for claims paid to former state employees for unemployment insurance coverage and for related professional services	134,264	83,233	51,031	134,264	69,423	64,841
Office of Administration Information Technology						
Services Division - Expense and Equipment	33,198	26,559	6,639	33,198	33,198	0
Workers' Compensation - Tax Payments	71,744	71,744	0	73,000	72,992	8
Workers' Compensation - Benefits	1,200,000	858,023	341,977	1,200,000	735,708	464,292
Department of Revenue - Postage	1,343	1,343	0	1,343	1,343	0

Appendix B

Missouri Department of Conservation Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2017			2016		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
For stream access acquisition and development; lake site acquisition and development; financial assistance to other public agencies or in partnership with other public agencies; land acquisition for upland wildlife, state forests, wetlands, and natural areas and additions to existing areas; for major improvements and repairs (including materials, supplies, and labor) to buildings, roads, hatcheries, and other departmental structures; and for soil conservation activities and erosion control on department land	5,367,999	5,367,998	1	13,919,785	13,919,785	0
For stream access acquisition and development; lake site acquisition and development; financial assistance to other public agencies or in partnership with other public agencies; land acquisition for upland wildlife, state forests, wetlands, and natural areas and additions to existing areas; for major improvements and repairs (including materials, supplies, and labor) to buildings, roads, hatcheries, and other departmental structures; and for soil conservation activities and erosion control on department land	15,277,783	15,277,782	1	12,327,114	12,327,113	1
Office of Director - Personal Service	4,779,587	4,573,557	206,030	4,575,866	4,375,380	200,486
Office of Director - Expense and Equipment	13,532,988	11,678,766	1,854,222	11,739,113	11,734,721	4,392
Administrative Services Division - Personal Service	4,573,326	4,064,719	508,607	4,388,652	3,993,825	394,827
Administrative Services Division - Expense and Equipment	18,591,077	16,864,842	1,726,235	18,481,564	18,462,697	18,867
Design and Development Division - Personal Service	7,852,845	7,038,616	814,229	7,148,865	6,721,408	427,457
Design and Development Division - Expense and Equipment	2,421,911	2,193,273	228,638	2,971,911	2,742,726	229,185
Fisheries Division - Personal Service	7,535,766	7,125,112	410,654	7,088,005	6,920,128	167,877
Fisheries Division - Expense and Equipment	3,992,035	3,910,556	81,479	4,087,035	4,008,674	78,361
Forestry Division - Personal Service	9,404,052	8,867,580	536,472	8,899,658	8,466,099	433,559
Forestry Division - Expense and Equipment	5,833,605	5,503,443	330,162	5,721,105	5,569,559	151,546
Human Resources Division - Personal Service	13,475,401	12,077,316	1,398,085	13,706,744	12,424,169	1,282,575

Appendix B

Missouri Department of Conservation Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2017			2016		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
Human Resources Division - Expense and Equipment	1,111,456	1,078,067	33,389	1,051,456	1,049,724	1,732
Outreach and Education Division - Personal Service	7,680,906	7,299,608	381,298	7,189,340	7,073,808	115,532
Outreach and Education Division - Expense and Equipment	7,055,933	6,475,389	580,544	7,055,933	6,784,962	270,971
Private Land Services Division - Personal Service	3,839,130	3,837,782	1,348	3,734,443	3,563,449	170,994
Private Land Services Division - Expense and Equipment	4,463,877	4,298,206	165,671	4,100,752	4,100,751	1
Protection Division - Personal Service	10,694,600	9,929,626	764,974	10,141,680	9,816,776	324,904
Protection Division - Expense and Equipment	1,544,228	1,514,192	30,036	1,556,728	1,553,293	3,435
Resource Science Division - Personal Service	5,912,012	5,297,637	614,375	5,501,491	5,185,315	316,176
Resource Science Division - Expense and Equipment	2,909,337	2,255,242	654,095	2,715,555	2,570,541	145,014
Wildlife Division - Personal Service	9,231,951	8,905,046	326,905	8,945,048	8,755,989	189,059
Wildlife Division - Expense and Equipment	8,263,848	7,955,091	308,757	8,704,808	8,420,333	284,475
Total Conservation Commission Fund	190,459,221	178,032,802	12,426,419	177,816,266	172,069,330	5,746,936
Total All Funds	\$ 190,459,221	178,032,802	12,426,419	177,816,266	172,069,330	5,746,936

Appendix C

Department of Conservation Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2017	2016	2015	2014	2013
Salaries and wages	\$ 68,906,973	66,808,624	66,846,146	66,967,993	65,273,590
Benefits	10,948,671	11,390,539	11,498,357	11,293,882	10,691,037
Travel, in-state	1,762,885	1,529,854	1,414,979	1,396,283	1,306,141
Travel, out-of-state	298,639	309,745	241,956	256,707	274,754
Fuel and utilities	1,973,366	1,924,337	2,129,409	2,196,458	2,015,001
Supplies	21,042,880	21,575,809	22,075,333	22,838,591	21,380,399
Professional development	854,798	730,264	808,358	806,960	640,748
Communication services and supplies	2,011,971	2,071,635	1,944,899	1,793,946	1,726,689
Services:					
Professional	14,198,811	14,730,269	13,741,546	11,947,947	10,407,696
Housekeeping and janitorial	1,510,060	1,455,898	1,318,256	1,160,366	1,028,493
Maintenance and repair	4,317,943	3,802,906	3,959,329	3,181,003	3,219,034
Equipment:					
Computer	2,084,541	2,463,562	2,764,996	1,986,424	1,237,239
Motorized	5,449,090	6,293,891	6,870,601	6,587,289	5,484,212
Office	136,625	426,316	191,119	197,398	127,424
Other	1,127,408	2,218,775	3,242,848	2,607,127	1,975,452
Property and improvements	21,484,765	15,051,924	12,391,083	9,565,492	9,736,562
Building lease payments	735,848	623,183	478,607	452,666	451,643
Equipment rental and leases	1,627,523	1,618,724	1,461,944	1,763,541	1,838,413
Miscellaneous expenses	1,770,971	1,751,605	1,673,614	1,750,909	1,664,789
Refunds	945,116	1,343,382	636,971	242,579	212,763
Program distributions	14,843,918	13,948,088	12,232,035	9,990,228	9,420,109
Total Expenditures	\$ <u>178,032,802</u>	<u>172,069,330</u>	<u>167,922,386</u>	<u>158,983,789</u>	<u>150,112,188</u>



Office of Missouri State Auditor
Nicole Galloway, CPA

Atchison County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Atchison County

Sheriff's Controls and Procedures	The Sheriff's office does not issue receipt slips for paper service fees received, post these fees to the paper service fee log, restrictively endorse checks, or deposit these monies until the papers are served. Jail personnel do not use prenumbered bond forms, and prenumbered receipt slips are not issued for bonds paid by credit card. In addition, bonds received are not posted to the spreadsheet prepared by office personnel to track deposits and disbursements.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Atchison County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Atchison County

We have audited certain operations of Atchison County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock and Associates, LLC, Certified Public Accountants, has been engaged to audit the financial statements of Atchison County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

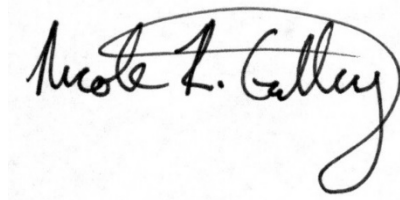
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of Atchison County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Keisha Guthrie
Audit Staff:	Shelbi M. Becker
	Austin T. Olson

Atchison County Management Advisory Report State Auditor's Findings

1. Sheriff's Controls and Procedures

Some controls and procedures in the Sheriff's office need improvement. The office processed paper service fees, concealed carry weapon permits, bonds, and other miscellaneous receipts totaling approximately \$91,000 during the year ended December 31, 2017.

1.1 Receipting

The Sheriff's office does not issue receipt slips for paper service fees received, post these fees to the paper service fee log, restrictively endorse checks, or deposit these monies until the papers are served. During a cash count performed on April 19, 2018, we identified 3 checks, totaling \$155, for paper service fees that were not receipted, posted to the paper service fee log, or restrictively endorsed. In addition, receipt slip numbers are not posted to the paper service log to help ensure all fees collected have been accounted for properly.

Failure to implement adequate receipting procedures over paper service fees increases the risk that loss, theft, or misuse of monies received will go undetected. Procedures should be established to ensure receipt slips are issued immediately for all paper service fees received, the receipt slip number is posted to the paper service fee log, checks are restrictively endorsed immediately upon receipt, and all monies are deposited timely.

1.2 Bonds

Jail personnel do not use prenumbered bond forms, and prenumbered receipt slips are not issued for bonds paid by credit card. In addition, bonds received are not posted to the spreadsheet prepared by office personnel to track deposits and disbursements. The disbursement of each bond is recorded in this spreadsheet, but because the individual bonds received and related receipt slip numbers are not posted to the spreadsheet, there is less assurance all bonds were handled appropriately.

Failure to implement adequate receipting procedures over bonds increases the risk that loss, theft, or misuse of monies received will go undetected. Procedures should be established to ensure prenumbered bond forms or receipt slips are issued for all bonds received, and receipt slip numbers are posted to a bond log.

Recommendations

The Sheriff:

- 1.1 Issue receipt slips for all monies immediately upon receipt, post receipt slip numbers to the paper service fee log, restrictively endorse all checks immediately upon receipt, and deposit all monies timely.
- 1.2 Issue prenumbered bond forms or prenumbered receipt slips for all bonds received and post receipt slip numbers to a bond log.

Auditee's Response

- 1.1 *A receipt slip will be issued for paper service checks immediately upon receipt, endorsement will be applied when received, and they*



Atchison County
Management Advisory Report - State Auditor's Findings

will now be deposited upon receipt. A refund will be issued if service is prohibited for any reason. A photocopy of the check will be attached to the service and the receipt slip number will be added as part of the paper service log.

- 1.2 *Presently, our bond forms come from 2 sources. The court supplies hard copy forms and our software contains the identical form within the booking program. Neither form is prenumbered. It is my hope our software provider will be able to prenumber our computerized bond forms. Then in the instance a pre-filled hard copy form comes from the court, we would populate the digital form with the court's information. Additionally, presently we can only use our software version of the bond form if the individual bonding is incarcerated. Many arrestees are brought in from the weigh scales, interstate, or randomly with active warrants and those individuals are able to bond so they are never incarcerated. Our software provider also has to be capable of correcting that issue. As yet we have not received a reply to our requests from our software provider. We are also inquiring other counties as to their process.*

In the meantime and/or if our software provider cannot accommodate our request, we will use a bond log which will incorporate the following: Receipt slip number and form (cash, check, credit card, surety, personal recognizance) from our one-write receipt slips, name of the bonded, amount of the bond, case number the bond is associated with, the county/municipality the bond is to be directed to, and state of the county/municipality. The bonds will not be prenumbered but the one-write receipt slip will be chronological and all the pertinent information will be trackable.

As Sheriff, I track and monitor all overall procedures within my office and monthly reports are delivered to the County Commission and County Treasurer. Even though the Auditor's report shows there were no actual financial discrepancies, one can always learn from this process and we look forward to implementing these new recommendations within the Sheriff's office for additional control and preventive measures.

Atchison County

Organization and Statistical Information

Atchison County is a county-organized, third-class county. The county seat is Rock Port.

Atchison County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 32 full-time employees and 14 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board, the Senior Citizens' Services Board, and the Enhanced Enterprise Zone Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Curtis Livengood, Presiding Commissioner	\$	38,709
Richard C. Burke, Associate Commissioner		36,691
James Quimby, Associate Commissioner		36,691
Eliza Beasing, Recorder of Deeds		41,766
Susette M. Taylor, County Clerk (1)		58,018
Brett Hurst, Prosecuting Attorney		65,270
Dennis D. Martin, Sheriff		61,194
Debbie True, County Treasurer		53,726
Shawn Minter Jr., County Coroner		16,827
Teresa Jayne Scott, Public Administrator		31,283
Diane Livengood, County Collector (2), year ended February 28,	68,042	
Lori Brown Jones, County Assessor, year ended August 31,		54,455

- (1) Includes \$2,649 of commissions earned for preparing city property tax books.
(2) Includes \$12,416 of commissions earned for collecting city and drainage district property taxes.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
May 2018**

Monthly Report on Political Subdivision Filings

May 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 11 political subdivisions required to file a financial report by May 31, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in May 2018, after their filing deadline. The filing status for these 13 entities is presented in summary on page 3 and by individual entity in Appendix B-E.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

May 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 11 political subdivisions, other than cities, towns, and villages, with a fiscal year end of November 30, 2017. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 11 political subdivisions, 9 filed an annual financial report by May 31, 2018.

This report also includes the filing status for 13 political subdivisions, other than cities, towns, and villages, that filed their financial report in May 2018, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due May 31, 2018

Fiscal Year Ended November 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	Amazonia Levee District	Yes	December 27, 2017
Carroll	Wakenda Township Drainage District	No	
Greene	PWSD 5 Greene County	Yes	February 19, 2018
Holt	Big Tarkio Drainage District	No	
Jefferson	Antonia FPD	Yes	March 7, 2018
	Goldman FPD	Yes	January 2, 2018
Laclede	Lebanon SRD 1 Laclede County	Yes	May 30, 2018
Moniteau	Tipton Rural FPD	Yes	May 15, 2018
New Madrid	Drainage District 29 New Madrid County	Yes	May 3, 2018
St. Charles	PWSD 2 St. Charles County	Yes	April 12, 2018
St. Francois	Leadwood FPD	Yes	May 17, 2018
Total Filed		9	
Total Not Filed		2	

Acronyms:

FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due October 31, 2017
 Filed in May 2018

Fiscal Year Ended April 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Brywood Centre CID	Yes	May 9, 2018
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2017
 Filed in May 2018

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	Meadowbrook Village CID	Yes	May 15, 2018
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due March 31, 2018
 Filed in May 2018

Fiscal Year Ended September 30, 2017

<u>Primary County</u>	<u>Reporting Entity</u>	<u>Filed Annual Financial Report</u>	<u>Date Filed</u>
Clinton	PWSD 3 Clinton County	Yes	May 3, 2018
Platte	Farley Beverly Drainage District	Yes	May 3, 2018
Total Filed		2	

Acronyms:

PWSD Public Water Supply District

Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due April 30, 2018
Filed in May 2018

Fiscal Year Ended October 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cape Girardeau	Little River Drainage District	Yes	May 17, 2018
Jackson	Raytown Crossing CID	Yes	May 17, 2018
	Raytown Square CID	Yes	May 17, 2018
Jasper	1717 Market Place TDD	Yes	May 18, 2018
	510 Rangeline CID	Yes	May 8, 2018
	Joplin Public Library District	Yes	May 14, 2018
Lewis	Lewis County NHD	Yes	May 15, 2018
New Madrid	Drainage District 18 New Madrid County	Yes	May 29, 2018
Newton	Hope Valley CID	Yes	May 18, 2018
Total Filed		9	

Acronyms:

CID	Community Improvement District
NHD	Nursing Home District
TDD	Transporation Development District



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
May 2018**

Monthly Report on Municipal Court and Revenue Filings

May 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the cities required to file a financial report by May 31, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the 2 cities is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for cities, towns, and villages that filed at least one of the items (financial report, addendum, or certification) in May 2018, after their filing deadline. The filing status for these 34 cities and 1 village is presented in summary on pages 3-4 and by individual entity in Appendixes B to F.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

May 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 2 cities with a fiscal year end of November 30, 2017, whose financial report was due by May 31, 2018. Of these entities, 1 filed their financial report timely. One entity was required to file an addendum and a certification, which were filed.

This report includes the filing status for 34 cities and 1 village that filed at least one of the items (financial report, addendum, or certification) in May



Monthly Report on Municipal Court and Revenue Filings
May 2018
Executive Summary

2018, after their filing deadline. Of these entities, 12 filed an annual financial report, 19 filed an addendum, 10 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due May 31, 2018

Fiscal Year Ended November 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Lafayette	City of Mayview	No		n/a	n/a
St. Louis	City of Florissant	Yes	April 5, 2018	Yes	Yes
Total Filed		1		1	1
Total Not Filed		1		0	0
Total n/a		0		1	1

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2017
Filed in May 2018

Fiscal Year Ended December 31, 2016

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Pemiscot	City of Homestown	Yes	May 18, 2018	n/a	n/a
Texas	Village of Raymondville	Yes	May 16, 2018	n/a	n/a
Total Filed		2		0	0

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due September 30, 2017
 Filed in May 2018

Fiscal Year Ended March 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Howell	City of West Plains	**	September 20, 2017	Yes	**
Total Filed		0		1	0

** Filed by September 30, 2017.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in May 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Chariton	City of Brunswick	Yes	May 9, 2018	n/a	n/a
Christian	City of Clever	**	October 18, 2017	Yes	***
Dade	City of Greenfield	**	November 1, 2017	No	Yes
Dunklin	City of Arbyrd	**	September 1, 2017	Yes	***
	City of Clarkton	***	January 22, 2018	Yes	***
	City of Holcomb	***	February 8, 2018	Yes	Yes
Jefferson	City of Byrnes Mill	***	February 5, 2018	Yes	No
Lafayette	City of Waverly	**	October 20, 2017	Yes	**
Oregon	City of Thayer	***	January 12, 2018	Yes	***
Reynolds	City of Bunker	**	July 26, 2017	Yes	n/a
St. Louis	City of Country Club Hills	***	January 18, 2018	No	Yes
Stoddard	City of Bloomfield	***	February 6, 2018	Yes	***
Wayne	City of Greenville	Yes	May 24, 2018	Yes	n/a
Total Filed		2		10	3

** Filed by December 31, 2017.

*** Filed after December 31, 2017, but before May 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2018
Filed in May 2018

Fiscal Year Ended September 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	City of Peculiar	**	March 20, 2018	Yes	Yes
Clay	City of North Kansas City	**	March 23, 2018	**	Yes
Franklin	City of Washington	**	March 29, 2018	Yes	Yes
Henry	City of Urich	Yes	May 4, 2018	n/a	n/a
	City of Windsor	Yes	May 14, 2018	n/a	n/a
Jackson	City of Sugar Creek	***	April 10, 2018	Yes	**
Jefferson	City of Festus	**	March 29, 2018	Yes	Yes
Johnson	City of Warrensburg	**	February 14, 2018	Yes	**
Macon	City of Atlanta	Yes	May 2, 2018	n/a	n/a
Madison	City of Fredericktown	Yes	May 10, 2018	**	**
Ozark	City of Theodosia	Yes	May 17, 2018	n/a	n/a
St. Louis	City of Greendale	**	March 28, 2018	**	Yes
	City of Normandy	**	March 30, 2018	**	Yes
Ste. Genevieve	City of Ste. Genevieve	**	February 14, 2018	Yes	Yes
Total Filed		5		6	7

** Filed by March 31, 2018.

*** Filed after March 31, 2018, but before May 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2018
Filed in May 2018

Fiscal Year Ended October 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Holt	City of Oregon	Yes	May 24, 2018	n/a	n/a
Jackson	City of Raytown	Yes	May 14, 2018	**	**
Jasper	City of Joplin	Yes	May 18, 2018	**	**
Jefferson	City of De Soto	**	March 29, 2018	Yes	**
Linn	City of Marceline	**	April 19, 2018	Yes	n/a
Total Filed		3		2	0

** Filed by April 30, 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Office of Missouri State Auditor
Nicole Galloway, CPA

Thirtieth Judicial Circuit
City of Seymour
Municipal Division



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Thirtieth Judicial Circuit - City of Seymour Municipal Division

Accounting Controls and Procedures	The municipal division has not adequately segregated accounting and record-keeping duties, and neither the Municipal Judge nor city personnel performed supervisory or independent reviews of accounting and bank records. The Court Clerk does not periodically review accrued costs owed to the municipal division. The municipal division and the city have little assurance that the law enforcement training surcharge was properly used in compliance with state law.
Municipal Division Procedures	Municipal division case records are not maintained in an accurate, complete, and organized manner. The Municipal Judge does not always approve the final disposition of cases brought before the court or the fines handled through the Violation Bureau. The Municipal Judge's approval of dismissed tickets is not always documented. The municipal division and the police department do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. The Municipal Judge has not issued a court order for the schedule of fines and court costs to be collected on tickets paid through the Violation Bureau. The Court Clerk does not file a monthly report of cases heard with the city.
Electronic Data Security	The municipal division has not established adequate passwords controls to reduce the risk of unauthorized access to computers and data. Security controls are not in place to lock computers after a specified number of incorrect logon attempts.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Thirtieth Judicial Circuit

City of Seymour Municipal Division

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Thirtieth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Seymour, Missouri

We have audited certain operations of the City of Seymour Municipal Division of the Thirtieth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the fiscal year ended June 30, 2017. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

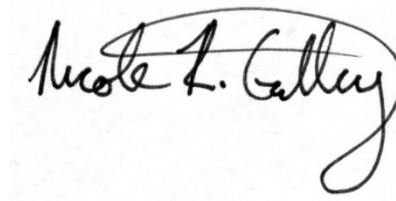
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) noncompliance with court rules, and (4) no noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Seymour Municipal Division of the Thirtieth Judicial Circuit.

A petition audit of the City of Seymour, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Shannon Spicer, MBA
Audit Staff:	James C. Kayser

Thirtieth Judicial Circuit

City of Seymour Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Accounting controls and procedures need improvement. During the fiscal year ended June 30, 2017, the municipal division collected \$19,553 in fines, court costs, and bonds.

1.1 Segregation of duties and oversight

The municipal division has not adequately segregated accounting and record-keeping duties, and neither the Municipal Judge nor city personnel performed supervisory or independent reviews of accounting and bank records.

The Court Clerk and Utility Clerk share duties and both employees are primarily responsible for duties related to collecting court monies, recording and posting these monies in the case management system, and preparing deposits to the city's bank account. The City Clerk generally reconciles the bank account.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include accounting for the numerical sequence of receipt slips and ensuring monies received have been accounted for properly.

1.2 Accrued costs

The Court Clerk does not periodically review accrued costs owed to the municipal division. The case management system tracks accrued costs and can produce a report of balances due; however, the Court Clerk does not print and review this report to identify cases needing additional collection efforts or are potentially uncollectible. As of June 30, 2017, accrued costs recorded in the case management system totaled \$26,948. However, based upon a comparison performed between manual case records and the accrued costs report, the accuracy and completeness of the report is questionable. For example, 5 cases totaling \$922 were dismissed by the Prosecuting Attorney between June 9, 2015, and November 8, 2016, but the accrued costs report indicated that amount was still due for these cases.

Once a case has been dismissed by the Prosecuting Attorney and approved by the Municipal Judge, the Court Clerk enters the change in the case management system. Although she enters case dismissals in the system as they occur, she was unaware the fines and court costs were not being waived automatically by the system. Additionally, in approximately March 2017, the majority of cases filed prior to 2014 were considered uncollectible by the Municipal Judge and, as a result, he directed the Court Clerk to begin closing these cases and disposing of the records. However, the case management system still showed amounts due of \$21,342 from 162 cases filed between 1996 and 2013. As a result, accrued costs are overstated. The Municipal Judge did not formally document his directive to the Court Clerk.



Thirtieth Judicial Circuit
City of Seymour Municipal Division
Management Advisory Report - State Auditor's Findings

Proper and timely monitoring of receivables is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. In addition, proper monitoring is necessary to provide information to the Municipal Judge and to determine appropriate handling when amounts are deemed uncollectible.

1.3 Law enforcement training surcharge

The municipal division and the city have little assurance that the law enforcement training surcharge was properly used in compliance with state law. The city did not establish a separate fund and/or accounting for surcharge collections, is not accounting for the monies expended, does not know what has been spent or the remaining balance, and cannot demonstrate usage of surcharge funding complied with statutorily intended purposes.

During the fiscal year ended June 30, 2017, the municipal division deposited surcharge monies totaling \$330 into the city's bank account. The city passed an ordinance to assess the \$2 surcharge in March 1983. Section 488.5336.2, RSMo, requires these surcharge funds be used only for the training of law enforcement officers.

To ensure compliance with applicable state laws, separate funds and/or accounting of receipts and related disbursements associated with specific activities or restricted usage should be maintained.

Recommendations

The City of Seymour Municipal Division:

- 1.1 Segregate accounting duties or ensure documented supervisory reviews of detailed accounting and bank records are performed.
- 1.2 Establish procedures to routinely generate and review the accrued costs list, ensure proper follow up on amounts due, and provide information to and work with the Municipal Judge regarding amounts deemed uncollectible. Also, the Municipal Judge should ensure future directives are properly documented.
- 1.3 Work with the city to ensure surcharges collected for the law enforcement training surcharge are adequately tracked or deposited into a separate bank account and expended for statutorily allowed purposes.

Auditee's Response

- 1.1 *The City Clerk will oversee and independently review the municipal division's accounting and bank records, including receipt slips by number and all other monies received, and will document her review.*
- 1.2 *It is the order of the court that the Court Clerk present to the Municipal Judge all cases where there are uncollected fines and for which no payment has been made in 3 years. The Judge will review*



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and determine whether additional collection efforts should be made, or whether the fines and court costs should be deemed uncollectible. If the fines are determined to be uncollectible, then the Judge will note that determination in writing on the case docket, and the Court Clerk shall deduct the total of those fines and court costs from the total accrued fines and court costs.

- 1.3 *The municipal division will pay that part of the court costs collected for law enforcement training into a separate bank account set up by the city for the purpose of segregating and tracking these monies.*

2. Municipal Division Procedures

Municipal division procedures need improvement.

2.1 Municipal division records

Municipal division case records are not maintained in an accurate, complete, and organized manner. The Court Clerk documents case activity for each defendant on computerized docket sheets maintained in the case management system. In addition, the Court Clerk maintains case files that include copies of the ticket, manual docket (backer sheet), bond information (if applicable), and court related correspondence (e.g., summons, warrants, and attorney communication). For each defendant, the Municipal Judge will generally document case activity on the court docket while court is in session, sign the court docket, and provide it to the Court Clerk for record-keeping purposes. Information recorded on the manual docket was often incomplete, inaccurate, and, in most cases, blank. The original charge did not agree between manual and electronic records for 4 tickets, and case activity (e.g., cost assessed, amended, dismissed, and warrant activity) did not agree between manual and electronic records for 8 tickets.

Supreme Court Operating Rule 4.08 requires municipal divisions to maintain a docket or backer sheet for each case. All information regarding the case should be documented including, but not limited to, a copy of the ticket, case number, defendant name, sentence, bond information, warrant information, and disposition of the case. Accurate recording of the case information is necessary to properly account for the municipal division's financial activity. Failure to implement adequate case entry procedures increases the risk that loss, theft, or misuse of funds will go undetected and municipal division records will contain errors.

2.2 Case dispositions

The Municipal Judge does not always approve the final disposition of cases brought before the court or the fines handled through the Violation Bureau (VB). In addition, the Municipal Judge's approval of dismissed tickets is not always documented.



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The Court Clerk records the case activity and final disposition of each case in the case management system. Our review of 50 tickets noted 6 (12 percent) tickets did not have the Municipal Judge's approval of final disposition documented on either the court docket or the manual docket.

To ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the court docket to indicate approval of the recorded disposition.

2.3 Ticket accountability

The municipal division and the police department do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

The police department transmits all tickets issued, including voided tickets, to the Court Clerk. The Prosecuting Attorney will determine whether to dismiss a ticket or file it with the court. When the Prosecuting Attorney files the case with the court, the Court Clerk will process the ticket in the case management system. However, there are no procedures or records to account for the numerical sequence and ultimate disposition of all tickets issued to ensure tickets have been handled properly.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and police department cannot ensure all tickets are properly submitted for processing. A record should be maintained to account for the ultimate disposition of each ticket to decrease the risk of loss, theft, or misuse of funds.

2.4 Violation bureau schedule

The Municipal Judge has not issued a court order for the schedule of fines and court costs to be collected on tickets paid through the VB. Police officers typically provide a copy of the schedule of fines and court costs with the ticket issued to each defendant. Without a court order authorizing the schedule and no effective date documented on the schedule, it was unclear when the current VB schedule was effective.

Supreme Court Rule No. 37.49(d), requires the Municipal Judge to establish a schedule of fines and court costs for each offense by court order.

2.5 Report of cases heard

The Court Clerk does not file a monthly report of cases heard with the city. Without such a report, the city cannot effectively monitor municipal division activity and ensure monies are properly remitted.

Supreme Court Operating Rule 4.29 and Section 479.080.3, RSMo, require the Court Clerk to prepare a monthly report of all cases heard in the municipal division court. The report is to be verified by the Court Clerk or Municipal Judge and filed with the city.



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Recommendations

The City of Seymour Municipal Division:

- 2.1 Ensure the proper disposition of cases is documented in manual and electronic records and sufficient documentation is maintained to support all case actions.
- 2.2 Ensure the Municipal Judge signs all court dockets, and reviews and approves all dismissed tickets.
- 2.3 Work with the police department to ensure the numerical sequence and ultimate disposition of all tickets are accounted for properly.
- 2.4 Establish the Violation Bureau schedule by court order.
- 2.5 Ensure a monthly report of cases heard in the municipal division is prepared and filed with the city in accordance with state law and Supreme Court Operating Rule.

Auditee's Response

- 2.1 *This problem has been corrected, and all activities for any case are recorded on the court docket. The Judge and Court Clerk will review each case to ensure that the written records and electronic records are the same.*
- 2.2 *This problem has been corrected. It is the policy of the court that all dockets be presented to the Judge for approval, and the Judge's approval is to be noted in writing by signature or initials.*
- 2.3 *The Court Clerk and Police Chief are working together to ensure that all tickets can be accounted for by number.*
- 2.4 *The court has established the fine and court costs for certain offenses in a Violations Bureau. This list has been published in several places and is followed. The Judge has now signed and dated this list and declared it to be an order of this court.*
- 2.5 *This report is now being prepared by the Court Clerk and delivered to the city, the Municipal Judge, and to OSCA on a monthly basis.*

3. Electronic Data Security

Controls over municipal division computers are not sufficient. As a result, municipal division records are not adequately protected and are susceptible to unauthorized access or loss of data.

3.1 Passwords

The municipal division has not established adequate password controls to reduce the risk of unauthorized access to computers and data. The Court Clerk, Utility Clerk, and City Clerk share the same user identification and password to access the computer used to receipt and record all payments



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entered into the case management system. In addition, the clerks are not required to change the password periodically.

Passwords are necessary to authenticate access to computers. The security of computer user identifications and passwords is dependent upon keeping them confidential and requiring users to enter their password when switching users. However, since passwords do not have to be periodically changed and are shared between employees, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential, and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

3.2 Security controls

Security controls are not in place to lock computers after a specified number of incorrect logon attempts.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The City of Seymour Municipal Division:

- 3.1 Require employees maintain confidential passwords that must be periodically changed.
- 3.2 Ensure municipal division computers have security controls in place to lock each computer after a specified number of incorrect logon attempts.

Auditee's Response

- 3.1 *The court has now ordered all employees to maintain a unique password, which is changed every 90 days.*
- 3.2 *The court has now directed the Court Clerk to consult with the computer vendor in order to automatically lock each computer after four incorrect logon attempts.*

Thirtieth Judicial Circuit

City of Seymour Municipal Division

Organization and Statistical Information

The City of Seymour Municipal Division is in the Thirtieth Judicial Circuit, which consists of Benton, Dallas, Hickory, Polk and Webster Counties. The Honorable Michael Hendrickson serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division does not utilize OSCA's statewide automated case management system known as JIS. Instead, the municipal division utilizes Summit, an automated case management system provided by Data Technologies, Inc., which has been approved for use in municipal divisions by the State Judicial Records Committee.

Personnel

At June 30, 2017, the municipal division employees were as follows:

Title	Name
Municipal Judge	Kenneth Thompson
Court Clerk	Melissa Fox
Prosecuting Attorney	Paul Link

Financial and Caseload Information

	Year Ended June 30, 2017
Receipts	\$19,553
Number of cases filed	274

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 12.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Sheriff's Retirement	3.00



Office of Missouri State Auditor
Nicole Galloway, CPA

**Sixteenth Judicial Circuit
City of Sugar Creek
Municipal Division**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Sixteenth Judicial Circuit - City of Sugar Creek Municipal Division

Accounting Controls and Procedures	Neither the Municipal Judge nor city personnel perform adequate supervisory or independent reviews of accounting functions and court records. Municipal division receipts are not transmitted timely to the city for deposit. Adjustments posted in the electronic case management system are not properly documented and the municipal division has not established procedures to ensure adequate supporting documentation is maintained to support these adjustments. The municipal division has not established a formal administrative plan for the collection of court debt and does not adequately monitor accrued costs, including fines, court costs, and incarceration costs.
Municipal Division Procedures	Procedures related to municipal division monthly reporting, organization and retention of records, Prosecuting Attorney approval, warrants issued, and fine and court cost assessment need improvement. The Court Clerk did not submit accurate monthly reports of municipal division activity to the Office of State Courts Administrator. Municipal division records are not maintained in an accurate, complete, and organized manner and in accordance with court operating rules. The Prosecuting Attorney does not sign all tickets processed by the municipal division and the Prosecuting Attorney's approval of amended and dismissed tickets is not always clearly documented. The Municipal Judge does not sign all warrants issued. The municipal division does not assess certain fines and court costs in compliance with state law.
Ticket accountability	Neither the city police department nor the municipal division has developed adequate procedures to account for the numerical sequence or ultimate disposition of tickets issued.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Sixteenth Judicial Circuit

City of Sugar Creek Municipal Division

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Presiding Judge
Sixteenth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Sugar Creek, Missouri

We have audited certain operations of the City of Sugar Creek Municipal Division of the Sixteenth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2016. The objectives of our audit were to:

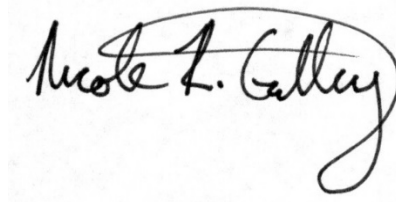
1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) noncompliance with court rules, and (4) no noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Sugar Creek Municipal Division of the Sixteenth Judicial Circuit.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Austin T. Olson

Sixteenth Judicial Circuit

City of Sugar Creek Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Accounting controls and procedures need improvement. For the year ended September 30, 2016, the municipal division's electronic case management system (CMS) indicated fines, court costs, and bond collections totaled approximately \$321,179.

1.1 Oversight

Neither the Municipal Judge nor city personnel perform adequate supervisory or independent reviews of accounting functions and court records. Proper segregation of duties within the municipal division is not possible because the Court Clerk is the only full-time municipal division employee.

The Court Clerk is responsible for all duties related to collecting court monies, recording and posting these monies to the CMS, transmitting fines and court costs to the city for deposit into the city's operating account, and depositing and disbursing bond monies in the municipal division's bond account. Additionally, the Court Clerk is responsible for posting manual case information, including case activity and the assessment of fines and court costs into the CMS, reconciling the bond account activity monthly, and preparing monthly financial reports. Also, bonds collected by the police department are transmitted to the Court Clerk for further processing.

Neither the Municipal Judge nor other city personnel independent of the cash custody and record-keeping functions provides an adequate independent or supervisory review of the work performed by the Court Clerk. The city's review of monies transmitted by the municipal division is limited to ensuring the total amount receipted in the city's financial accounting system agrees to the total amount transmitted to the city for deposit. Neither city personnel or the Municipal Judge account for the numerical sequence of receipt slips issued or compare the amounts recorded in the CMS to the amounts transmitted to ensure all amounts collected are transmitted to the city for deposit.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by implementing documented supervisory or independent reviews of accounting records and electronic case information.

1.2 Transmittal procedures

Municipal division receipts are not transmitted timely to the city for deposit. Our review of municipal division receipt and city deposit records noted monies collected in May 2016 and May 2017 for fines and court costs were typically transmitted to the city for deposit once a week, and cash receipts in excess of \$100 were held up to 7 days before being transmitted.

Failure to transmit collections timely increases the risk of loss, theft, or misuse of monies going undetected. Section IV.C of the Sugar Creek



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Municipal Court Operating Order Number 1 requires the Court Clerk to deposit or transmit all municipal division receipts on a daily basis, or when the amount on hand reaches \$100.

1.3 Adjustments

Adjustments posted in the CMS are not properly documented and the municipal division has not established procedures to ensure adequate supporting documentation is maintained to support these adjustments.

Adjustments include the reduction or non-assessment of fines and court costs in which the amounts due are changed or not assessed in the CMS. Some examples of adjustments include credit for community service performed; jail time served; and modification or waiver of fines, court costs, and fees. Most adjustments should be supported by a judicial order amending the defendant's debt owed and a record of jail time served signed by a jailer or a report of hours of service from a community service organization attesting to the days spent or hours worked for credit, as applicable. Three of 60 cases reviewed did not have a written judicial order or other documentation to support the Court Clerk's adjustments posted in the CMS.

Adequate documentation of adjustments are necessary to help ensure such transactions are appropriate and reduce the risk of errors, loss, theft, or misuse of funds.

1.4 Accrued costs

The municipal division has not established a formal administrative plan for the collection of court debt and does not adequately monitor accrued costs, including fines, court costs, and incarceration costs.

The municipal division accepts partial payments from defendants; however, formal payment plans are not documented or signed by the defendant. The municipal division also does not maintain a listing of accrued costs and cannot produce a complete listing of accrued costs from the CMS.

Proper and timely monitoring of receivables is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. In addition, proper monitoring is necessary to provide information to the Municipal Judge and determine appropriate handling when amounts are deemed uncollectible. Also, payment agreements signed by the defendant formalize the liability to the municipal division and could aid in the collection of amounts due.

Recommendations

The City of Sugar Creek Municipal Division:

- 1.1 Ensure independent reviews are performed of accounting records and electronic case records.
- 1.2 Ensure receipts are transmitted to the city timely.



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Auditee's Response

- 1.3 Ensure adequate documentation is retained to support all adjustments posted to the CMS.
- 1.4 Establish procedures to monitor accrued costs and obtain signed payment plans from all defendants.
- 1.1 *While we have never had any problems with monies missing, we accept the auditor's recommendation and will ensure documented independent reviews are performed of accounting and electronic case records on a periodic basis.*
- 1.2 *We agree with this recommendation and have modified Municipal Court Operating Order Number 1 to require the Court Clerk to deposit or transmit all municipal division receipts semi-weekly or when the cash amount on hand exceeds \$500.*
- 1.3 *A judicial order is now being obtained prior to posting any adjustments to a case in the CMS. Additionally, other documentation to support these adjustments will be maintained in each case file. A monthly report of adjustments to the CMS is now being printed and reviewed by the Municipal Judge.*
- 1.4 *We agree with this recommendation and will establish procedures to monitor accrued costs. In addition, we are now requiring all payment plans to be signed by the defendant.*

2. Municipal Division Procedures

2.1 Monthly reports

Procedures related to municipal division monthly reporting, organization and retention of records, Prosecuting Attorney approval, warrants issued, and fine and court cost assessment need improvement.

The Court Clerk did not submit accurate monthly reports of municipal division activity to the Office of State Courts Administrator (OSCA). As a result, municipal division activities were incorrectly reported to the state.

The Court Clerk generates the monthly Municipal Division Summary Reporting Form from the computerized CMS, showing caseload information, warrant information, and collection amounts entered into the CMS. This monthly report is submitted to the OSCA.

Our review of these monthly reports identified numerous errors related to system programming. Caseload information for 162 cases was not included in monthly summary reports due to inaccurate and/or incomplete violation reporting codes programmed in the CMS. In addition, the following table presents actual amounts distributed compared to distribution amounts reported to OSCA for the fiscal year ended September 30, 2016.



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Distributions	Actual	Reported	Over/(Under) Reported
Fines	\$ 243,081	256,024	12,943
Court costs	20,499	17,152	(3,347)
Court surcharges	24,691	24,793	102
Warrant fees	5,931	0	(5,931)
DWI recoupment	900	900	0
Bond forfeitures	6,608	0	(6,608)
Total	\$ 301,710	298,869	(2,841)

These differences in distributions reported occurred because the monthly summary report obtained from the CMS was not accurately programmed to include amounts collected for warrant fees or bond forfeitures and did not include all amounts collected for court costs in reported distributions. These differences were not detected because the Court Clerk had not adequately reviewed these reports or identified these programming errors. Our review of May 2017 activity identified similar issues. In addition, the Court Clerk did not reconcile the monthly summary report information to amounts received and transmitted to the city for deposit or to the activity posted in the municipal division records. After we informed the Court Clerk of these discrepancies, she worked with the CMS programmer to investigate and correct the programming errors.

Missouri Supreme Court Operating Rules 4.28 and 4.29 and OSCA instructions require submission of monthly reports of caseload information and disbursements to the OSCA and the city. Reports are to be submitted by the 15th of the month following the reporting month and include all activities occurring since the last report. To ensure accurate information is reported to the OSCA, the municipal division should establish procedures to generate accurate monthly Municipal Division Summary Reporting Forms. Such procedures should include ensuring monthly reports include all activities of the entire month, and reconciling amounts received and deposited or transmitted to the activity posted in municipal division records.

2.2 Municipal division records

Municipal division records are not maintained in an accurate, complete, and organized manner and in accordance with court operating rules. The Court Clerk documents case information for each defendant on backer sheets maintained in manual case files as well as the computerized docket maintained in the CMS. However, information recorded on the backer sheets was inconsistent and often incomplete. In addition, documentation such as official notices to appear in court, plea agreements, warrants, and/or bond forfeiture forms were not always maintained in the manual case files. Manual notations by the Municipal Judge or Prosecuting Attorney on backer sheets are the official record of the court proceedings; however, these notations were not always documented consistently. The electronic CMS is



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the official accounting record of the municipal division. Our review identified numerous discrepancies between manual and electronic records, including some fines and court costs assessed in the CMS did not agree to fines and court costs assessed on manual records.

Supreme Court Operating Rule No. 4.03 requires the official court record consist of all documents filed from the initiation to final termination of the case. Supreme Court Operating Rule No. 4.08 requires municipal divisions to maintain a docket or backer sheet for each case. All information regarding the case should be documented including, but not limited to, a copy of the ticket, case number, defendant name, sentence, bond information, warrant information, and disposition of the case. Accurate recording of the case information and retention of applicable records is necessary to properly account for the municipal division's financial and case activity and reduce the risk that loss, theft, or misuse of funds will go undetected and municipal division records will contain errors.

2.3 Prosecutor approval

The Prosecuting Attorney does not sign all tickets processed by the municipal division and the Prosecuting Attorney's approval of amended and dismissed tickets is not always clearly documented.

- The Prosecuting Attorney allows the Court Clerk to maintain and use her signature stamp on all tickets filed with the division. Our review of 60 cases noted the Prosecuting Attorney's clear authorization to file charges was not always present. While most tickets retained in case files contained the Prosecuting Attorney's facsimile signature, there was no indication these tickets were each subsequently reviewed and approved by the Prosecuting Attorney.
- The Prosecuting Attorney's authorization to amend or dismiss tickets is not always clearly documented. The Court Clerk maintains the "defective equipment" and "dismissed" stamps used by the Prosecuting Attorney to document her amendment or dismissal of a ticket. While only the Prosecuting Attorney is authorized to apply the stamp, she does not initial to verify her use of it. As a result there is less assurance the Prosecuting Attorney personally authorized all amendments or dismissals.
- When an alternative arrangement is agreed upon between the defendant and the Prosecuting Attorney, these arrangements are not adequately documented. A plea agreement, signed by both parties, is necessary to document the amended charges and fines and court costs. None of the 14 cases reviewed involving a plea agreement contained documentation of the approved agreement.

The ability of the Court Clerk to apply the Prosecuting Attorney's signature by facsimile stamp without a review by the Prosecuting Attorney is a



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significant control weakness, and increases the possibility of tickets being handled improperly and the risk of loss, theft, or misuse of monies going undetected. Additionally, effective November 1, 2016, the practice of the Court Clerk applying the Prosecuting Attorney's signature is not in compliance with court operating rules.¹ Missouri Supreme Court Rules 37.34 and 37.35 state all ordinance violations shall be prosecuted by information, be in writing and signed by the prosecutor, and filed with the municipal division. The Prosecuting Attorney's review, documented with her signature, is needed to provide assurance proper cases and charges are filed with the municipal division. Additionally, to ensure the proper disposition of all cases has been entered in the municipal division records, the Prosecuting Attorney should sign or initial all amended or dismissed cases to indicate review and approval and plea agreements, signed by both parties should be documented indicating the defendant's acceptance.

2.4 Warrants

The Municipal Judge does not sign all warrants issued. The Municipal Judge has authorized the Court Clerk to issue warrants for certain types of charges, including non-appearance, failure to pay fine and court costs, failure to pay fine for parking ticket, or domestic violence, after she applies the municipal judge's facsimile signature stamp. However, according to Supreme Court Rules 37.04A and 37.45, "Warrants are signed **only** by judges unless the exception of a **specific** warrant ordered by a judge to be signed by a clerk is applicable." (emphasis in original) To ensure warrants are properly issued in accordance with Supreme Court rules, the Municipal Judge should sign warrants or provide specific written authorization for each warrant ordered by the Judge to be signed by the Court Clerk.

2.5 Fines and court costs

The municipal division does not assess certain fines and court costs in compliance with state law. We identified the following concerns:

- The municipal division charges a \$50 fine for each seat belt violation. During the fiscal year ended September 30, 2016, 185 seat belt violations were filed in the municipal division. Section 307.178, RSMo, states a fine not to exceed \$10 may be imposed, and no court costs shall be imposed, on any person for a seat belt law violation.
- The municipal division charges a \$98.50 fine and \$26.50 in court costs for all violations associated with headlight usage, including failure to use headlights due to weather conditions or fog. Section 307.040,

¹ Effective November 1, 2016, the Missouri Supreme Court amended Supreme Court Rule 37.04, adding an appendix that established 10 minimum operating standards for municipal courts. The 7th standard prohibits court personnel from performing functions for the municipality that constitute an actual or apparent conflict of interest. Work performed by court personnel on behalf of law enforcement or the prosecuting attorney is cited in the rule as one example of an actual or apparent conflict of interest.



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RSMo, states a fine not to exceed \$10 may be imposed, and no court costs shall be imposed, for any headlight violation due to weather or fog.

- The municipal division does not assess or collect the \$3 Sheriffs' Retirement surcharge in compliance with state law. Sections 57.955.1 and 488.024, RSMo, require a surcharge of \$3, payable to the Sheriffs' Retirement Fund, be assessed and collected in all civil actions filed and in all criminal cases including violations of any county ordinance or any violation of criminal or traffic laws, including infractions. Attorney General Opinion 20-2013 (April 17, 2013) concluded municipal courts must collect this fee in municipal ordinance violation cases.

The municipal division should ensure fines and court costs are assessed in accordance with state law.

Recommendations

The Sugar Creek Municipal Division:

- 2.1 Establish procedures to ensure the accuracy of monthly Municipal Division Summary Reporting Forms.
- 2.2 Ensure the proper disposition of cases is documented in manual and electronic records and sufficient documentation is maintained to support all case actions.
- 2.3 Ensure a ticket or information signed by the Prosecuting Attorney is filed for each traffic or ordinance violation to be prosecuted. In addition, the municipal division should ensure the Prosecuting Attorney reviews and approves all amended and dismissed tickets. Also, plea agreements should be signed by all parties and be documented in the case files.
- 2.4 Ensure warrants are signed by the Municipal Judge or documentation of the Municipal Judge's authorization to issue a specific warrant is obtained.
- 2.5 Review all fines and court costs to ensure amounts are assessed in accordance with state law and begin assessing and collecting the \$3 Sheriffs' Retirement surcharge on all applicable cases.

Auditee's Response

- 2.1 *Programming errors identified with the monthly Municipal Division Summary Reporting form have been corrected. We have established procedures to reconcile monthly reports of collections to the monthly Summary Reporting forms submitted to OSCA to ensure amounts reported are accurate.*



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Management Advisory Report - State Auditor's Findings

- 2.2 *We will ensure adequate documentation to support all actions is retained in the case file and will ensure manual and electronic case entries are in agreement.*
- 2.3 *We will ensure the Prosecuting Attorney reviews and approves all tickets prior to charges being filed with the court. In addition, the court has implemented procedures requiring the Prosecuting Attorney, defendant or defendant's attorney, and the Municipal Judge to sign all plea agreements. The court will ensure adequate documentation is obtained from the Prosecuting Attorney for all tickets dismissed.*
- 2.4 *We have established procedures to ensure compliance with this recommendation.*
- 2.5 *We have worked with the city to amend city ordinances related to certain seatbelt and headlight usage violations to ensure compliance with state law. However, the Municipal Judge believes the Sheriff's Retirement surcharge is unconstitutional and will not assess this surcharge on cases filed in the municipal division.*

3. Ticket Accountability

Neither the city police department nor the municipal division has developed adequate procedures to account for the numerical sequence or ultimate disposition of tickets issued.

The police department maintains records to track ticket books assigned to each officer, however, neither the police department nor the municipal division had procedures in place to account for the numerical sequence of all tickets issued or to ensure the transmittal of all issued tickets to the municipal division. In addition, the police department did not record the disposition of unused or voided tickets.

Our review of a comprehensive list of all ticket numbers entered into the CMS during the year ended September 30, 2016, identified approximately 660 tickets within these sequences that were not included. Sequence gaps may occur because tickets have been voided, were forwarded to the county prosecutor for prosecution, or were issued before or after fiscal year 2016. We selected 25 tickets within these sequence gaps for further review and noted the following issues.

- Neither the municipal division nor police department personnel could locate 4 of the 25 tickets selected.
- The Court Clerk incorrectly entered the ticket information into the CMS for 1 of the 25 tickets.



Sixteenth Judicial Circuit
City of Sugar Creek Municipal Division
Management Advisory Report - State Auditor's Findings

- Police department personnel voided 11 of these 25 tickets; however, they did not follow consistent procedures for the handling of these tickets. For example, 7 of the 11 tickets were not mutilated and all copies were not retained and forwarded to the municipal division. Also, supervisory review and approval was not documented for any of the tickets voided and 10 of the 11 tickets did not have documentation explaining why they had been voided.

In April 2017, the police department began issuing most uniform citations for traffic violations electronically through mobile ticketing. However, manual ticket books are still issued to each officer to use for ordinance violations or if the mobile ticketing system is not working. The implementation of mobile ticketing should reduce the occurrence of skipped numbers in ticket sequences and help both the police department and court more easily track all tickets issued and account for the ultimate disposition.

Section VIII.D of Sugar Creek Municipal Court Operating Order Number 1 requires the Court Clerk to work jointly with the police department to account for all traffic tickets in numerical sequence and maintain a record of the disposition of all tickets assigned and issued by the police department. Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the police department and the municipal division cannot ensure all tickets are properly submitted for processing. A record should be maintained to account for the ultimate disposition of each ticket to decrease the risk of loss, theft, or misuse of funds. In addition, to ensure all voided tickets can be properly accounted for, written policies and procedures should be prepared for the handling of voided tickets.

Recommendation

The City of Sugar Creek Municipal Division work with the police department to ensure the numerical sequence and ultimate disposition of all tickets, including voided tickets, is accounted for properly.

Auditee's Response

In conjunction with the police department, the municipal division has implemented procedures to ensure the numerical sequence and ultimate disposition of all tickets is accounted for properly.

Sixteenth Judicial Circuit

City of Sugar Creek Municipal Division

Organization and Statistical Information

The City of Sugar Creek Municipal Division is in the Sixteenth Judicial Circuit, which consists of Jackson County. The Honorable John M. Torrence serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division does not utilize OSCA's statewide automated case management system known as JIS. Instead, the municipal division utilizes Incode, an automated case management system provided by Tyler Technologies, Inc., which has been approved for use in municipal divisions by the State Judicial Records Committee.

Personnel

At September 30, 2016, the municipal division employees were as follows:

Title	Name
Municipal Judge	Garry L. Helm
Court Clerk	Peggy S. Doss

Financial and Caseload Information

	Year Ended September 30, 2016
Receipts	\$321,179
Number of cases filed	3,301

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 12.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelter	4.00
DWI Recoupment Fee	75.00
Warrant Fee ¹	50.00

¹ In September 2016, the municipal division stopped assessing warrant fees. Warrant fees previously assessed on open cases are being waived.



Office of Missouri State Auditor
Nicole Galloway, CPA

Kinloch Fire Protection District



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Kinloch Fire Protection District

Background

The district is governed by a 3-member Board of Directors. Jayna Small served as the Board President from April 22, 2013, through March 20, 2017, and was responsible for all financial activities of the district. Her husband, Darren Small, served as the district's Fire Chief from September 2014 through March 20, 2017, and was responsible for overseeing daily operations of the district.

In January 2017, we began an audit of the district due to the district's noncompliance with audit and reporting requirements. In March 2017, the United States Attorney's Office for the Eastern District of Missouri filed criminal charges against Jayna and Darren Small for conspiring to divert funds from the district's bank account for their own personal use.

Jayna Small pleaded guilty to one count of conspiracy to commit access device fraud and one count of interstate transportation of money obtained by fraud on July 24, 2017, and was sentenced to probation on October 17, 2017. Darren Small pleaded guilty to one felony count of conspiracy to commit access device fraud and one count of access device fraud on August 3, 2017, and was sentenced to 8 months in prison on October 25, 2017. Additionally, they were ordered to repay \$75,000 to the district.

The Smalls' actions represent the district's second consecutive misappropriation of monies by those in elected or appointed district positions. In April 2013, a federal grand jury indicted Darran Kelley, a former district Fire Chief (appointed in 2002), on felony charges for his unauthorized use of more than \$140,000 of district funds from January 2007 to January 11, 2013. On July 24, 2013, Darran Kelley pleaded guilty and was later sentenced to 33 months in prison on November 19, 2013.

Misappropriated Monies

Between January 1, 2014, and March 20, 2017, district disbursements totaling at least \$98,189 were improper or unsupported. The former Board President and former Fire Chief misappropriated approximately \$72,484 through improper purchases and cash withdrawals from the district's bank account. In addition, documentation to support an additional \$25,705 in disbursements during this time period was not retained.

Board of Directors Oversight and Elections

The district's Board does not perform sufficient oversight of district accounting activities. The Board did not establish adequate segregation of duties or review processes over the various financial accounting functions performed by the former Board President. The district did not hold elections for members of the Board in compliance with state law. The district did not notify the Board of Elections that it had called for any elections between 1991 and 2016.

Accounting Controls and Procedures

The district did not maintain adequate accounting records. Receipt slips were not issued for monies received and no record of receipts was maintained. In addition, no disbursement ledger was maintained. The district's disbursement review and approval process needs significant improvement. The district does not have adequate controls over checks. The district did not have a policy restricting or limiting the use of the district's debit card. The former Board President did not ensure bills were paid timely causing the district to incur approximately \$768 in late fees, convenience fees, reconnection fees, and other similar fees between January 1, 2014, and March 20, 2017. The district did not have procedures in place to prepare and file 1099-MISC forms with the Internal Revenue Service (IRS), as required.

Nepotism

In September 2014, the husband of the former Board President was appointed as Fire Chief for the district. Board meeting minutes were not available to document if the former Board President recused herself from participating in all Board discussions and/or voting associated with this appointment.

Procurement Procedures and Agreements	Controls and procedures over the district's bidding and written agreement procedures need improvement. The district does not have a formal bidding policy and bids were not solicited for required purchases made between January 1, 2014, through March 31, 2017. The district entered into an agreement with a local consulting firm in 2015 and the Assistant Fire Chief in 2016 to complete plan reviews and inspections for commercial building construction occurring within the fire protection district. These agreements lacked clear and comprehensive guidelines, timeframes, and/or locations or projects associated with each agreement. The district improperly paid for trash services for the City of Kinloch and the city still owes the district \$331 for payments made on the city's behalf for these services.
Budgets and Financial Reporting	Annual budgets are not prepared for district funds and significant improvement is needed in financial reporting practices. The district did not prepare annual budgets for district funds as required by state law for fiscal years 2014, 2015, 2016, or 2017. The district did not submit a financial report to the SAO as required by state law for the year ended December 31, 2016, and financial reports submitted for the years ended December 31, 2014 and December 31, 2015, were not accurate. The district did not obtain an independent audit of its financial statements as required by state law for the years ended December 31, 2015, and December 31, 2016.
Capital Assets and Fuel and Vehicle Usage	Controls and procedures over the district's property and fuel and vehicle usage need improvement. The district does not maintain records of capital assets and does not tag assets or perform physical inventories. The district has not established effective monitoring procedures over fuel and vehicle usage. The district did not report the value of personal (commuting) mileage for the former Fire Chief's personal use of an unmarked district vehicle on his W-2 forms as required by the IRS. The district failed to title and register a vehicle donated to the district with the DOR.
Sunshine Law, Compliance, and Bylaws	The district did not always ensure compliance with the Sunshine Law, and did not obtain surety bonds for board members. The district did not prepare or could not locate meeting notices, tentative agendas, or minutes for any board meetings or tax hearings occurring after September 26, 2013, and prior to March 28, 2017. The district has not adopted a written policy regarding public access to district records as required by state law. The district has not obtained corporate surety bonds for its board members, or filed these bonds with the St. Louis County Circuit Clerk. The district does not have up-to-date and comprehensive bylaws.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Kinloch Fire Protection District

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Board of Directors
Kinloch Fire Protection District

The State Auditor is required under Sections 29.230 and 321.690, RSMo, to audit the Kinloch Fire Protection District. We have audited certain operations of the district in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the period of January 1, 2014, to March 20, 2017. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the extent of monies misappropriated from the district.

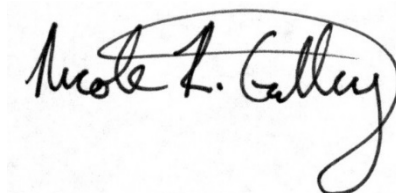
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; testing selected transactions; and inspecting capital assets. The district could not locate or provide us with board minutes for any board meetings occurring during the scope of our audit or bylaws or formal policies and procedures related to the administration of the districts operations. In addition, the district did not maintain records to support most of the district's financial transactions, including incomplete receipt records and lack of invoices or other documents to support disbursements. Because of these limitations on the scope of our audit, we could not adequately audit certain transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) misappropriated monies totaling at least \$72,484 (\$52,757 in cash withdrawals and related fees and \$19,727 in improper disbursements). In addition, \$25,705 of additional disbursements was unsupported and may be improper. The accompanying Management Advisory Report presents our findings arising from our audit of the Kinloch Fire Protection District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
In-Charge Auditor:	Alex R. Prenger, M.S.Acct., CPA
Audit Staff:	Sacha Tejan

Kinloch Fire Protection District

Introduction

Background

The Kinloch Fire Protection District, located in St. Louis County, was organized in 1944 under Section 321, RSMo, and operates on a volunteer basis. District operations have historically been funded by taxes levied on property located within the district and various miscellaneous revenues. In 2015, the district began collecting a permit fee for the review of building plans and performance of fire prevention and life safety inspections for commercial construction projects located within the district boundaries. With the development of NorthPark business park in North St. Louis County, including the City of Kinloch, the district's revenues increased significantly. In 2015 and 2016, the district collected approximately \$134,000 and \$51,000, respectively, for these reviews and inspections.

The district is governed by a 3-member Board of Directors. Jayna Small served as the Board President from April 22, 2013, through March 20, 2017, and was responsible for all financial activities of the district. Her husband, Darren Small, served as the district's Fire Chief from September 2014 through March 20, 2017, and was responsible for overseeing daily operations of the district. In addition, Darren Small's sister, Nicole Small, served as a Board member from April 6, 2016, through March 29, 2017.

Based on financial data we compiled and representations to the State Auditor's Office (SAO) regarding the Section 321.690, RSMo, audit and reporting requirements,¹ the district's revenues have totaled less than \$50,000 for most of the past several years. However, revenues totaled approximately \$157,973 and \$81,369 in 2015 and 2016, respectively, requiring the district to obtain an audit. Despite both verbal and written notifications to the district that obtaining an audit was required, the district failed to do so. Because the district did not obtain the required audit, Section 321.690.3, RSMo, indicates "... the state auditor shall make, or cause to be made, the required audit at the expense of the fire protection district."

The SAO began an audit of the district in January 2017 due to the noncompliance. Additionally, the Federal Bureau of Investigation (FBI) also initiated an investigation of the district. In March 2017, the U.S. Attorney's Office for the Eastern District of Missouri filed criminal charges against Jayna and Darren Small. According to the criminal complaint, Jayna and Darren Small conspired to divert funds from the district's bank account for their own personal use, including to purchase clothing, food, liquor, cigarettes and other items, and to pay for their personal household utility bills.

¹ Section 321.690, RSMo, requires certain fire protection districts to have an audit performed biennially and forward the audit report to the SAO within 6 months of fiscal year end. However, the law also provides that fire districts receiving less than \$50,000 in annual revenues may, with approval of the SAO, be exempted from the audit requirement if the district files a financial report within 5 months of fiscal year end that complies with the reporting provisions of Section 105.145, RSMo.



Kinloch Fire Protection District Background

Jayna Small pleaded guilty to one count of conspiracy to commit access device fraud and one count of interstate transportation of money obtained by fraud on July 24, 2017, and was sentenced to probation on October 17, 2017. Darren Small pleaded guilty to one felony count of conspiracy to commit access device fraud and one count of access device fraud on August 3, 2017, and was sentenced to 8 months in prison on October 25, 2017. Additionally, they were ordered to repay \$75,000 to the district.

Prior theft of district funds

The Smalls' actions represent the district's second consecutive misappropriation of monies by those in elected or appointed district positions. In April 2013, a federal grand jury indicted Darran Kelley, a former district Fire Chief (appointed in 2002), on felony charges for his unauthorized use of more than \$140,000 of district funds from January 2007 to January 11, 2013. On July 24, 2013, Darran Kelley pleaded guilty and was later sentenced to 33 months in prison on November 19, 2013.

At the time of Darran Kelley's indictment, the district's Board was entirely vacant. Therefore, the district called for an election on April 2, 2013, to elect three Board members, including Jayna Small, to fill the vacancies. Following the election, the district did not address the conditions that enabled Darran Kelley to misappropriate monies. As a result, opportunities remained enabling the Smalls' subsequent misappropriations.

Kinloch Fire Protection District

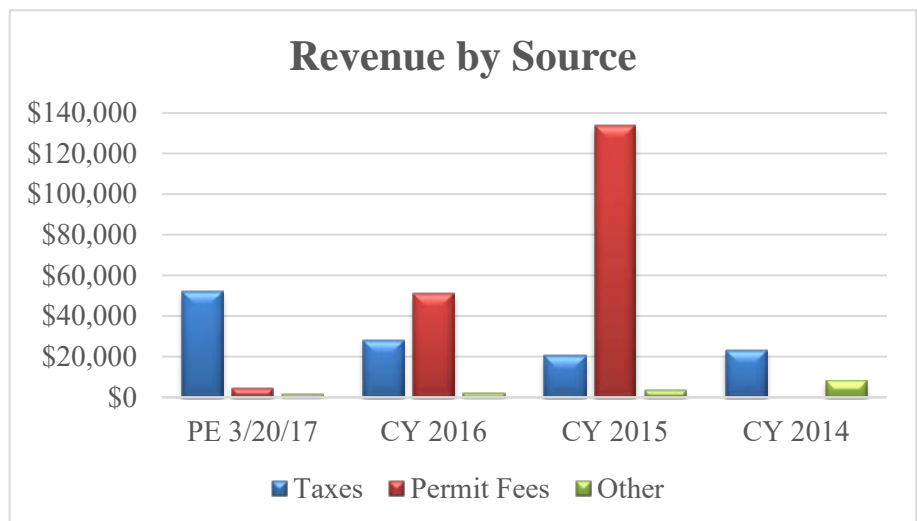
Management Advisory Report

State Auditor's Findings

1. Misappropriated Monies

Between January 1, 2014, and March 20, 2017, district disbursements totaling at least \$98,189 were improper or unsupported. Former Board President Jayna Small and former Fire Chief Darren Small, misappropriated approximately \$72,484 through improper purchases and cash withdrawals from the district's bank account. In addition, documentation to support an additional \$25,705 in disbursements during this time period was not retained and the propriety or impropriety of these disbursements could not be determined.

Prior to 2015, when the district began collecting a permit fee for the review of building plans and performance of fire prevention and life safety inspections on commercial building construction projects located within the district, the district's primary source of revenue was property tax collections. In 2015 and 2016, however, the primary revenue source was these permit fees, which represented 85 percent and 63 percent of total revenues for 2015, and 2016, respectively. The following table shows total revenues by source for calendar years (CY) 2014 through 2016, and the period ended (PE) March 20, 2017.



The district is operated by volunteers. Prior to 2015, typical significant operational costs included insurance, utilities, fire truck loan payments, dispatching services, and fire equipment and building repairs and maintenance. Beginning in 2015, the primary additional operational cost was the contractual payments associated with the district's decision to hire a contractor to conduct plan reviews and fire prevention and life safety inspections on behalf of the district. Between September 2015 and March 2017, revenues generated from permit fees for these reviews and inspections (\$189,747) substantially exceeded the associated costs (\$53,000). A review of all disbursements for the period January 2014 through March 2017 determined overall disbursements increased significantly more with the new



Kinloch Fire Protection District Management Advisory Report - State Auditor's Findings

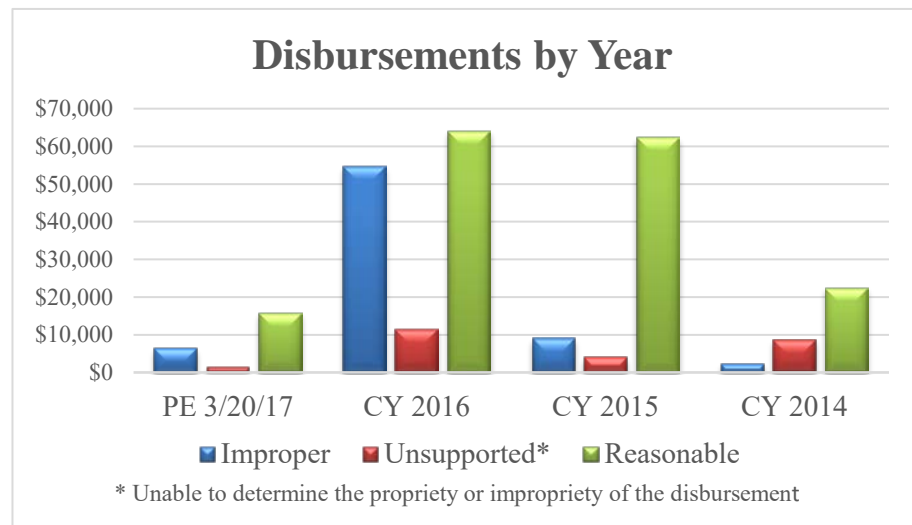
revenue source and at a much greater pace than the associated additional costs to the district.

Had disbursements been maintained at the typical level along with only necessary added costs, the district should have had a significantly higher cash balance than the \$68,929 as of March 31, 2017.

The total number of disbursement transactions for the period January 1, 2014, through March 20, 2017, was 1,434. We reviewed each transaction for supporting documentation and evaluated the purpose. Our review determined the district did not maintain any documentation to support approximately 75 percent (1,078 of 1,434) of the transactions.

Since the district did not have supporting documentation for many of these disbursements, we contacted payees and vendors in an effort to obtain invoices or other supporting documentation, or at least an explanation of the purpose of the disbursement. Based on our review of supporting documentation and additional information obtained, we classified each disbursement transaction as improper, unsupported, or reasonable. Additionally, we separately identified all cash withdrawals made from the district's bank account through ATM withdrawals or cash back transactions at local stores (if documentation was available). We considered all cash withdrawals improper.

For purposes of this finding discussion and Appendix B, disbursements classified as improper were not considered necessary or reasonable for operations of the district and/or were considered to be personal in nature. We classified disbursements as unsupported if sufficient documentation was not available and/or we could not determine the propriety or impropriety of the payment based on information obtained. Disbursements classified as reasonable were necessary for the operation of the district based on available supporting documentation and/or additional information obtained. The disbursements classified as reasonable are not included in this report.





Kinloch Fire Protection District Management Advisory Report - State Auditor's Findings

Appendix B provides a detailed listing of all disbursements determined to be improper for the period January 1, 2014 through March 20, 2017. For each disbursement classified as improper, Appendix B documents the vendor, purpose, and amount classified as improper. For some transactions the amount shown represents the entire transaction, while for other transactions only the portion deemed improper is shown. The appendix also provides details regarding all cash withdrawals identified.

Appendix C summarizes all improper disbursements included in Appendix B by vendor and amount, shows the total of improper disbursements by year, and the total number of transactions classified as improper for each vendor.

Cash withdrawals

We identified \$52,757 (335 separate transactions) in cash and related banking fees withdrawn from the district's bank account through ATM withdrawals, cash back transactions, and checks. The district did not maintain any documentation to support the purpose of these cash withdrawals. Appendix B provides a detailed listing of all identified cash withdrawals from the district bank account for the scope of our audit. Between November 17, 2014, the first date we identified a cash back transaction occurred during the scope of our audit, and March 20, 2017, when the Smalls resigned, cash withdrawals averaging approximately \$155 occurred on average every 2.5 days.

- Cash totaling \$31,955 was withdrawn from the district's bank account through 182 separate ATM withdrawals. In addition, \$970 in banking fees were incurred as a result of these ATM transactions.
- A total of \$12,020 was withdrawn from the district's bank account by obtaining cash back while paying for transactions with the district's debit card at Sam's Club, Schnucks, and Walmart.
- Cash totaling \$7,812 was withdrawn from the district's bank account using checks or counter checks, including a \$7,200 check issued to Jayna Small in March 2016. While the check memo indicated this cash withdrawal was for the purchase of a utility vehicle, Jayna Small later confessed to the FBI that this money was used to pay for a relative's funeral expenses.

Appendix D summarizes all identified cash withdrawn from the district's bank account for the period reviewed.

Improper disbursements

In addition to the cash withdrawals, we identified approximately \$19,727 in additional disbursements that were not considered necessary or reasonable for the operation of the district. Many of these improper disbursements were made to personally benefit the Smalls rather than help the district. See Appendix B for a complete listing of these disbursements.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

Following are explanations of various disbursements we classified as improper.

- Jayna Small issued 11 checks to herself totaling \$1,600 for petty cash, firehouse repairs, lawn care, badge sales, raffle prize, and Secret Santa shopping according to individual check memos, as shown in the following table.

Date	Check Number	Purpose	Amount
1/23/2014	1017	Cash payment for installation of hot water tank	\$ 70
2/13/2014	1024	Petty cash	100
4/29/2014	1037	Cash payment for lawn care	40
6/23/2014	1039	Cash for lawn care June & July	100
6/30/2014	1040	Petty cash	100
7/7/2014	1047	(blank)	40
7/10/2014	1048	Cash for lawn care July & August	100
7/17/2014	1049	Cash for safe and badge sales	150
7/30/2014	1052	Reimbursement for washer & dryer installation	100
11/18/2016	1090	Secret Santa shopping	700
12/23/2016	1125	Raffle prize cash	100
		Total	\$ 1,600

Each of these disbursements was classified as improper based on our review of available documentation and/or discussions with district personnel. According to district personnel, the district did not maintain a petty cash fund. There was no documentation to support the reimbursements for firehouse repairs or lawn care services. In addition, the use of district funds for a raffle and Secret Santa shopping are not prudent uses of taxpayer dollars.

- Jayna Small issued 4 checks totaling \$6,200 to the former Fire Chief, Darren Small, and District Fire Captains, Tony Merkel and Jack Knudsen, as shown in the following table. The district did not maintain any documentation or explanation for the purpose of these payments; however, according to the check memo for the check issued to Knudsen, the payment was for a 2016 bonus.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

Recipient	Date	Check		Amount
		Number	Purpose	
Darren Small - Fire Chief				
	8/5/2016	1086	(blank)	\$ 2,000
	11/20/2016	1123	(blank)	1,000
			Total	<u>\$ 3,000</u>
Tony Merkel - District Fire Captain				
	8/5/2016	1085	(blank)	\$ 3,000
			Total	<u>\$ 3,000</u>
Jack Knudsen - District Fire Captain				
	12/15/2016	1124	2016 Bonus	\$ 200
			Total	<u>\$ 200</u>

The Fire Chief, as well as the Fire Captains, serve the district on a volunteer basis and are not compensated. Since there is no documentation to support the purpose of these payments, these disbursements were classified as improper. In addition, additional compensation for services previously rendered, such as bonuses, are in violation of Article III, Section 39 of the Missouri Constitution and contrary to Attorney General Opinion No. 72-1955 (June 14, 1955).

- Approximately \$6,217 was spent at stores such as Sam's Club, Schnucks, and Walmart for improper items, including \$160 for tobacco products and \$86 for alcohol. Other improper items include groceries, women's and children's clothing, baby supplies, health and beauty products, over-the-counter medications, toys and video games, and household items.
- The district paid approximately \$1,511 for telephone/internet services, \$333 for trash services, and \$165 for electric services for non-business accounts that were not associated with the district or the personal residence of the Smalls. We determined the accounts associated with the trash services were related to an agreement with the City of Kinloch (See MAR finding number 5.3), however, we could not determine whose accounts were associated with the telephone/internet or electric services. Since they were not associated with the district, we classified all of these disbursements as improper.
- The district spent approximately \$1,189 on food purchases at local restaurants and fast food vendors such as McDonald's, Hometown Buffet, and Subway. According to district personnel, the district does not provide food for the volunteer firefighters. Therefore, we classified each of these disbursements as improper.
- The district purchased approximately 1,200 square feet of vinyl floor tile in June 2016 for \$987 from Home Depot. During a site visit to the district



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

fire station in April 2017, auditors observed tile floors in varying levels of condition. None of the tile flooring at the station was similar to the tile purchased or appeared to have been installed within the last 10 months. In addition, auditors did not observe any uninstalled vinyl flooring on hand at the station.

- The district paid approximately \$1,525 for utility services associated with the Smalls' personal residence. We classified each of these transactions as improper.

Vendor	Payment Dates	Amount
Ameren Electric	March 2016 - April 2016	\$ 321
AT&T	February 2014 - August 2014	304
Laclede Gas	February 2016 - April 2016	900
Total		<u>\$ 1,525</u>

Unsupported disbursements We identified approximately \$25,705 in unsupported disbursements. The district did not retain sufficient documentation to support these disbursements and we could not determine the propriety or impropriety of them based on information obtained. We classified them as unsupported.

Included in this unsupported disbursement amount is \$1,090 in checks issued to board members for board meeting attendance fees. Because the district did not prepare or could not locate board meeting minutes for any board meetings occurring after September 26, 2013, as discussed further in MAR finding number 8.1, we could not confirm Board members were in attendance for any meetings associated with these payments, and therefore, classified all of these payments as unsupported. In addition, these attendance fees are considered compensation and should have been subject to payroll and income tax withholdings, and reported by the district on W-2 forms.

Details of these payments follow:



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

Board Member	Date of Check	Check Number	Amount of Check	Month(s) Paid
Jayna Small	2/2/2014	1021	\$ 50.00	January 2014
	2/26/2014	1027	50.00	February 2014
	4/29/2014	1033	100.00	March and April 2014
	7/24/2014	1050	40.00	Unknown
	12/6/2016	1094	200.00	Unknown
	Total		<u>\$ 440.00</u>	
Roy Oldham	2/2/2014	1018	\$ 50.00	January 2014
	2/26/2014	1026	50.00	February 2014
	4/29/2014	1035	50.00	April 2014
	12/6/2016	1092	200.00	Unknown
	Total		<u>\$ 350.00</u>	
Clara Jones	2/26/2014	1025	\$ 50.00	February 2014
	4/29/2014	1034	50.00	April 2014
	Total		<u>\$ 100.00</u>	
Nicole Small	12/6/2016	1093	\$ 200.00	Unknown
	Total		<u>\$ 200.00</u>	

Section 321.190, RSMo, allows board members to receive an attendance fee not to exceed \$100 for attending each board meeting. In August 2013, the Board approved the payment of \$50 to each Board member for each Board meeting attended. Section 105.300, RSMo, defines elected officers of a political subdivision as an employee for Social Security and Medicare tax purposes. For employees, the Internal Revenue Service (IRS) requires employers to report compensation on W-2 forms and withhold and remit income and payroll taxes.

The remaining unsupported disbursements totaling \$24,615 are summarized in the following table by vendor, number of transactions, and total of all unsupported amounts disbursed to each vendor.



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Vendor	Number of Transactions	Amount
Fuel vendors ¹	213	\$ 5,882
Family Dollar	118	5,234
Walmart	46	2,186
Home Depot	17	1,406
Clearwire	21	1,150
Dollar Tree	36	1,126
ALDI	14	1,122
Shop 'n Save	13	929
Pete's Shur Sav	12	750
Advance Auto Parts	3	618
Firestone	2	590
Valvoline	1	512
Dollar General	12	440
CINTAS Corp.	2	350
Christopher McAndrews	1	300
Target	1	236
Meineke Car	1	220
Save-A-Lot	3	171
USA's Finest Publishers	4	156
Safelite AutoGlass	1	154
Worldwide Inventory	1	113
Schnucks	2	109
Accord	2	105
Other Vendors ²	23	756
Total	549	\$ 24,615

¹ Includes disbursements made to 13 separate fuel vendors, including Gas Mart, Phillips 66, ExxonMobil, BP, Conoco, and Shell. These vendors are all located in the St. Louis area.

² Includes all remaining disbursements classified as unsupported. The total unsupported disbursement amount for each vendor was less than \$100.

Conclusion

Because of the small size of the district and personnel being primarily volunteer fire fighters, proper segregation of duties is challenging. Administrative work and oversight is left to the fire chief and Board members. In addition, concerns regarding elections and uncertainty as to the composition of the Board, as further discussed in MAR finding number 2.2, contributed to the overall disorganization of the district's governing body and resulted in insufficient oversight and controls. Despite experiencing a significant theft by former Fire Chief Darran Kelley, the Board did not implement proper controls and oversight, which allowed district funds to again be subject to mismanagement and theft.



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The lack of segregation of duties and absence of proper oversight by the Board, poor accounting controls, and the lack of proper budgeting and financial reporting procedures, as discussed in the remainder of this report, allowed for the misappropriation and misuse of district funds and noncompliance with various laws.

Recommendation

The Board of Directors should ensure the propriety of all district disbursements and ensure detailed documentation is obtained and retained to support all disbursements. The Board should take necessary action to recover the improperly disbursed monies. In addition, the Board should discontinue the practice of paying bonuses, ensure compensation paid is subject to proper withholdings, and procedures are established to prepare and file W-2 forms with the IRS as required.

Auditee's Response

We have implemented procedures to ensure all district disbursements are reasonable and necessary expenditures for the district. Documentation for all district expenditures are reviewed and approved by Board members and are scanned and retained at the district firehouse. The district is currently receiving restitution payments from the Smalls and we will follow up with the court as necessary to ensure the district recovers improperly disbursed monies. Currently, Board members are not being paid an attendance fee for attending Board meetings. However, should this change in the future, we will ensure required taxes are withheld from compensation and procedures are established to prepare and file W-2 forms with the IRS as required.

2. Board of Directors Oversight and Elections

The Board does not perform sufficient oversight of district accounting activities. In addition, the district did not comply with state law regarding the election and appointment of members to the Board.

2.1 Oversight

The Board did not establish adequate segregation of duties or review processes over the various financial accounting functions performed by the former Board President.

The former Board President was responsible for all duties related to collecting and recording monies, preparing and making deposits, and making disbursements. Neither the Board nor someone independent of the cash custody and record-keeping functions performed an independent review of accounting functions performed by the former Board President. As a result, as discussed in MAR finding number 1, the lack of adequate controls and proper oversight allowed misappropriation and misuse of district funds to occur. Issues described in section 2.2 contributed to the Board's failure to properly oversee district functions.



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To reduce the risk of loss, theft, or misuse of funds, and ensure all transactions are accounted for properly and assets are adequately safeguarded, adequate controls, including proper segregation of duties, and Board oversight of accounting functions is necessary.

2.2 Board of Directors elections and appointments

The district did not hold elections for members of the Board in compliance with state law. In addition, the Board did not appoint members due to vacancies in compliance with state law. The district's Board consists of 3 directors who are elected to serve 6-year terms with one director elected biennially. The district is required to hold an election for members of the Board on the first Tuesday in April of odd numbered years.

April 2016 election

Following the district's April 2015 election, all 3 members of the Board had been elected. However, prior to January 2016, 2 of the 3 directors had resigned and their seats were vacant. The district called for, and held, an election in April 2016 to fill the unexpired terms. Nicole Small (former Fire Chief Darren Small's sister) and DeAndre Montgomery were elected to the Board as a result of the April 2016 election.

Documents filed with the St. Louis County Board of Elections (BoE) for the April 2016 election indicated the candidates were filling unexpired terms ending in 2019 and 2021. However, the actual terms for the two vacant seats ended in 2017 and 2019. As a result, the district did not hold the required April 2017 election.

March 2017 Board appointments

On March 20, 2017, Jayna Small resigned from the Board. In addition, following the election of DeAndre Montgomery in April 2016, but prior to March 28, 2017, Mr. Montgomery resigned from the Board and moved out of the district (date unknown). While there is no documentation indicating who, if anyone, was appointed to fill Mr. Montgomery's unexpired term, it appears Roy Oldham may have been appointed. The district held a Board meeting on March 28, 2017, at which Nicole Small and Roy Oldham presented themselves as the remaining district Board members and voted to appoint Isaac Hamilton to fill the Board seat vacated by Jayna Small. Additionally, Nicole Small announced her resignation from the Board effective March 29, 2017. In anticipation of her upcoming resignation, Nicole Small and Roy Oldham voted to appoint Walter Macon to fill the Board seat to be vacated by Nicole Small the following day.

As Nicole Small was the only elected Board member at the March 28, 2017, Board meeting, neither Hamilton's nor Macon's appointments to the Board are allowed by state law. In addition, the act of appointing a Board member in anticipation of an upcoming vacancy is not authorized by state law. Board members can only be appointed when a vacancy occurs.



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August 2017 special election

In April 2017, the St. Louis County Prosecuting Attorney filed a petition with the St. Louis County Circuit Court challenging the appointments of Macon, Hamilton, and Oldham. Following this petition being filed, Hamilton voluntarily resigned from the Board on May 5, 2017. On May 11, 2017, the remaining Board members, Oldham and Macon, decided to call for a special election on August 8, 2017, to elect all 3 Directors to the Board. However, on August 4, 2017, prior to the special election, the St. Louis County Circuit Court appointed Roy Oldham, Deirdre Pickens, and Walter Macon to the Board.

Conclusion

The election held in April 2016 and the special election called for in August 2017 do not comply with state law. Section 321.210, RSMo, states the district shall hold an election for members of the board of directors on the first Tuesday in April every 2 years after the expiration of at least 2 full calendar years from the date of the election of the first board of directors. The election of the first Board occurred on April 11, 1944. To comply with this law, the district was authorized to hold its next election on April 8, 1947, and biennially, thereafter.

In addition, the election in 2016, Board appointments in March 2017, and call for a special election in August 2017 conflict with Section 321.200.2, RSMo, which requires any board vacancy be filled by the remaining elected members of the board, except when less than two elected members remain on the board any vacancy shall be filled by the circuit court of the county in which all or a majority of the district lies and shall act until the next biennial election at which a director or directors are elected to serve the remainder of the unexpired term.

2.3 Board of Elections notification

The district did not notify the BoE that it had called for any elections between 1991 and 2016. In the district's 2013 and 2015 elections, the number of candidates equaled the number of vacant board seats. Because these elections were not contested, no election (public vote) was required, however, the BoE is required to publish notice of the candidates assuming office. Since the district did not notify the BoE that it had called for such elections this information was not published as required.

Section 115.124, RSMo, states that for nonpartisan elections in political subdivisions and special districts, no election is required if the entity publishes the correct notice under Section 115.127, RSMo, and if the number of candidates who have filed for a particular office is equal to the number of seats in that office to be filled by the election. If no election is held, then the election authority is required to publish a notice containing the names of the candidates that shall assume office by the first of the month in which the election would have occurred.



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Recommendations

The Board of Directors:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, a documented periodic review of the district's accounting records should be performed, and monthly financial reports should be prepared and approved by the Board and filed with the Board minutes.
- 2.2 Ensure elections are held as authorized by state law and Board member vacancies are properly filled.
- 2.3 Work with the BoE to ensure that proper notice is published as required by state law.

Auditee's Response

- 2.1 *The current Assistant Fire Chief prepares a list of all district expenditures and presents this list to Board members at each Board meeting for review and approval. Additionally, we have discontinued the use of the district debit card and all checks issued by the district should contain the signature of two of the three Board members.*
- 2.2 *We will ensure elections are held as authorized by state law and Board member appointments are filled in accordance with state law.*
- 2.3 *We will work with the BoE to ensure proper notice is published as required by state law.*

3. Accounting Controls and Procedures

The district did not maintain adequate accounting records. Receipts and disbursements were not adequately recorded and the district did not track its cash balance. As a result, there is no assurance all monies collected were properly deposited or all disbursements were properly approved and for district business. In addition, controls and procedures over district disbursements need improvement.

3.1 Accounting records

The district did not maintain adequate accounting records. Receipt slips were not issued for monies received and no record of receipts was maintained. In addition, no disbursement ledger was maintained. While bank statements typically included the vendor and amount disbursed for each debit card transaction, and check images documented the check number, amount, and payee for each check that cleared the bank, the purpose of each disbursement was not documented. Receipts and/or invoices to support these disbursements were typically not retained. As a result of this lack of records, the district had no accounting records indicating the amount of cash available at any time and could not reconcile the district's accounting records to the bank.



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To ensure all monies received are properly accounted for, prenumbered receipt slips should be issued for all monies received and should be reconciled to amounts recorded and deposited. Receipt, disbursement, and cash information is necessary to prepare annual budgets and financial statements, perform monthly bank reconciliations, and support the district's accounting transactions. In addition, complete and accurate bank reconciliations are necessary to ensure accounting records are in agreement with the bank, and errors or discrepancies are detected and corrected timely.

3.2 Disbursement review and approval process

The district's disbursement review and approval process needs significant improvement. The Board could not provide any documentation supporting review and approval of bills paid. Our review of invoices obtained from the district showed the Board did not denote approval of individual invoices. In addition, the Board did not receive a copy of the district's bank statements for review. Had this been part of the Board's review, members could have identified and questioned the debit card transactions, ATM withdrawals, and checks clearing the district's bank account.

As noted in MAR finding number 8.1, minutes for any Board meetings occurring after September 26, 2013, and prior to March 28, 2017, which covers the entire scope of our audit, were not prepared or could not be located. Therefore, there is no documentation of the Board's approval of district disbursements available for the audit period.

To safeguard against possible loss, theft, or misuse of funds, the Board should approve all disbursements and review supporting documentation, bank information, and canceled checks. Board approval of disbursements should be documented by signing or initialing a monthly list of bills. To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices or other detailed documentation with payment information clearly indicated.

3.3 District checks

The district does not have adequate controls over checks.

- The former Board President issued checks with only 1 signature. Between January 1, 2014, and March 20, 2017, 62 of the 68 checks that cleared the bank (including 2 counter checks) totaling \$106,414 were only signed by the former Board President. Five of the remaining 6 checks were issued in March 2017 (totaling \$9,604), and signed by both the former Board President and one other Board member. The other check was issued in February 2014 for \$532 and only included one Board member's signature.
- The former Board President did not issue checks in numerical sequence, properly account for the numerical sequence of checks issued, or retain voided checks. Our review of checks issued between January 1, 2014, and March 20, 2017, identified 18 of 68 checks (26 percent) clearing the



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district's bank account were issued out of sequence and no documentation supported why this occurred. In addition, we could not determine the disposition of 49 additional checks potentially issued during this period, because they did not clear the bank, the district did not maintain a disbursement ledger, or documentation the checks had been voided was not retained or could not be located.

Dual authorized signatures of Board members help provide assurance that checks represent payment for legitimate district disbursements. To properly account for all disbursements and reduce the risk of unauthorized transactions, checks should be issued in numerical sequence, the numerical sequence of checks issued should be accounted for, and voided checks should be properly defaced and retained.

3.4 Debit card

The district did not have a policy restricting or limiting the use of the district's debit card. Between January 1, 2014, and March 20, 2017, 1,366 of the 1,434 district disbursement transactions (95 percent) totaling approximately \$147,000 were transacted using that card. We identified several concerns with the district's debit card usage.

- Cash totaling at least \$43,975 was withdrawn from the district's bank account through ATM withdrawals and cash back transactions using the district's debit card. In addition, the district incurred \$970 in banking fees because of these withdrawals.
- The district's debit card was used for approximately 60 percent of the improper disbursements (\$11,927 of \$19,727) identified in Appendix B.
- The district's debit card was used for approximately 93 percent of the unsupported disbursements (\$23,783 of \$25,705) identified in MAR finding number 1.

Complete and detailed written debit card policies and procedures are necessary to provide guidance. The Board should develop policies requiring submission of debit card receipt slips for comparison to bank statements, and requiring independent approval of purchases made. In addition, to safeguard against possible loss, theft, or misuse of funds, the Board should prohibit the use of ATM withdrawals and cash back transactions to access district funds.

3.5 Late fees

The former Board President did not ensure bills were paid timely resulting in the district incurring approximately \$768 in late fees, convenience fees, reconnection fees, and other similar fees between January 1, 2014, and March 20, 2017. To prevent these unnecessary costs, procedures should be established to ensure bills are paid timely.



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3.6 1099-MISC forms

The district did not have procedures in place to prepare and file 1099-MISC forms with the IRS, as required. As noted in MAR finding number 5.2, the district entered into agreements for permit inspections totaling \$25,000 in 2015 and \$28,000 in 2016. The district did not file 1099-MISC forms for these payments. In addition, the district may have been required to file 1099-MISC forms for other situations, but incomplete disbursement records prevented us from determining if this occurred.

Sections 6041 through 6050W of the Internal Revenue Code require non-wage payments of at least \$600 in one year for professional services or for services performed as a trade or business by non-employees (other than corporations) be reported to the federal government on 1099-MISC forms. To ensure compliance with IRS requirements, the district should establish procedures to ensure 1099-MISC forms are issued in all applicable instances.

Recommendations

The Board of Directors:

- 3.1 Ensure prenumbered receipt slips are issued for all monies received and are reconciled to the composition of receipts recorded and deposited. In addition, the Board of Directors should ensure accounting records are maintained including a record of all receipts, disbursements, and cash balances, and monthly bank reconciliations are prepared and maintained for the district's bank account.
- 3.2 Ensure complete lists of bills are prepared and the Board's approval is documented and retained. In addition, the Board of Directors should compare the approved list of bills to supporting documentation, canceled checks, and debit card transactions posted to the bank account to ensure disbursements are appropriate and adequately supported.
- 3.3 Issue checks in numerical sequence, ensure the numerical sequence of checks is properly accounted for, and retain voided checks. In addition, the Board of Directors should require dual signatures on all checks.
- 3.4 Adopt formal policies and procedures for debit card use and prohibit cash withdrawals of district funds.
- 3.5 Implement procedures to ensure bills are paid timely.
- 3.6 Prepare and file 1099-MISC forms with the IRS as required.

Auditee's Response

- 3.1 *We will issue prenumbered receipt slips for monies received and perform reconciliations to ensure all monies received are deposited. We are currently maintaining records of all disbursements as well as*



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the bank account balance and are completing monthly bank reconciliations for the district's bank account.

- 3.2 *The current Assistant Fire Chief prepares a list of all district expenditures and presents this list to Board members at each Board meeting for review and approval. This list is compared to district invoices, as well as bank statements to ensure accuracy and is kept at the district firehouse.*
- 3.3 *We are issuing checks in numerical sequence and any voided check is canceled and retained at the district firehouse. We have discontinued the use of a district debit card and all checks issued by the district should contain the signature of two of the three Board members.*
- 3.4 *We have discontinued the use of a district debit card and we do not allow the use of counter checks.*
- 3.5 *We have implemented procedures to ensure bills are paid timely. If a bill is due before the next Board meeting is held, the Assistant Fire Chief will contact Board members to obtain approval and get a check signed by Board members.*
- 3.6 *We will ensure 1099-MISC forms are prepared and filed with the IRS as required.*

4. Nepotism

In September 2014, Darren Small, the husband of former Board President Jayna Small, was appointed as Fire Chief for the district. The district did not prepare or could not locate Board meeting minutes documenting this appointment. As a result, it is unclear if the former Board President recused herself from participating in all Board discussions and/or voting for this appointment.

Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office any relative within the fourth degree shall forfeit his office. Because of the serious consequences resulting from appointing a relative, the Board should ensure its members abstain from any decision to appoint a relative and ensure that action is fully documented in the meeting minutes. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so the public has assurance no district official has benefited improperly.

Recommendation

The Board of Directors ensure Board members abstain from voting when a relative's appointment is involved, and ensure compliance with the Missouri Constitution related to hiring relatives.



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Auditee's Response

We will ensure Board members abstain from any discussion and voting when it relates to hiring a relative to ensure we comply with the Missouri Constitution.

5. Procurement Procedures and Agreements

Controls and procedures over the district's bidding and written agreement procedures need improvement.

5.1 Bidding

The district does not have a formal bidding policy and bids were not solicited for required purchases made between January 1, 2014, through March 31, 2017.

The district entered into an agreement with a local consulting firm in September 2015 for \$25,000, and with the district's Assistant Fire Chief in July 2016 for \$28,000, to complete plan reviews and inspections for commercial building construction occurring within the district without soliciting bids for these services. Because the district entered into the agreement with the Assistant Fire Chief (an appointed official) in 2016 without obtaining bids, this created a likely conflict of interest.

In addition, while not specifically required by state law, the district did not solicit bids for other significant purchases such as comprehensive general and vehicle liability insurance at a cost of \$6,538 in 2014, \$7,734 in 2015, \$8,595 in 2016, and \$4,354 for the first half of 2017.

Section 321.220.4, RSMo, requires the district publish notice for bids on all purchases of \$10,000 or more. In addition, Sections 105.454, RSMo, prohibits financial transactions between the district and elected or appointed officials or employees that involve more than \$500 per transaction or \$5,000 per annum, unless there has been public notice to solicit proposals and competitive bidding, provided the bid or offer accepted is the lowest received.

Competitive bidding helps ensure all parties are given an equal opportunity to participate in the district's business. Documented formal bidding procedures would provide a framework for economical management of district resources and help ensure the district receives fair value by contracting with the lowest or best bidders. Complete documentation should be maintained for all bids received and reasons noted why the bid was selected.

5.2 Written agreements

As noted in section 5.1, the district entered into agreements with a local consulting firm in 2015 and the Assistant Fire Chief in 2016 to complete plan reviews and inspections for commercial building construction occurring within the fire protection district. These agreements lacked clear and



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comprehensive guidelines, timeframes, and/or locations or projects associated with each agreement. In addition, the district fully paid both permit inspection agreements prior to services being fully rendered.

- The 2015 written agreement indicated the firm was providing services related to plan reviews and inspections for Project Pillar by Clayco/NorthPark occurring between September 1, 2015, and October 30, 2016. The agreement did not specifically reference the location(s) this agreement was associated with or contain any criteria against which to evaluate the services provided and/or ensure all services had been rendered prior to payment. While the agreement included a payment schedule indicating 50 percent of the compensation was to be paid at the beginning of the project, and the balance paid by April 1, 2016, the district paid the entire \$25,000 on October 14, 2015. As a result, the district paid \$12,500 six months in advance of the agreement's scheduled date and had no assurance services paid for would be subsequently rendered.
- The 2016 proposal submitted did not specify the timeline or projects the proposal would cover, a payment schedule, or specific criteria against which to evaluate services rendered. Additionally, the proposal submitted by the Assistant Fire Chief to the Board and Fire Chief was dated June 30, 2016, and stated the cost for services associated with the proposal would be \$28,000 per year beginning in 2016 for any and all construction within the City of Kinloch.

It is unclear whether the district paid inspection fees to both contractors for services at the same locations because the agreements do not clearly define the scope or specific services to be provided, timeframes associated with the agreements appear to overlap, and the district did not require either contractor to submit documentation of services provided. In addition, the district did not retain or could not locate signed copies of these inspection agreements.

Written agreements provide the framework to detail services to be provided and the amount of monies to be paid. Clear and detailed written agreements are necessary to ensure all parties are aware of their duties and responsibilities, no duplication of related services are performed, to prevent misunderstandings, and ensure district monies are used appropriately and effectively. Section 432.070, RSMo, requires agreements for political subdivisions to be in writing and signed. In addition, prepaying for goods and services violates the Missouri Constitution. Article VI, Section 23 of the Missouri Constitution specifically prohibits political subdivisions of the state from lending credit or granting public money to any corporation, association, or individual. Also, it is not prudent for the district to prepay for goods or services. Advance payments increase the risk of agreement disputes and non-performance.



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5.3 Loan

The district improperly paid for trash services for the City of Kinloch and the city still owes the district \$331 for payments made on the city's behalf for these services. In February 2014, the district secured and began paying for trash services for 2 housing complexes owned by the city where the Smalls resided and entered into an unwritten agreement with the city for the district to be reimbursed for these costs. Trash services for these 2 locations were billed to accounts established in the district's name. The district canceled trash services at both locations on April 12, 2017. However, our review of expenses incurred for these accounts determined the district had incurred and paid \$4,291 for these services, but as of June 12, 2017, the city had only reimbursed the district \$3,960. The city still owes the district \$331.

District funds are restricted and earmarked for a specific purpose, the operation of the fire protection district. Therefore, the use of these funds for non-fire protection district operations is inappropriate. Also, Chapter 321, RSMo, does not include any provisions that authorize such a loan.

Recommendations

The Board of Directors:

- 5.1 Establish formal bidding policies and procedures, including documentation requirements regarding bid specifications, the bids or quotes received, and justification for bids selected. In addition, the Board of Directors should refrain from entering into business transactions with related parties unless such services or transactions are properly bid in accordance with state law and the selection process is documented.
- 5.2 Enter into signed, written agreements defining the scope of services to be provided, benefits to be received, and the manner and amount of compensation to be paid. In addition, the Board of Directors should refrain from making payments for services not substantially rendered.
- 5.3 Prohibit lending of district funds, and pursue reimbursement from the city for unreimbursed payments.

Auditee's Response

- 5.1 *We have established an informal bidding policy in which we require bids from 3 different vendors and typically select the lowest bid. However, we will work to adopt these policies in a more formal and documented manner. Additionally, we will ensure Board members refrain from entering into business transactions with related parties unless the transaction is bid in accordance with state law.*
- 5.2 *We will ensure the district enters into written agreements moving forward. We will work to ensure written agreements include sufficient detail and will refrain from making payments for services not substantially rendered.*



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5.3 *We will not make loans to other entities. In addition, we will pursue reimbursement from the city for the balance due.*

6. Budgets and Financial Reporting

Annual budgets are not prepared for district funds and significant improvement is needed in financial reporting practices.

6.1 Budgets

The district did not prepare annual budgets for district funds as required by state law for fiscal years 2014, 2015, 2016, and 2017.

Section 67.010, RSMo, requires the preparation of an annual budget that shall represent a complete financial plan for the ensuing budget year, and also sets specific requirements for information to be included in the budget. Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in a budget. A complete and well-planned budget, in addition to meeting statutory requirements, serves as a means to manage district resources, assists in setting tax levies, and informs the public about district operations and current finances.

6.2 Financial reporting

The district did not submit a financial report to the SAO as required by state law for the year ended December 31, 2016. Financial reports submitted to the SAO for the years ended December 31, 2014, and December 31, 2015, were not accurate. The district often incorrectly reported some disbursements as receipts on those reports. In addition, the district has not filed financial statements with the St. Louis County Clerk's office as required by state law since 1977.

Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions with the SAO. Section 105.145.5, RSMo, prohibits elected officials from continuing to receive compensation or processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the SAO. In addition, 15 CSR 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of the subdivision's fiscal year. Effective August 28, 2017, under Section 105.145, RSMo, the SAO must notify the Missouri Department of Revenue if a political subdivision fails to file a timely financial statement. Failure to timely file a financial statement may subject the political subdivision to a fine of \$500 per day.

Section 321.180, RSMo, requires fire protection districts to submit a financial statement for the preceding fiscal year to the county clerk by April 1st of each year.

6.3 Audits

The district did not obtain an independent audit of its financial statements as required by state law for the years ended December 31, 2015, and



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December 31, 2016. The district's revenues in these respective years totaled approximately \$157,973 and \$81,369.

Section 321.690, RSMo, requires certain fire protection districts in St. Louis County to obtain an independent audit performed biennially and to forward the audit report to the SAO within 6 months of fiscal year end.

Recommendations

The Board of Directors:

- 6.1 Prepare annual budgets that include all information required by state law, and ensure the budget is formally approved and the approval is documented in the Board minutes.
- 6.2 File accurate financial reports with the SAO and the St. Louis County Clerk's office annually as required by state law.
- 6.3 Ensure audits of financial statements are completed and filed with the SAO as required by state law.

Auditee's Response

- 6.1 *We will prepare annual budgets for the district and ensure they are formally approved.*
- 6.2 *We will ensure accurate financial reports are submitted to the SAO and the St. Louis County Clerk's office annually as required by state law.*
- 6.3 *We will ensure the district receives a financial audit as required by state law and file this audit with the SAO as required.*

7. Capital Assets and Fuel and Vehicle Usage

Controls and procedures over the district's property and fuel and vehicle usage need improvement. Additionally, a vehicle donated to the district was not titled or registered with the Missouri Department of Revenue (DOR) in the district's name.

7.1 Capital assets

The district does not maintain records of capital assets, including a fire truck, district vehicle, equipment, and other district property. Additionally, district personnel do not tag assets for specific identification or perform physical inventories on a periodic basis.

Adequate capital asset records and procedures are necessary to provide controls over district property; safeguard district assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.



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7.2 Fuel and vehicle usage

The district has not established effective monitoring procedures over fuel and vehicle usage. Between January 1, 2014, and March 20, 2017, the district purchased approximately \$9,800 in fuel at local gas stations for its fire truck, district vehicle, and small engine equipment. The district maintains a fuel log for the fire truck, but fuel purchases are not consistently documented in this log. The district does not maintain a fuel log for the district's vehicle, which was driven exclusively by the former Fire Chief during the audit period. In addition, vehicle usage logs are not documented for either vehicle.

Between November 2015 and March 2017, the district spent \$6,342 on fuel purchases (223 transactions), however, only \$883 of this amount (20 transactions) was documented on the fuel log maintained for the fire truck for this period. The district could not provide any documentation to support how the remaining 203 fuel transactions totaling \$5,459 benefited the district.

Maintaining and reviewing vehicle fuel and usage logs and comparing these usage logs to fuel purchases is necessary to ensure vehicles and equipment are properly utilized and decrease the risk of theft or misuse of fuel occurring without detection. Usage logs should provide sufficient details to allow the district to effectively monitor vehicle use and fuel costs.

7.3 Commuting miles

The district did not report the value of personal (commuting) mileage for the former Fire Chief's personal use of an unmarked district vehicle on his W-2 forms as required by the IRS. As noted in section 7.2, a vehicle usage log indicating business and personal use of the vehicle was not maintained.

IRS reporting guidelines indicate personal and commuting mileage is a reportable fringe benefit and require the value for all use of the provided vehicle to be reported if the employer does not require submission of detailed logs that distinguish between business and personal use. Additionally, the district may be subject to penalties and/or fines for failure to report all taxable benefits.

7.4 Vehicle title and registration

The district failed to title and register a vehicle (the vehicle discussed in section 7.3) donated to the district with the DOR. On December 4, 2014, another fire protection district donated a vehicle to the district. However, as of April 2017, the district had not titled the vehicle in the district's name or registered the vehicle with the DOR. It was still registered as owned by the district that made the donation.

Section 301.190, RSMo, requires a vehicle to be titled within 30 days after it is acquired. Section 301.020, RSMo, requires vehicle owners to register vehicles with the DOR.



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Directors:

- 7.1 Ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board of Directors should also ensure assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.
- 7.2 Establish adequate records and procedures to effectively monitor vehicle and fuel use.
- 7.3 Comply with IRS guidelines for reporting fringe benefits related to personal miles and require logs that distinguish between business and personal use.
- 7.4 Ensure district vehicles are properly titled and registered with the DOR as required by law.

Auditee's Response

- 7.1 *We have already began preparing a detailed list of the district's capital assets. We will ensure annual physical inventories are performed and compared to detailed records.*
- 7.2 *We have already implemented procedures to monitor vehicle mileage when district vehicles are fueled. In addition, we will establish procedures to document vehicle usage.*
- 7.3 *We will review IRS guidelines for reporting fringe benefits related to the personal use of a district vehicle and ensure we are in compliance with these guidelines.*
- 7.4 *We will ensure this vehicle is titled and registered with the DOR as required by law.*

8. Sunshine Law, Compliance, and Bylaws

The district did not always ensure compliance with the Sunshine Law, and did not obtain surety bonds for Board members. Written guidelines for the administration of the district should be developed and maintained.

8.1 Meeting minutes and notices

The district did not prepare or could not locate meeting notices, tentative agendas, or minutes for any Board meetings or tax hearings occurring after September 26, 2013, and prior to March 28, 2017. In addition, there is no evidence that the district's tax rates were formally approved by the Board.



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Section 321.200.1, RSMo, requires notice of the time and place of future meetings be posted continuously at the district firehouse. In addition, Section 610.020, RSMo, requires public entities to give notice of the time, date, and place of each meeting and its tentative agenda, to advise the public of matters to be considered. The notice shall be given at least 24 hours prior to the meeting. Section 610.020, RSMo, also requires that minutes of meetings (open or closed) be taken and retained by the public governmental body. Meeting minutes serve as an official record of district actions and decisions. In addition, Section 67.110, RSMo, requires each governing body to hold at least one public hearing, at which citizens may be heard, prior to approval of the proposed tax rate.

8.2 Public access policy

The district has not adopted a written policy regarding public access to district records as required by state law. A written policy regarding public access to district records would establish guidelines for the district to make records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees that may be assessed for providing copies of public records.

Section 321.200.1, RSMo, requires all board meeting minutes and other records be available for public inspection at the district firehouse. Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the district to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

8.3 Surety bonds

The district has not obtained corporate surety bonds for Board members, or filed these bonds with the St. Louis County Circuit Clerk. Section 321.160, RSMo, requires board members file corporate surety bonds, conditioned for the faithful performance of their duties as directors, in an amount not to exceed \$1,000 with the circuit clerk having jurisdiction.

8.4 Bylaws

The district does not have up-to-date and comprehensive bylaws. Upon our request, district officials could not locate or provide established bylaws. In addition, the Board did not maintain ordinances and resolutions in an organized manner and signed copies of ordinances and resolutions documenting Board approval were not always retained.

Section 321.220.12, RSMo, provides that fire protection districts have the authority to adopt and amend bylaws necessary for "...carrying on the business, objects and affairs of the board and of the district..." Additionally, good business practice dictates the district adopt bylaws to govern board elections, meetings, and rules for transacting district operations and financial matters and to ensure compliance with the bylaws. Bylaws can be used as a management tool for establishing district policies and procedures. Because



Kinloch Fire Protection District
Management Advisory Report - State Auditor's Findings

ordinances passed by the Board to govern the district and its residents have the force and effect of law, it is important ordinances be complete, organized, and updated on a periodic basis.

Recommendations

The Board of Directors:

- 8.1 Maintain complete and accurate minutes for all meetings and ensure proper notification and agendas for public meetings are given. In addition, a public hearing should be held annually to determine and set the property tax levy.
- 8.2 Develop written policies regarding procedures to obtain access to, or copies of, public records.
- 8.3 Obtain and file corporate surety bonds with the Circuit Clerk as required by law.
- 8.4 Ensure up-to-date bylaws are documented and are readily available to employees and the public. In addition, maintain a complete updated set of district ordinances and resolutions in an organized manner and ensure a signed copy of all district ordinances and resolutions are retained.

Auditee's Response

- 8.1 *We will ensure meeting minutes are maintained for all Board meetings. Additionally, we will ensure proper notification is given for all public meetings and will ensure a public hearing is held annually to determine and set the property tax levy.*
- 8.2 *We will work on developing a written policy regarding procedures to obtain access to public records.*
- 8.3 *We will contact the district insurance company to determine how to obtain corporate surety bonds and file these with the Circuit Clerk as required by law.*
- 8.4 *We are working to update district bylaws and ensure they are available to all district employees and the public. In addition, we will maintain a complete set of ordinances and resolutions passed by the Board going forward.*

Kinloch Fire Protection District

Organization and Statistical Information

The Kinloch Fire Protection District was incorporated in 1944 and is organized pursuant to Chapter 321, RSMo. The district covers the City of Kinloch (approximately one square mile) and also assists neighboring fire departments, as needed. The district has one fire station.

The elected Board acts as the policy-making body for district operations. The 3 Board members serve 6-year terms. Maximum salaries for Board members are established by state law. The district authorized members of the Board to be paid \$50 for each meeting attended. Current and former Board members and other key personnel serving the district are as follows:

Board of Directors, Current

Name	Date of Election	Term Expires
Deirdre Pickens, President	April 3, 2018	April 2023
Rosetta Falls	April 3, 2018	April 2021
Edna Reese	April 3, 2018	April 2019

Board of Directors, Former

Name	Dates of Service
Roy Oldham (1)	Multiple terms; see explanation at (1)
Walter Macon (2)	March 28, 2017 - April 2, 2018
Isaac Hamilton (3)	March 28, 2017 - May 5, 2017
Nicole Small (4)	April 6, 2016 - March 29, 2017
Jayna Small (5)	April 22, 2013 - March 20, 2017
DeAndre Montgomery (6)	April 6, 2016 - before March 28, 2017
Clara Jones (7)	April 22, 2013 - before January 1, 2016

- (1) Initially elected in April 2013, and resigned prior to January 2016. While his specific date of resignation is unknown, it appears he resigned prior to January 2016, as Nicole Small and DeAndre Montgomery both filed declarations for candidacy to fill 2 separate unexpired terms in January 2016 (with Jayna Small already serving as the third member at that time). It is not clear when Roy Oldham was subsequently reappointed to the Board, however, Roy Oldham co-signed district checks dated March 1, 2017, and presented himself as the Board Secretary at the March 28, 2017 Board meeting. On August 4, 2017, the St. Louis County Circuit Court appointed Roy Oldham to fill the unexpired term ending April 2019.
- (2) Appointed on March 28, 2017, by remaining Board members (Roy Oldham and Nicole Small) to fill Nicole Small's unexpired term. On August 4, 2017, the St. Louis County Circuit Court appointed Walter Macon to fill the unexpired term ending April 2023.
- (3) Appointed on March 28, 2017, by remaining Board members (Roy Oldham and Nicole Small) to fill Jayna Small's unexpired term. Isaac Hamilton voluntarily resigned on May 5, 2017, and this seat remained vacant until August 4, 2017, when the St. Louis County Circuit Court appointed Deirdre Pickens to fill the unexpired term ending April 2021.
- (4) On January 7, 2016, Nicole Small filed a Declaration for Candidacy to fill the unexpired term ending April 2019. Nicole Small was unopposed and assumed this seat on April 6, 2016. Nicole Small resigned from the Board effective March 29, 2017.
- (5) Resigned on March 20, 2017, following criminal charges filed on March 17, 2017.
- (6) On January 4, 2016, DeAndre Montgomery filed a Declaration for Candidacy to fill the unexpired term ending April 2021. DeAndre Montgomery was unopposed and assumed this seat on April 6, 2016. Following DeAndre Montgomery's appointment, he moved from the district and resigned his seat (date unknown).
- (7) Initially elected in April 2013, and resigned prior to January 2016. While her specific resignation date is unknown, it appears she resigned prior to January 2016, as Nicole Small and DeAndre Montgomery both filed declarations for candidacy to fill 2 separate unexpired terms in January 2016 (with Jayna Small already serving as the third member at that time).



Kinloch Fire Protection District
Organization and Statistical Information

Fire Chief

Name	Date of Appointment
Current:	
Willie Pryor	August 4, 2017
Name	Dates of Service
Former:	
Darren Small (1)	September 2014 - March 20, 2017
Christopher McAndrews	January 2014 - September 2014

(1) Resigned on March 20, 2017, following criminal charges filed on March 17, 2017.

The Fire Chief, Assistant Fire Chief, and all district firefighters serve the district on a volunteer basis. At March 20, 2017, the district had approximately 20 volunteer firefighters.

Financial Activity and
Supporting Documentation

Appendix A is a summary of the district's financial activity for the 3 years ended December 31, 2016, and the period of January 1, 2017, through March 31, 2017. This information was prepared using monthly bank statements. Appendixes B, C, and D provide a detailed listing of improper disbursements and cash withdrawals, a summary of improper disbursements by vendor, and a summary of cash withdrawals.

Appendix A

Kinloch Fire Protection District

Comparative Statement of Receipts, Disbursements and Changes in Cash Balances

	Quarter Ended March 31,	Year Ended December 31,		
	2017	2016	2015	2014
RECEIPTS (1)	\$ 58,384	81,369	157,973	31,405
DISBURSEMENTS	23,610	130,399	75,416	33,449
RECEIPTS OVER (UNDER) DISBURSEMENTS	34,774	(49,030)	82,557	(2,044)
CASH, BEGINNING	34,155	83,185	628	2,672
CASH, ENDING	\$ 68,929	34,155	83,185	628

- (1) In August 2015, the district began requiring a review of building plans and fire and life safety inspections for all commercial construction projects located within the fire protection district. The district collected fees totaling approximately \$134,100 in 2015, \$51,100 in 2016, and \$4,500 during the first quarter 2017 for these services.

Appendix B

Kinloch Fire Protection District

Improper Disbursements and Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Each row is a separate transaction and only includes the amount of the transaction classified as improper and/or a cash withdrawal.

- # Debit card transaction
- * Banking fees totaling \$970.19 were incurred in association with these cash withdrawals.
- ^ The actual purpose of this disbursement varied from the documented purpose. The check indicated the payment was for a utility vehicle, however, these funds were used to pay for a relative's funeral expenses.

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
1/14/2014	#	AT&T	Unknown AT&T non-business account	\$ 34.81	-
1/23/2014	1017	Jayna Small	Cash payment for installation of hot water tank	70.00	-
1/24/2014	#	Popeyes	Food	6.50	-
2/11/2014	#	Church's Chicken	Food	9.78	-
2/11/2014	#	Little Caesars	Food	10.86	-
2/12/2014	#	AT&T	AT&T telephone bill for Smalls' residence	36.39	-
2/13/2014	1024	Jayna Small	Petty cash	100.00	-
2/13/2014	#	McDonald's	Food	10.81	-
2/13/2014	#	Payless Shoes	Unknown	12.86	-
2/21/2014	#	London's Wing House	Food	18.98	-
2/21/2014	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	18.00	-
2/21/2014	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	18.00	-
3/13/2014	#	AT&T	AT&T telephone bill for Smalls' residence	57.64	-
3/13/2014	#	McDonald's	Food	15.00	-
3/28/2014	#	Ameren	Electric bill for non-KFPD account	164.75	-
3/28/2014	#	Hometown Buffet	Food	48.76	-
4/1/2014	#	Hometown Buffet	Food	51.28	-
4/3/2014	#	Home Depot	Laundry detergent	22.25	-
4/8/2014	#	Top Beauty Supply	Unknown	22.16	-
4/10/2014	#	Clearwire	Wireless internet services	54.99	-
4/17/2014	#	Steak 'n Shake	Food	5.87	-
4/18/2014	#	AT&T	AT&T telephone bill for Smalls' residence	40.81	-
4/29/2014	1037	Jayna Small	Cash payment for lawn care	40.00	-

Appendix B

Kinloch Fire Protection District

Improper Disbursements and Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
5/12/2014	#	AT&T	AT&T telephone bill for Smalls' residence	46.74	-
6/11/2014	#	AT&T	AT&T telephone bill for Smalls' residence	40.82	-
6/13/2014	#	Hometown Buffet	Food	52.24	-
6/16/2014	#	Shoe Carnival	Unknown	136.42	-
6/16/2014	#	Walmart	Men's clothing, women's clothing, baby blanket, curtain rod	53.98	-
6/23/2014	1039	Jayna Small	Cash for lawn care June & July	100.00	-
6/30/2014	1040	Jayna Small	Petty cash	100.00	-
7/7/2014	1047	Jayna Small	(blank)	40.00	-
7/8/2014	#	Clearwire	Wireless internet services	54.99	-
7/10/2014	1048	Jayna Small	Cash for lawn care July & August	100.00	-
7/11/2014	#	AT&T	AT&T telephone bill for Smalls' residence	40.82	-
7/11/2014	#	Burger King	Food	16.05	-
7/17/2014	1049	Jayna Small	Cash for safe and badge sales	150.00	-
7/30/2014	1052	Jayna Small	Reimbursement for washer & dryer installation	100.00	-
8/8/2014	#	Clearwire	Wireless internet services	54.99	-
8/22/2014	#	AT&T	AT&T telephone bill for Smalls' residence	40.77	-
9/8/2014	#	Clearwire	Wireless internet services	54.99	-
10/10/2014	#	McDonald's	Food	17.21	-
10/14/2014	#	Walmart	Food	3.24	-
11/12/2014	#	Walmart	Space heater	19.74	-
11/17/2014	#	Walmart	Cigarettes	5.91	20.00
11/24/2014	#	Walmart	Laundry detergent, cosmetics	22.61	40.00
11/25/2014	#	Walmart	Food, cigarettes, baby needs, cosmetics	58.59	20.00
12/1/2014	#	Walmart	Food, cigarettes	7.46	20.00
12/8/2014	#	Walmart	Women's clothing, baby needs	30.51	-
1/8/2015	#	Sam's Club	Food	2.70	60.00
1/12/2015	#	Department of Corrections	Unknown	77.21	-
1/26/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	85.00
2/2/2015	#	Walmart	Food, baby needs, razor blades	27.28	20.00
2/9/2015	#	McDonald's	Food	2.17	-
2/9/2015	#	Sam's Club	Food	2.15	20.00

Appendix B

Kinloch Fire Protection District

Improper Disbursements and Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
2/9/2015	#	Walmart	Food	1.54	-
2/10/2015	#	Walmart	Cigarettes	6.01	20.00
3/23/2015	#	Walmart	Food	4.67	-
6/9/2015	#	Walmart	Food, cigarettes	6.75	40.00
6/18/2015	48	Cash	Cash withdrawal	-	604.80
6/24/2015	#	Walmart	Food, cigarettes	17.33	40.00
6/26/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.45
6/29/2015	#	Walmart	Men's clothing, lotion, grunge flag	27.27	40.00
7/7/2015	#	Sam's Club	Food	2.70	20.00
7/7/2015	#	Walmart	Baby clothing	16.51	20.00
7/13/2015	#	Walmart	Feminine products	4.08	-
7/13/2015	#	Walmart	Cigarettes	6.10	40.00
7/20/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	45.50
7/27/2015	#	Walmart	Cigarettes	1.65	40.00
8/10/2015	#	Walmart	Food	0.74	20.00
8/10/2015	#	Walmart	Cigarettes	7.75	-
8/11/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	25.45
8/11/2015	#	Hibachi Grill	Food	13.13	-
8/11/2015	#	Sam's Club	Food	2.81	40.00
8/13/2015	#	Walmart	Clothing	8.81	-
8/14/2015	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	55.83	-
8/14/2015	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	55.83	-
8/20/2015	#	Walmart	Food	13.22	20.00
9/10/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	25.45
9/14/2015	#	Walmart	Food, clothing	21.62	-
9/15/2015	#	Walmart	Food	2.12	-
9/16/2015	#	Walmart	Cigarettes	1.65	20.00
9/16/2015	#	Walmart	Cigarettes	3.30	-
9/18/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	45.45
9/18/2015	#	Lee's Famous Recipe Chicken	Food	13.34	-

Appendix B

Kinloch Fire Protection District

Improper Disbursements and Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
9/21/2015	#	AT&T	Unknown AT&T non-business account	127.41	-
9/21/2015	#	Walmart	Clothing, shoe polish	35.07	-
9/22/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.45
9/25/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.00
9/25/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.45
9/25/2015	#	Walmart	Food, clothing, baby needs, interior paint, 4 inch three-way car speaker, cosmetics, piggy bank, lotion	169.16	60.00
9/28/2015	#	Walmart	Food	2.23	100.00
9/28/2015	#	Walmart	Food, cigarettes, women's clothing, child's clothing, baby needs, feminine products, video game, dishwashing gloves, paint trays	59.38	60.00
9/30/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
9/30/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
10/13/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	155.00
10/13/2015	#	Sam's Club	Food	3.23	80.00
10/14/2015	98	Jayna Small	Cash withdrawal	-	7.00
10/15/2015	#	Walmart	Food	0.66	60.00
10/15/2015	#	Walmart	Food	0.66	100.00
10/19/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.25
10/19/2015	#	Home Depot	Grill brush	3.98	-
10/19/2015	#	Walmart	Food, feminine products, lip balm, bows	31.79	-
10/19/2015	#	WPY*Tony Wade	Funeral donation	100.00	-
10/20/2015	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	55.00	-
10/20/2015	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	55.00	-
10/22/2015	#	AT&T	Unknown AT&T non-business account	90.84	-
10/26/2015	#	Walmart	Food, baby needs, NFL-branded clothing	81.34	100.00
10/28/2015	#	Walmart	Umbrella	10.86	60.00
11/2/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	155.00
11/2/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
11/3/2015	#	Walmart	Cosmetics	2.94	60.00
11/9/2015	#	Walmart	Food, men's clothing, women's clothing, indoor antenna	103.85	100.00
11/10/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45

Appendix B

Kinloch Fire Protection District

Improper Disbursements and Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
11/12/2015	#	Sam's Club	Food	8.77	60.00
11/13/2015	#	Walmart	Food, cosmetics, lotion, double-six dominoes, card deck	13.01	100.00
11/16/2015	#	AT&T	Unknown AT&T non-business account	93.63	-
11/18/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
11/23/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
11/23/2015	#	Walmart	Men's clothing, child's clothing, baby needs, deodorant	224.12	100.00
11/25/2015	#	ATM Withdrawal	Cash withdrawal	-	500.00
11/30/2015	#	Walmart	Cigarettes, tricycle, plastic plates, party cups	33.93	-
11/30/2015	#	Walmart	Food, baby clothing, weight loss supplement, cosmetics	53.44	80.00
12/1/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.25
12/2/2015	#	Walmart	Rudolph-themed Forever Stamps	19.60	-
12/4/2015	#	Sam's Club	Food	1.40	100.00
12/7/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	284.25
12/7/2015	#	Schnucks	Food, alcohol	15.21	-
12/7/2015	#	Spirits Plus	Alcohol	34.41	-
12/8/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	165.45
12/9/2015	#	AT&T	Unknown AT&T non-business account	87.52	-
12/10/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	54.25
12/14/2015	#	Walmart	Cash withdrawal	-	40.00
12/14/2015	#	Walmart	Food, cold flu and sore throat liquid gels	11.67	100.00
12/21/2015	#	Walmart	Food	5.61	100.00
12/21/2015	#	Walmart	Food, radiator heater, paint protection sheeting	60.70	100.00
12/22/2015	#	Schnucks	Food	6.38	-
12/23/2015	#	Walmart	Food, baby needs	63.86	40.00
12/28/2015	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
12/28/2015	#	GameStop	Video game and consumer electronics	46.43	-
12/28/2015	#	Spirits Plus	Alcohol	10.70	-
12/30/2015	#	Walmart	Video game, beverage mug	54.31	100.00
1/4/2016	#	Walmart	Food, feminine products, allergy relief	36.96	100.00
1/4/2016	#	Walmart	Cigarettes, men's clothing, women's clothing	80.96	-
1/8/2016	#	McDonald's	Food	19.42	-

Appendix B

Kinloch Fire Protection District

Improper Disbursements and Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
1/8/2016	#	Rib Shack	Food	12.99	-
1/11/2016	#	Church's Chicken	Food	20.48	-
1/11/2016	#	Ferguson Chop Suey	Food	9.50	-
1/11/2016	#	Schnucks	Food	14.10	50.00
1/11/2016	#	Walmart	Food	4.90	100.00
1/11/2016	#	Walmart	Food	15.45	60.00
1/11/2016	#	Walmart	Space heater	46.12	80.00
1/11/2016	#	Walmart	Food, cosmetics, feminine products, deodorant, pet friendly ice melt	82.89	-
1/12/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.45
1/14/2016	#	McDonald's	Food	5.78	-
1/15/2016	#	Walmart	Food	5.74	100.00
1/19/2016	#	Schnucks	Food, cigarettes	10.95	-
1/19/2016	#	Walmart	Clothing, child's clothing	89.08	80.00
1/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
1/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	25.45
1/25/2016	#	Walmart	Food, cigarettes	18.88	100.00
1/26/2016	#	Walmart	Clothing, video game equipment	51.85	100.00
1/27/2016	#	McDonald's	Food	8.17	-
1/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.45
1/29/2016	#	Hometown Buffet	Food	69.66	-
1/29/2016	#	Walmart	Food	5.22	100.00
1/29/2016	#	Walmart	Video game	62.21	100.00
2/1/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
2/1/2016	#	Sam's Club	Food	5.51	100.00
2/2/2016	#	McDonald's	Food	21.48	-
2/4/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	144.25
2/5/2016	#	AT&T	Unknown AT&T non-business account	82.15	-
2/8/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	104.25
2/8/2016	#	Petro Mart	Food	0.37	-
2/8/2016	#	Schnucks	Laclede Gas bill for Smalls' residence	352.21	100.00
2/9/2016	#	Walmart	Food, party cups	14.85	60.00

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Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
2/10/2016	#	Walmart	Food, cigarettes, alcoholic drink mixes, baby needs, cosmetics, mouthwash, razors	76.29	40.00
2/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
2/22/2016	#	GameStop	Video game and consumer electronics	35.98	-
2/22/2016	#	Walmart	Food	1.54	40.00
2/22/2016	#	Walmart	Cigarettes, feminine products, ibuprofen	18.27	100.00
2/22/2016	#	Walmart	Food, video game, toy car, remote control trucks, children's shower wash, bath bars	69.04	100.00
2/26/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	144.25
2/29/2016	#	Sam's Club	Food	5.60	100.00
2/29/2016	#	Schnucks	Food	4.16	100.00
2/29/2016	#	Schnucks	Food	6.03	100.00
3/1/2016	#	Walmart	Food	1.39	60.00
3/4/2016	#	Walmart	Food	8.75	100.00
3/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.25
3/7/2016	#	McDonald's	Food	11.36	-
3/7/2016	#	McDonald's	Food	13.48	-
3/7/2016	#	Walmart	Cash withdrawal	-	60.00
3/8/2016	#	Schnucks	Food	2.61	100.00
3/9/2016	#	Chinese Express	Food	15.22	-
3/9/2016	#	Schnucks	Food	11.06	100.00
3/9/2016	#	Subway	Food	28.78	-
3/10/2016	#	Schnucks	Food	3.13	100.00
3/11/2016	#	Schnucks	Food	3.95	100.00
3/14/2016	#	Schnucks	Food	1.04	100.00
3/14/2016	#	Schnucks	Food	1.55	100.00
3/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.45
3/15/2016	#	McDonald's	Food	13.48	-
3/15/2016	#	Schnucks	Food	3.94	100.00
3/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	155.00
3/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.45

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Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
3/21/2016	#	GameStop	Video game and consumer electronics	21.71	-
3/21/2016	#	Krispy Kreme	Food	4.74	-
3/21/2016	#	Schnucks	Food	2.08	100.00
3/21/2016	#	Schnucks	Food	5.21	100.00
3/21/2016	#	Walmart	Food, cigarettes, umbrella	16.33	80.00
3/22/2016	#	Schnucks	Ameren Electric bill for Smalls' residence	163.29	100.00
3/23/2016	#	Walmart	Food, baby needs, cosmetics, laundry detergent, flowers, flushable wipes	97.92	100.00
3/24/2016	#	Burger King	Food	17.87	-
3/24/2016	#	Schnucks	Food	11.01	100.00
3/28/2016	#	McDonald's	Food	30.06	-
3/28/2016	#	Schnucks	Food	0.52	100.00
3/28/2016	#	Schnucks	Food	4.04	100.00
3/28/2016	#	Subway	Food	32.04	-
3/31/2016	1083	Jayna Small	Cash payment for utility vehicle ^	-	7,200.00
4/1/2016	#	Schnucks	Food, cigarettes	7.77	100.00
4/4/2016	#	Lee's Famous Recipe Chicken	Food	20.35	-
4/4/2016	#	Schnucks	Food	3.13	100.00
4/4/2016	#	Schnucks	Laclede Gas bill for Smalls' residence	232.88	100.00
4/11/2016	#	Schnucks	Food	12.15	100.00
4/11/2016	#	Schnucks	Laclede Gas bill for Smalls' residence	314.98	100.00
4/12/2016	#	McDonald's	Food	8.59	-
4/13/2016	#	Walmart	Baby needs, bird house, bird seed, landscape lighting	34.12	60.00
4/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	45.70
4/14/2016	#	Schnucks	Food	6.59	100.00
4/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
4/18/2016	#	Schnucks	Charcoal	7.52	100.00
4/19/2016	#	Schnucks	Food	5.72	50.00
4/19/2016	#	Wendy's	Food	9.77	-
4/20/2016	#	Schnucks	Food	10.78	100.00
4/22/2016	#	Sam's Club	Cash withdrawal	-	100.00

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Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
4/22/2016	#	Walmart	Cash withdrawal	-	100.00
4/25/2016	#	McDonald's	Food	15.21	-
4/25/2016	#	Sam's Club	Food	13.09	100.00
4/25/2016	#	Schnucks	Ameren Electric bill for Smalls' residence	157.76	100.00
4/27/2016	#	Chinese Express	Food	28.80	-
4/27/2016	#	Schnucks	Cash withdrawal	-	100.00
5/2/2016	#	Church's Chicken	Food	29.77	-
5/3/2016	#	Subway	Food	42.36	-
5/4/2016	#	McDonald's	Food	7.19	-
5/4/2016	#	Schnucks	Food	11.25	100.00
5/4/2016	#	White Castle	Food	23.33	-
5/6/2016	#	Art's Lawn Mower	Replacement belt for ZTR mower	69.42	-
5/9/2016	#	Schnucks	Food	6.10	100.00
5/9/2016	#	Schnucks	Food, charcoal	8.43	100.00
5/9/2016	#	Schnucks	Food	60.98	100.00
5/11/2016	#	Schnucks	Food	22.09	100.00
5/11/2016	#	Southern Floral	Funeral sympathy flowers	75.00	-
5/16/2016	#	Schnucks	Food	2.49	100.00
5/16/2016	#	Schnucks	Food	7.81	100.00
5/17/2016	#	Schnucks	Food	3.64	100.00
5/18/2016	#	Schnucks	Food	7.30	100.00
5/19/2016	#	Sam's Club	Cash withdrawal	-	100.00
5/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
5/23/2016	#	McDonald's	Food	13.41	-
5/23/2016	#	Schnucks	Cigarettes	6.22	100.00
5/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
5/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	705.75
5/25/2016	#	Subway	Food	42.36	-
5/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
5/31/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
5/31/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75

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Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
6/1/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
6/1/2016	#	Walmart	Baby needs, child's clothing, lotion, sippy cup, swimmer's instant ear dry	51.13	100.00
6/3/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
6/6/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
6/6/2016	#	Little Caesars	Food	16.29	-
6/6/2016	#	Walmart	Food	3.37	100.00
6/6/2016	#	Walmart	Cell phone, minutes	109.69	40.00
6/9/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
6/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
6/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
6/13/2016	#	Home Depot	Vinyl floor tile and adhesive	987.14	-
6/13/2016	#	Popeyes	Food	32.46	-
6/13/2016	#	Walmart	Baby needs	5.18	60.00
6/13/2016	#	Walmart	Clothing, men's dress watch and bracelet, feminine products, lotion, sport body spray, TUMS	233.25	100.00
6/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
6/14/2016	#	Walmart	Food	6.08	100.00
6/16/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
6/16/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
6/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
6/20/2016	#	AT&T	Unknown AT&T non-business account	94.73	-
6/20/2016	#	ATM Withdrawal	Cash withdrawal	-	200.00
6/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
6/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
6/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
6/23/2016	#	Walmart	Food, cigarettes, women's clothing, baby clothing, baby needs, fan, music earbuds, bug repellent	222.25	100.00
6/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
7/5/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
7/5/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75

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Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
7/5/2016	#	Walmart	Food, cigarettes, clothing, child's clothing, cosmetics, bug repellent, soap, towels, blanket	116.30	100.00
7/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
7/11/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
7/11/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
7/11/2016	#	Walmart	Food, cell phone minutes	53.07	80.00
7/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
7/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	79.50
7/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.50
7/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
7/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
7/21/2016	#	McDonald's	Food	22.53	-
7/21/2016	#	Walmart	Laundry detergent	4.34	40.00
7/21/2016	#	Walmart	Food, baby needs, laundry detergent, allergy relief, nasal decongestant	89.36	100.00
7/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
7/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
7/26/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.50
7/26/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
7/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
7/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
8/1/2016	#	AT&T	Unknown AT&T non-business account	191.25	-
8/1/2016	#	Sam's Club	Food	1.40	100.00
8/1/2016	#	Walmart	Food, birthday candles	20.93	100.00
8/2/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
8/2/2016	#	Walmart	Lotion, school supplies	34.93	-
8/4/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.70
8/5/2016	1086	Darren Small	Unknown	2,000.00	-
8/5/2016	1085	Tony Merkel	Unknown	3,000.00	-
8/8/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
8/9/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	85.75

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Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
8/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
8/15/2016	#	Sam's Club	Food	23.19	-
8/15/2016	#	Walmart	Baby needs, men's clothing, feminine products, body oil, toilet paper, room fragrance, ibuprofen, leather wipes	71.70	100.00
8/16/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
8/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
8/17/2016	#	Sam's Club	Food, towel	43.02	100.00
8/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
8/22/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
8/22/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
8/22/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
8/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
8/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
8/24/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
8/25/2016	#	Hanley ZX	Food	1.08	-
8/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
8/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
8/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
8/30/2016	#	Sam's Club	Food	9.76	100.00
8/30/2016	#	Walmart	Cell phone, minutes, screen accessory, music earbuds	172.75	100.00
8/31/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
9/2/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
9/6/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
9/6/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
9/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
9/8/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
9/9/2016	#	ATM Withdrawal	Cash withdrawal	-	300.00
9/12/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
9/12/2016	#	Lee's Famous Recipe Chicken	Food	33.52	-
9/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
9/15/2016	#	AT&T	Unknown AT&T non-business account	92.58	-

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Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
9/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
9/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
9/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
9/19/2016	#	Walmart	Clothing, women's clothing	19.78	100.00
9/20/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
9/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	185.70
9/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
9/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
9/23/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
9/23/2016	#	Sam's Club	Food	1.08	40.00
9/23/2016	#	Sam's Club	Food	4.20	100.00
9/26/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
9/26/2016	#	Sam's Club	Food, 1/18th scale die cast car	75.06	-
9/26/2016	#	Walmart	Food, sinus relief, cold and flu relief, glitter	79.14	-
9/29/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
9/29/2016	#	Walmart	Food, women's clothing, cosmetics, allergy relief, body spray	103.74	80.00
10/3/2016	#	Walmart	Clothing, women's clothing, child's clothing, cell phone minutes	86.81	40.00
10/4/2016	#	Walmart	Food	5.43	-
10/4/2016	#	Walmart	Décor pillow, scented candle	7.50	40.00
10/6/2016	#	Walmart	Cash withdrawal	-	80.00
10/11/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
10/14/2016	#	AT&T	Unknown AT&T non-business account	99.12	-
10/17/2016	#	Walmart	Food	15.40	60.00
10/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
10/20/2016	#	Walmart	Food, cigarettes, blanket, body pillow, scented candles	36.19	100.00
10/21/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
10/24/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	204.50
10/24/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	304.50
10/24/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
10/24/2016	#	Spirits Plus	Alcohol	32.59	-
10/27/2016	#	Schnucks	Feminine products, breastfeeding product	39.62	100.00

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10/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
10/28/2016	#	Walmart	Food, women's shoe insoles	7.09	100.00
10/31/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
10/31/2016	#	Walmart	Food, Halloween bag and accessories	68.47	100.00
11/2/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/3/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
11/4/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	85.75
11/4/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
11/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
11/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/14/2016	#	AT&T	Unknown AT&T non-business account	98.97	-
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	65.70
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/14/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/14/2016	#	Walmart	Money order	89.10	100.00
11/15/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
11/16/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
11/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.70
11/17/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/18/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
11/18/2016	1090	Jayna Small	Secret Santa shopping	700.00	-
11/20/2016	1123	Darren Small	Unknown	1,000.00	-
11/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
11/25/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	165.70
11/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.25
11/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
11/28/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
11/28/2016	#	Walmart	Feminine products, mini massager, body wash	26.11	-

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11/28/2016	#	Walmart	Children's clothing, cell phone, minutes and case, children's books and reader, music earbuds, laundry detergent	304.21	100.00
11/30/2016	#	Walmart	Food, cigarettes	2.62	-
11/30/2016	#	Walmart	Lullaby bear crib projector, baby ring and hand rattles	22.58	20.00
11/30/2016	#	Walmart	Men's clothing, letter stencils, crayons	34.68	-
12/1/2016	#	ATM Withdrawal	Cash withdrawal	-	200.00
12/1/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
12/1/2016	#	London's Wing House	Food	1.09	-
12/1/2016	#	London's Wing House	Food	21.58	-
12/2/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
12/5/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
12/5/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
12/5/2016	#	Lee's Famous Recipe Chicken	Food	16.93	-
12/7/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
12/7/2016	#	Walmart	Cat litter	14.20	-
12/9/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
12/12/2016	#	Walmart	Food	5.42	60.00
12/13/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
12/13/2016	#	Walmart	Food, cosmetics	13.23	-
12/15/2016	1124	Jack Knudsen	2016 bonus	200.00	-
12/19/2016	#	ATM Withdrawal	Cash withdrawal	-	200.00
12/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
12/19/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
12/19/2016	#	Church's Chicken	Food	19.62	-
12/20/2016	#	Walmart	Food	20.64	60.00
12/21/2016	#	Walmart	Food, cigarettes, toddler doll, tranquility oil	22.81	100.00
12/22/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
12/23/2016	1125	Jayna Small	Raffle prize cash	100.00	-
12/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
12/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
12/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75

Appendix B

Kinloch Fire Protection District

Improper Disbursements and Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
12/27/2016	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
12/30/2016	#	AT&T	Unknown AT&T non-business account	197.94	-
1/3/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
1/3/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
1/5/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
1/5/2017	#	Walmart	Food	21.98	60.00
1/5/2017	#	Walmart	Food, cigarettes, baby needs, clothing, child's clothing, TV antenna, snow shovels, flushable wipes, jars, Disney merchandise	146.43	100.00
1/5/2017	#	Walmart	Clothing, cell phone minutes, video game equipment, music earbuds, 1,100 thread count sheets	184.20	100.00
1/6/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
1/9/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
1/9/2017	#	St. Louis Fish & Chicken	Food	43.63	-
1/9/2017	#	Walmart	Food, women's clothing, infant ibuprofen, Gorilla Glue	70.79	100.00
1/11/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
1/12/2017	#	Kyoto Teppanyaki	Food	15.18	-
1/13/2017	#	Walmart	Food	1.42	100.00
1/17/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.70
1/17/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
1/17/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
1/17/2017	#	Walmart	Food, child's clothing, lighters	14.17	40.00
1/19/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	106.00
1/20/2017	#	Walmart	1,100 thread count sheets	27.28	100.00
1/20/2017	#	Walmart	Picture frames	60.24	100.00
1/23/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
1/24/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
1/30/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
1/30/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	305.75
2/1/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
2/3/2017	#	Walmart	Music earbuds	10.78	40.00
2/6/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75

Appendix B

Kinloch Fire Protection District

Improper Disbursements and Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Transaction Date	Check Number	Vendor	Improper Item/Purpose	Improper Amount	Cash Withdrawal and Fees
2/6/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	206.00
2/8/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
2/8/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.25
2/13/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.70
2/15/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
2/16/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	105.75
2/21/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
2/23/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	125.74
2/24/2017	#	ATM Withdrawal*	Cash withdrawal and related banking fees	-	205.75
3/7/2017	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	37.45	-
3/7/2017	#	Meridian Waste	Unreimbursed portion of the City of Kinloch's waste service bill	37.45	-
3/9/2017	#	McDonald's	Food	16.23	-
3/9/2017	#	Popeyes	Food	45.19	-
3/9/2017	#	Steak 'n Shake	Food	18.28	-
3/20/2017	#	Sam's Club	Cash withdrawal	-	100.00
3/20/2017	#	Sun Restaurant	Food	17.62	-
				<u>\$ 19,727.20</u>	<u>52,756.99</u>

Appendix C

Kinloch Fire Protection District

Summary of Improper Disbursements by Vendor and Year

For the Period of January 1, 2014, through March 20, 2017

Vendor Name	Total	Period Ended	Year Ended December 31,			Total
		March 20,	2016	2015	2014	Number of
		2017				Transactions
Ameren	\$ 164.75	-	-	-	164.75	1
Art's Lawn Mower	69.42	-	69.42	-	-	1
AT&T	1,594.94	-	856.74	399.40	338.80	19
Burger King	33.92	-	17.87	-	16.05	2
Chinese Express	44.02	-	44.02	-	-	2
Church's Chicken	79.65	-	69.87	-	9.78	4
Clearwire	219.96	-	-	-	219.96	4
Darren Small	3,000.00	-	3,000.00	-	-	2
Department of Corrections	77.21	-	-	77.21	-	1
Ferguson Chop Suey	9.50	-	9.50	-	-	1
GameStop	104.12	-	57.69	46.43	-	3
Hanley ZX	1.08	-	1.08	-	-	1
Hibachi Grill	13.13	-	-	13.13	-	1
Home Depot	1,013.37	-	987.14	3.98	22.25	3
Hometown Buffet	221.94	-	69.66	-	152.28	4
Jack Knudsen	200.00	-	200.00	-	-	1
Jayna Small	1,600.00	-	800.00	-	800.00	11
Krispy Kreme	4.74	-	4.74	-	-	1
Kyoto Teppanyaki	15.18	15.18	-	-	-	1
Lee's Famous Recipe Chicken	84.14	-	70.80	13.34	-	4
Little Caesars	27.15	-	16.29	-	10.86	2
London's Wing House	41.65	-	22.67	-	18.98	3
McDonald's	251.58	16.23	190.16	2.17	43.02	18
Meridian Waste	332.56	74.90	-	221.66	36.00	8
Payless Shoes	12.86	-	-	-	12.86	1
Petro Mart	0.37	-	0.37	-	-	1
Popeyes	84.15	45.19	32.46	-	6.50	3

Appendix C

Kinloch Fire Protection District

Summary of Improper Disbursements by Vendor and Year

For the Period of January 1, 2014, through March 20, 2017

Vendor Name	Total	Period Ended	Year Ended December 31,			Total
		March 20,	2016	2015	2014	Number of
		2017				Transactions
Rib Shack	12.99	-	12.99	-	-	1
Sam's Club	205.67	-	181.91	23.76	-	17
Schnucks	1,557.68	-	1,536.09	21.59	-	41
Shoe Carnival	136.42	-	-	-	136.42	1
Southern Floral	75.00	-	75.00	-	-	1
Spirits Plus	77.70	-	32.59	45.11	-	3
St. Louis Fish & Chicken	43.63	43.63	-	-	-	1
Steak 'n Shake	24.15	18.28	-	-	5.87	2
Subway	145.54	-	145.54	-	-	4
Sun Restaurant	17.62	17.62	-	-	-	1
Tony Merkel	3,000.00	-	3,000.00	-	-	1
Top Beauty Supply	22.16	-	-	-	22.16	1
Walmart	4,974.15	537.29	3,018.23	1,216.58	202.04	115
Wendy's	9.77	-	9.77	-	-	1
White Castle	23.33	-	23.33	-	-	1
WPY*Tony Wade	100.00	-	-	100.00	-	1
Total	\$ 19,727.20	768.32	14,555.93	2,184.36	2,218.58	295

Appendix D

Kinloch Fire Protection District

Summary of Cash Withdrawals

For the Period of January 1, 2014, through March 20, 2017

Location	Method	Total	Period Ended	Year Ended December 31,			Total
			March 20,	2016	2015	2014	Number of
			2017				Transactions
ATM	ATM withdrawals	\$ 31,955.00	4,660.00	23,325.00	3,970.00	-	182
Bank	Checks and counter checks	7,811.80	-	7,200.00	611.80	-	3
Sam's Club	Cash back transactions	1,420.00	100.00	940.00	380.00	-	18
Schnucks	Cash back transactions	3,800.00	-	3,800.00	-	-	39
Walmart	Cash back transactions	6,800.00	740.00	4,180.00	1,780.00	100.00	93
	Total Cash Withdrawals without Fees	\$ 51,786.80	5,500.00	39,445.00	6,741.80	100.00	335
ATM	ATM withdrawal fees (1)	970.19	142.79	713.40	114.00	-	-
	Total Cash Withdrawals with Fees	\$ 52,756.99	5,642.79	40,158.40	6,855.80	100.00	335

(1) ATM withdrawal fees are associated with 177 of the 182 ATM withdrawals.



Office of Missouri State Auditor
Nicole Galloway, CPA

Vernon County Ambulance District



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Vernon County Ambulance District

Background

The Director of Operations (Director) is the chief executive officer directly responsible for overseeing daily operations of the district, including supervision of personnel and management of financial activities. The Office Manager was responsible for all duties related to bookkeeping, payroll, billing, collecting and disbursing monies, making deposits, and providing financial reports to the Board. Former Director James D. McKenzie began employment with the district in 1987 and former Office Manager Tina L. Werner began employment with the district in 2000. The Board held a special meeting on October 23, 2015, and terminated both the former Director and Office Manager following discussions regarding the district's poor financial condition.

A federal grand jury in the United States District Court for the Western District of Missouri indicted the former Director and former Office Manager in May 2017 for embezzling more than \$260,000 from the district. The indictment alleges that from January 2013 to October 2015 the defendants participated in a conspiracy to financially enrich themselves by fraudulently obtaining and attempting to obtain money and property from district bank accounts and credit card accounts. The Board filed a civil lawsuit in Vernon County Circuit Court against the 2 former employees on May 20, 2016.

In June 2017, we began an audit of the district at the request of district residents through the petition process. The petition audit required 863 signatures from registered voters within the district and 874 signatures were certified as valid by the Vernon County Clerk. Audit procedures focused primarily on the year ended June 30, 2017.

The civil case is ongoing as of May 2018, and the federal case is scheduled to go to trial in September 2018.

Accounts Receivable Procedures

District personnel did not make sufficient efforts to restore lost billing and patient account data, and are not making proactive efforts to collect on old accounts receivable for trip charges incurred prior to October 2015. In addition, the billing agency contract does not specify billing and write-off procedures, and the district is not making efforts to collect on newer accounts once the billing agency deems them uncollectible and stops billing. Neither the Board nor district personnel adequately monitor accounts receivable write-offs, maintain sufficient documentation of collection efforts and decisions, and written policies lack sufficient details. The district's policy allowing for agency administrative discounts of ambulance billings for certain individuals may not be fully compliant with state laws. District personnel do not perform monthly reconciliations of amounts billed, payments received, amounts written off, and amounts unpaid for trip charges.

Accounting Controls and Procedures

Supervisory reviews over certain accounting functions and records need improvement. Office personnel do not issue receipt slips for all monies received or maintain a complete record of receipts. In addition, the composition of receipts is not compared to the composition of deposits by an independent person. District personnel do not perform reconciliations to ensure all monies received, whether by office personnel or the contracted

billing agency, are accounted for properly. The Office Administrator does not restrictively endorse checks and money orders immediately upon receipt.

Disbursements	The district does not always solicit bids or proposals for goods and services, document the selection process, and maintain current written contracts with some providers. In addition, the district did not have a written bid policy. The bid policy adopted after our inquiry is not sufficient. Improvement is needed in the district's disbursement review procedures to ensure all invoices are reviewed by district personnel, marked paid, and supported by documentation acknowledging receipt of goods or services. The Board approved and paid incentives to employees in December 2016, but these payments were not (1) part of formal pay plans, (2) subject to tax withholdings, and (3) reported on W-2 forms. In addition, the district does not have procedures to review and evaluate the reasonableness of vehicle usage and does not reconcile fuel usage to fuel purchases.
Financial Reports and Budgets	District personnel did not file annual financial reports for fiscal years 2007 through 2016 timely with the SAO as required by state law. District budgets do not include all statutorily required elements. The fiscal year 2017 budget did not include a budget summary, the actual beginning and estimated ending cash balances, actual receipts and disbursements for the 2 preceding years, or district indebtedness information.
Sunshine Law	The Board held 7 closed session meetings during the year ended June 30, 2017, but minutes were not prepared and subsequently approved by the Board. In addition, the Board has not adopted a written policy regarding public access to district records as required by state law and district personnel do not maintain a log of public record requests to ensure all requests are handled in compliance with state law.
Electronic Data Security	The district has not established adequate password controls to reduce the risk of unauthorized access to computer systems and electronic data.
Capital Assets	The district does not maintain records of its capital assets including buildings, land, vehicles, equipment, and other property. Additionally, district personnel do not tag assets for specific identification or perform annual physical inventories.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Vernon County Ambulance District

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Board of Directors
Vernon County Ambulance District

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Vernon County Ambulance District. We have audited certain operations of the district in fulfillment of our duties. The district engaged DSWA, Certified Public Accountants, PC, to audit the district's financial statements for the fiscal year ended June 30, 2017. To minimize duplication of effort, we reviewed DSWA's audit report for the year ended June 30, 2016, since the year ended June 30, 2017, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2017. The objectives of our audit were to:

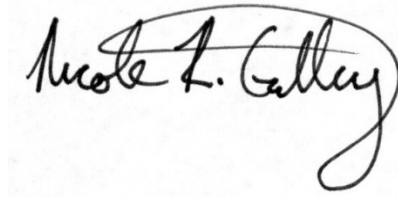
1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; inspection of capital assets; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Vernon County Ambulance District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written in a smaller, more compact script between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Richard Stuck
Audit Staff:	Philip V. Osadchuk, MAcc

Vernon County Ambulance District

Introduction

Background

The Director of Operations (Director) is the chief executive officer directly responsible for overseeing daily operations of the district, including supervision of personnel and management of financial activities. The Office Manager¹ was responsible for all duties related to bookkeeping, payroll, billing, collecting and disbursing monies, making deposits, and providing financial reports to the Board of Directors. Former Director James D. McKenzie began employment with the district in 1987 and former Office Manager Tina L. Werner began employment with the district in 2000.

On October 19, 2015, the Internal Revenue Service (IRS) filed a tax lien of \$213,158 against the district for unpaid payroll taxes for the quarterly periods ending December 31, 2013, through March 31, 2015. The Board held a special meeting on October 23, 2015, and terminated both the former Director and Office Manager following discussions regarding the district's poor financial condition.

After determining annual audits had not be done for the 2 fiscal years ended June 30, 2015 and 2014, the Board hired a CPA firm on October 27, 2015, to perform those audits, and discussed options to outsource key accounting functions. On November 3, 2015, the Board executed a contract with a medical billing service agency to handle all billings and collections for the district's ambulance services. The Board also outsourced accounting functions related to accounts payable, payroll, bank reconciliations, and financial statement preparation in April 2016.

The Board obtained a \$150,000 tax anticipation loan in November 2015 to maintain daily operations (salaries, utilities, fuel, and supplies) and entered into a \$450,000 secured loan agreement in February 2016 to pay outstanding debts related to federal and state payroll taxes, credit cards, and equipment. The tax anticipation loan was repaid in January 2016 and the secured loan agreement is being repaid in 60 monthly installments. The district resolved the IRS tax lien liability in February 2016.

In January 2016, the Missouri State Highway Patrol (MSHP) began an investigation after the CPA firm's auditors identified questionable transactions and concerns related to accounts receivable and unbilled trip charges. The Federal Bureau of Investigation (FBI) began an investigation of these transactions in early 2016.

A federal grand jury in the United States District Court for the Western District of Missouri indicted the former Director and former Office Manager

¹ The Office Manager position remains unfilled. Effective October 23, 2015, the Office Administrator assumed many of these duties except for certain billing and collection functions outsourced in November 2015 and accounting functions outsourced in April 2016.



Vernon County Ambulance District Introduction

in May 2017 for embezzling more than \$260,000 from the district. The indictment alleges that from January 2013 to October 2015 the defendants participated in a conspiracy to financially enrich themselves by fraudulently obtaining and attempting to obtain money and property from district bank accounts and credit card accounts.

The former Office Manager used her position to electronically transfer money from district bank accounts into personal bank accounts held by herself and the former Director, and initiate electronic bill payments from district bank accounts to pay personal credit cards held by herself and the former Director. In addition, the defendants issued payments from district credit card accounts for payment of personal utility bills of the former Director and those of his family member. The former Office Manager allegedly falsified electronic payroll records and recorded additional overtime hours resulting in electronic payments to herself and the former Director for hours not worked. The indictment indicates the former Office Manager attempted to conceal the embezzlement by entering a false deposit of \$130,000 in the accounting system, and by obtaining a \$20,000 line of credit without the Board's knowledge. In addition, the defendants allegedly destroyed district financial and business documents in an effort to conceal their embezzlement.

In addition to the conspiracy, the defendants are charged with 8 counts of wire fraud including, three counts related to thefts from the district's Christmas account for payment of the defendants' credit cards; two counts related to thefts from the district's toy drive account for transfer to the bank account of a business owned by the former Director; one count related to theft from a district credit card to pay the personal utility bills of the former Director and his family member; and, one count each related to the former Director and former Office Manager receiving compensation to which they were not entitled.

The Board filed a civil lawsuit in Vernon County Circuit Court against the 2 former employees on May 20, 2016, as an attempt to recoup some of district's funds.

In June 2017, the State Auditor's Office (SAO) began an audit of the district at the request of district residents through the petition process. The petition audit required 863 signatures from registered voters within the district and 874 signatures were certified as valid by the Vernon County Clerk. Audit procedures focused primarily on the year ended June 30, 2017. However, procedures were expanded as appropriate for certain specific issues or concerns.

The FBI and MSHP investigations and the civil case in Vernon County Circuit Court are ongoing as of May 2018. The federal case is scheduled to go to trial in September 2018.

Vernon County Ambulance District

Management Advisory Report

State Auditor's Findings

1. Accounts Receivable Procedures

Controls and procedures over accounts receivables need improvement. District records indicate billings totaled approximately \$5.4 million for ambulance services (trip charges) provided during the year ended June 30, 2017, and collections totaled approximately \$1.5 million.

The Board made the decision to outsource the billing and accounts receivable functions in late October 2015 after determining the former Office Manager had not processed insurance claims and billings for numerous trip charges. In November 2015, the district contracted with a medical billing service agency (billing agency) to provide patient billing and collection services for trip charges incurred beginning October 1, 2015.

1.1 Collection procedures

District personnel did not make sufficient efforts to restore lost billing and patient account data, and are not making proactive efforts to collect on old accounts receivable for trip charges incurred prior to October 2015. In addition, the billing agency contract does not specify billing and write-off procedures, and the district is not making efforts to collect on newer accounts once the billing agency considers them uncollectible and stops billing.

Old accounts receivable

The district is not pursuing collection of old accounts receivable. Outstanding balances for trips incurred prior to October 2015, cannot be readily determined because the district did not ensure patient account data was fully restored after the district's old billing system crashed on December 19, 2014. The district did not have proper backup procedures. At our request, the Secretary generated an accounts receivable report from the old billing system showing 876 patient accounts with amounts due totaling approximately \$1.2 million as of June 30, 2017. District personnel said these amounts are not accurate because the most recent backup available for data restoration was from October 2012, more than 2 years prior to the system crash. As a result, the district lost a significant amount of data that needed to be manually reentered into the old billing system using available records such as trip logs, insurance settlement records, and deposit records. However, in late October 2015, the Board determined very little of this data had been reentered into the system and numerous 2015 trips had not been billed. As a result, old billing system data is inaccurate and district personnel do not use it to monitor or bill unpaid balances or make write-off decisions. If a patient contacts the district to pay on an old account, the Office Administrator will accept the payment and update the patient's account in the old billing system at that time.

Newer accounts receivable

Collection procedures for newer accounts processed by the billing agency since November 2015 need improvement. The billing agency contract does not specify requirements for a minimum number of monthly patient billing attempts to collect outstanding balances or procedures for writing off uncollectible accounts. According to district personnel, the billing agency currently mails patients up to 6 monthly statements for outstanding balances after applicable insurance payments. In addition, if a patient does not remit payment or contact the billing agency for 6 consecutive months, the agency



Vernon County Ambulance District
Management Advisory Report - State Auditor's Findings

considers the account uncollectible, writes off the balance due, and makes no further collection efforts. These accounts then show a zero balance due in the billing agency's system. District personnel make no further collection efforts unless a patient contacts the district about making a payment or setting up a payment plan. The billing agency contract also does not address discounts allowed for timely payment, as discussed further in section 1.2.

Good business practices require adequate collection procedures be established to ensure accounts are collected timely and bad debts are kept to a minimum.

1.2 Write-off procedures

Neither the Board nor district personnel adequately monitor accounts receivable write-offs or maintain sufficient documentation of collection efforts and decisions. Also, written policies lack sufficient details.

Monitoring

The Office Administrator does not provide complete listings of accounts receivable balances and amounts written off to the Board for review and approval. The billing agency maintains its own system to process district accounts receivable and records all accounts receivable write-offs in this system to clear the balance owed. These amounts are not reviewed or verified by district personnel independent of the receipting function. District personnel have access to the billing agency's system and can produce detailed reports of balances due and amounts written off; however, only summary reports of trip charges occurring for a 2 or 3 month period prior to Board meetings are generated and provided to the Board. At our request, the Office Administrator generated a report showing write-offs totaling almost \$4.5 million during the year ended June 30, 2017. Approximately \$2.1 million represents write-offs of contractual allowances (amount charged less amount agreed to accept for payment) for certain Medicare patients. The remaining \$2.4 million consists of unallowable charges for Medicare, Medicaid, and other insurance companies; and balances the billing agency deemed uncollectible and wrote off due to bad addresses, bad debts, bankruptcy, and deceased patients. There is no documentation to demonstrate if any of these accounts were reviewed by the Board for appropriateness and whether the district made any further collection efforts.

Documentation

The district is not maintaining sufficient documentation to demonstrate proper account handling or consideration of its collection efforts and other factors prior to approving write-offs. Patients with accounts handled by the billing agency will sometimes contact the Board and request a reduction of their bill, but it is unclear if there is any communication between the district and the billing agency of the account handling (i.e., full write-off, partial write-off, periodic payment arrangements) subsequently approved by the Board. Board minutes for the year ended June 30, 2017, show the Board reviewed letters from 5 patients requesting adjustments to amounts they owed the district. Correspondence indicates the Board approved write-offs for 2 of these accounts after considering the account activity and patients' financial



Vernon County Ambulance District
Management Advisory Report - State Auditor's Findings

records. For one account the Board agreed to reduce the account balance equal to regular monthly payments made by the patient resulting in a 50 percent write-off (totaling \$1,545). However, for this account the billing agency had written off the entire balance owed as a bad debt on January 20, 2017, prior to Board approval on February 16, 2017. The Office Administrator is maintaining a separate spreadsheet to track monthly payments made to the district office on this account but did not know if the billing agency was tracking the activity. For the other account, the Board authorized the \$500 balance be written off in full. We were unable to determine how the billing agency and district handled and recorded this request and the other 3 request because the Office Administrator redacted all the patient account information on the letters to and from the patients, and did not retain any original unredacted copies of the correspondence.

Written policies

District policies for the write-off of accounts receivable and payment discounts need updating. The February 13, 2009, meeting minutes indicate the Board gave the Director authority to allow a 10 percent discount to a patient's bill upon request if the bill is paid in full within 10 days. This discount was not documented in a formal written policy. Our review of the minutes and discussions with district personnel indicates the billing agency is offering 10 and 20 percent discounts to patients if bills are paid in full within 10 days. Written policy enacted in 2013 allows discretionary write-offs for patients making payments on a significant portion of their accounts or when the debt is likely uncollectible, but does not state who is responsible for approving them.

After our inquiry, the Board adopted a written policy on August 17, 2017, allowing discretionary write-offs and authorizing the Office Manager or Director to allow a 10 percent discount to patient accounts paid prior to the statement due date. This new policy does not clarify who is responsible for approving discretionary write-offs. In addition, the Office Administrator indicated she assumed most duties of the Office Manager and the Board essentially granted her authority to approve applicable discounts to patient accounts. Because the Office Administrator is primarily responsible for receipting, recording, and depositing monies, she should not have the ability to approve these discounts

Conclusion

There are no statutes permitting the ambulance district to write-off debts as a matter of discretion. Article III, Section 39(5) of the Missouri Constitution prohibits statutes that authorize the releasing or extinguishing of debt, in whole or in part, without consideration. Write-offs of receivables should be verified and approved by a person independent of the postings of such transactions to ensure they are legitimate. Considering the risks associated with adjustments to accounts, the Board should improve its monitoring of write-offs of accounts receivable. In addition, the Board should update the district's written policies to clarify who is authorized to approve write-offs,



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and ensure amounts written off are verified by an independent person, ensure reasons for writing off accounts are allowable per the policy, and maintain sufficient documentation of factors considered prior to approving write-offs.

1.3 Agency administrative write-offs

The district's written policy adopted in August 2017 may not be fully compliant with state laws. This policy allows for agency administrative discounts of ambulance billings in which the entire balance after insurance shall be written off for the following individuals:

- current full-time, part-time or retired employees and/or their dependents.
- active first responders of the district and/or their dependents, and past first responders who served at least 5 years and/or their dependents.
- active district Board members and/or their dependents, and past district Board members who served at least one full 3-year term.
- active and past medical directors and/or their dependents.
- firefighters, law enforcement, and first responders injured and transported in the line of duty, and dispatchers transported while on duty.

Providing write-offs to current employees could be considered part of their compensation or health insurance plan, but should be outlined in the employee benefit package. Writing off debt incurred by retired employees, past first responders, and contracted medical directors conflicts with Article III, Section 39(3) of the Missouri Constitution, which prohibits granting any extra compensation, fee, or allowance to employees or contractors for services already rendered. Writing off debt incurred by Board members could conflict with Section 190.055, RSMo, which provides the compensation for the Board, including a cap on the compensation. Additionally, Article VI, Sections 23 and 25, of the Missouri Constitution does not permit local governments to grant public money to benefit private individuals. The Board should review each of these policy provisions and consult with legal counsel as to whether forgiving these amounts is in compliance with Missouri Constitution and state law.

1.4 Accounts receivable reconciliations

District personnel do not perform monthly reconciliations of amounts billed, payments received, amounts written off, and amounts unpaid for trip charges.

Monthly reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are identified and corrected timely.



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Recommendations

The Board of Directors:

- 1.1 Establish sufficient procedures to collect accounts receivable. In addition, the Board should update the billing agency contract to clarify billing and collection efforts, timely payment discounts, and procedures for writing off bad debts. The Board should also ensure proper data recovery procedures are in place.
- 1.2 Update the district's policy to clarify who is authorized to approve write-offs and ensure all write-offs are verified by an independent person. The Board should periodically review detailed accounts receivable records and take action to collect on accounts the billing agency is no longer pursuing, and ensure reasons for write-offs are allowable according to the policy. In addition, the Board should ensure sufficient documentation of factors considered prior to approving write-offs is retained.
- 1.3 Reevaluate agency administrative write-offs outlined in district policy and consult with legal counsel to determine legality.
- 1.4 Ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed.

Auditee's Response

- 1.1 *The district's account is reviewed by the billing service for likelihood of collection, including availability of insurance, credit rating and income, using proprietary software and information services. No account is ever charged off without Board approval. In addition to billing services, Specialized Billing and Collection Services of Texas provides the services of a traditional collection agency, including letters and phone calls to debtors and implementation of payment plans. Specialized Billing and Collection Services of Texas has given us a draft of written policies on write offs for the district and legal counsel to review for their approval. The district is researching data recovery procedures above our on-site backup, off-site backup and Cloud backup systems we currently have.*
- 1.2 *In the future, the district will generate a periodic report of accounts that Specialized Billing and Collections of Texas deems uncollectible and will review and authorize cessation of active collection efforts on accounts that the Board agrees are uncollectible. These will be decided according to factors that will be stated in the policies that are being discussed and developed by Specialized Billing and Collections of Texas, the district, and our legal counsel.*
- 1.3 *The district will consult with legal counsel and review this policy.*



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1.4 The district will require Specialized Billing to provide the information necessary for periodic review and reconciliation.

2. Accounting Controls and Procedures

2.1 Oversight

Accounting controls and procedures need improvement. The district uses a computerized accounting system to record receipts and deposits. The district collected approximately \$2 million for trip charges, property taxes, instructional courses, equipment sales, and miscellaneous fees during the year ended June 30, 2017.

Supervisory reviews over certain accounting functions and records need improvement. The Board took actions to segregate some accounting duties and reduce the risk of employee collusion by outsourcing billing and accounts receivable functions for trip charges in November 2015 and certain bookkeeping functions related to bank reconciliations, accounts payable, payroll, and financial statement preparation in April 2016. The Board reviews detailed reports of the bookkeeping functions, but does not review detailed accounts receivable reports (see MAR finding number 1.2). The district also revised procedures as outlined in a document titled "Procedure changes after Oct. 23, 2015," requiring the Director to verify all money that comes in the mail and all deposits prepared by office personnel. The Office Administrator, and the Secretary in her absence, are primarily responsible for receipting, recording, and depositing monies. The Director's reviews are not documented and do not include a detailed review of receipt records and transactions recorded in the accounting and billing systems. Also, there is no evidence the Board formally approved these procedure changes or incorporated them into district policy.

To reduce the risk of loss, theft, or misuse of funds going undetected, the district should ensure documented independent or supervisory reviews of detailed accounts receivable reports and accounting records are performed. The Board's formal approval of procedural changes and incorporating them into district policy is necessary to help ensure employees are aware of the changes and potential impact on their duties.

2.2 Receipting, recording, and depositing procedures

Office personnel do not issue receipt slips for all monies received or maintain a complete record of receipts. In addition, the composition of receipts is not compared to the composition of deposits by an independent person.

Receipt slips are only issued upon request. No manual receipt slips were issued during an almost 9 month period from December 14, 2015, to September 7, 2016. From September 7, 2016, to June 30, 2017, only 9 manual receipt slips were issued and the method of payment was not indicated on 2 of them. The Office Administrator uses various methods to record receipts for trip charges.

- The billing agency collects the majority of payments on newer accounts (trips beginning October 1, 2015) and transmits a batch of receipts in the



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mail to the district each week. The billing agency assigns a sequential batch number and dates each batch invoice accompanying the receipts, but the Office Administrator does not record the date she receives each batch. Instead, she makes copies of the checks and records the receipts in the accounting system when she prepares the deposit. As a result, there is no initial record of receipt. Our review of 9 batches deposited in June 2017 determined that batch number 2017-32 with a batch invoice date of June 19 was deposited on June 22, but batch number 2017-31 with a batch invoice date of June 14 was not deposited until June 26. The Office Administrator indicated she accounts for all batch numbers and attempts to deposit each batch the day received, but could not explain why batch number 2017-32 was deposited 4 days prior to batch number 2017-31.

- Customers with newer accounts sometimes remit the balance due to the district office rather than sending it directly to the billing agency. If billing statements are submitted with these payments, they are marked paid and a copy of the billing statement and a copy of the check is placed in a file folder with other collections. If a copy of the statement is not provided, a copy of the check is placed in the file folder. The Office Administrator then notifies the billing agency of payments received for recording into the billing agency's system.
- For the 6 customers making regular monthly payments to the district office on newer accounts, the Office Administrator maintains a spreadsheet for each person to track the payments and balance due. When a payment is made, the Office Administrator records the date, method of payment, check number, amount, and balance due; and provides a printout of this information to customers as their receipt. The Office Administrator then notifies the billing agency of the payment received for recording into the billing agency's system.
- For payments received on old accounts established prior to October 2015, the Office Administrator records the receipt in the district's old billing system and provides a statement showing the amounts paid and balance due to customers as their receipt. These receipts are not numbered in the district's billing system and the Office Administrator does not generate a report of receipts recorded. At our request, the Secretary generated a report showing collections totaling \$2,510 on 14 old patient accounts during the year ended June 30, 2017. We identified at least \$245 received and deposited but not recorded in the district's billing system (see section 2.3).

As a result of these multiple receipting methods, there is not a complete initial record of receipts to reconcile to postings in the accounting system, billing records, and deposits. In addition, the composition of receipts cannot be compared to the composition of deposits. The Office Administrator posts receipts to the accounting system when she prepares the deposit, but does not print a deposit summary listing the composition of receipts.



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Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of monies will occur and go undetected. To reduce this risk, procedures should be established to ensure all monies received are properly receipted, recorded, and deposited intact. In addition, internal controls could be improved by implementing documented independent comparisons of the composition of receipts to the composition of deposits.

2.3 Receipt reconciliations

District personnel do not perform reconciliations to ensure all monies received, whether by office personnel or the contracted billing agency, are accounted for properly. As a result, some transactions are not being properly or timely recorded in the billing systems, discrepancies exist between the billing and accounting systems, and errors are not detected and corrected timely.

For monies received from the billing agency, batch invoice totals and detailed receipt reports often include amounts electronically deposited into district bank accounts and transactions previously collected and deposited by district personnel. There is no review to ensure the billing agency's records agree to the district's accounting and deposit records. For example, our review of June 2017 receipts identified an electronic deposit of \$731.35 on June 29, 2017, to the district's bank account, but the district could not provide documentation the billing agency had recorded this item to the appropriate account. We also identified 2 transactions totaling \$422.96 (\$211.48 in check and \$211.48 in electronic deposit) on June 13, 2017, listed on batch number 2017-31 from the billing agency, but the electronic deposit has not posted to the bank account as of March 31, 2018.

The Office Administrator does not generate a detailed receipt report from the district's old billing system for comparison to amounts recorded in the accounting system and deposited. Our review of accounting records related to payments on 2 patient accounts established prior to October 2015 identified at least 10 receipts totaling \$245.20 recorded in the accounting system and deposited, but not recorded in the district's old billing system:

- Patient A: 3 receipts totaling \$65 dated December 16, 2016, February 13, 2017, and July 10, 2017, were not posted to the patient's account, resulting in the balance being overstated by \$65.
- Patient B: 7 receipts totaling \$180.20 dated between February 22, 2016, and September 7, 2016, were not posted to the patient's account. The memo on the patient's last check dated September 7, 2016, states "Balance \$0.00," but the patient's account shows a \$220.20 balance due as of March 1, 2018, indicating additional payments totaling \$40 may have been received prior to July 1, 2015, but not recorded in the old billing system.



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Reconciliations of detailed receipt reports from both billing systems to accounting and deposit records are necessary to ensure all monies received are accounted for properly, accounting and billing records are in balance, and errors are identified timely. Batch invoices and receipt reports from the billing agency's system should be reviewed to ensure the billing agency's records agree to the district's accounting records and amounts deposited. In addition, detailed receipt reports should be generated from the district's old billing system and reconciled to accounting and deposit records. Prompt follow up on differences and correction of errors is necessary to ensure monies are properly handled.

2.4 Restrictive endorsement

The Office Administrator does not restrictively endorse checks and money orders immediately upon receipt. She restrictively endorses them when preparing the deposit.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.

Recommendations

The Board of Directors:

- 2.1 Ensure documented independent or supervisory reviews of detailed accounts receivable reports and accounting records are performed. In addition, the Board should formally approve procedural changes and incorporate them into district policy.
- 2.2 Ensure official prenumbered receipt slips are issued for all monies received and all receipts are posted to the accounting system timely and deposited intact. Require batch receipts be date stamped and the numerical sequence accounted for properly. In addition, the Board should ensure documented independent reconciliations of the composition of receipts to the composition of deposits are performed.
- 2.3 Implement procedures to reconcile detailed receipt reports from both billing systems to accounting and deposit records. Any errors should be investigated and promptly resolved.
- 2.4 Restrictively endorse checks and money orders immediately upon receipt.

Auditee's Response

- 2.1 *A list of each day's deposits will be reviewed and approved and initialed by the Director daily. A daily report of "Transactions by Account" will be reviewed and initialed by the Director and retained in the district records. Accounts receivable reports will be printed as required, reviewed, and initialed by the Director. Procedural changes will be formally approved by the Board and incorporated into district policy.*



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- 2.2 *The district will commence using a receipt book containing numbered receipts bearing the district's printed name. The Director will review the cash receipts daily to ensure that all cash and checks received are included in deposits. Batch receipts will be dated by date received. All receipts will be entered into the accounting system in a timely manner.*
- 2.3 *The district will implement a procedure to compare billing and collection reports with financial reports which are generated from the district's accounting system. Any errors will be investigated and corrected.*
- 2.4 *In the future, checks will be stamped "for deposit only" and endorsed upon receipt.*

3. Disbursements

Controls and procedures over district disbursements need improvement.

3.1 Bidding and contracts

The district does not always solicit bids or proposals for goods and services, document the selection process, and maintain current written contracts with some providers. In addition, the district did not have a written bid policy. After our inquiry, the Board adopted a written bid policy on August 17, 2017. However, the policy does not stipulate a dollar threshold at which bidding is required for most purchases of goods and services. It only provides minimum standards for bidding purchases when Board members have a financial interest, bidding various types of insurance, and obtaining architectural and engineering services. It also addresses dispositions of unwanted or surplus property. The policy omits many routine and recurring purchases for which a bid process is also beneficial.

Billing and collection services

District officials did not solicit proposals for billing and collection services when they contracted with a billing agency in November 2015, and have not updated this contract for subsequent changes. The district paid the billing agency approximately \$125,000 in fees during the year ended June 30, 2017.

The 3-year contract has automatic renewals for 2 additional years and requires the district to pay fees equal to 8 percent of all funds collected by the agency on a monthly basis. On April 21, 2016, the Board voted to upgrade the district's patient care report software to a newer version provided by the billing agency because the district's old software was not fully compatible with the billing agency's system. As compensation for use of this software, the Board agreed to increase the fees to 10 percent of collections, but did not update the contract for these new terms.

Information technology and legal services

Information technology services costing \$19,274 during the year ended June 30, 2017, were not bid and the district does not have a written contract with the provider. District personnel indicated they have used this vendor for



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several years to perform system maintenance, upgrades, and virus protection services. In addition, the district has 2 different legal firms on retainer, but has not solicited proposals for legal services. The district paid \$3,750 for legal services during the year ended June 30, 2017.

Supporting documentation

The district does not sufficiently document sole source purchases or always retain bid documentation. The district entered into an agreement totaling \$59,361 for lease and maintenance costs for 3 chest compression machines for a 3-year period, and paid a local automotive shop \$12,603 during the year ended June 30, 2017, for multiple ambulance repairs. In both cases, district personnel indicated the purchases were sole source, but had no supporting documentation. In addition, district personnel indicated they obtained bids for medical supplies from multiple vendors, but did not retain documentation of those bids. The district paid the selected vendor \$25,310 for medical supplies during the year ended June 30, 2017.

Conclusion

This district should revise the August 2017 bid policy to address the threshold where purchases of goods and services must be bid or proposals solicited. Formal bidding procedures for major purchases or services provide a framework for economical management of district resources and help ensure the district receives a fair value by contracting with the lowest and best bidders. Competitive bidding helps ensure all parties are given an opportunity to participate in district business. Complete documentation should be maintained of all bids received and justification for awarding the bid.

Clear and detailed written contracts are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure district monies are used appropriately and effectively. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Formal written contract amendments are necessary when terms change substantially.

3.2 Review and approval
process

Improvement is needed in the district's disbursement review procedures to ensure all invoices are reviewed by district personnel, marked paid, and supported by documentation acknowledging receipt of goods or services. Our review noted various weaknesses.

- The Director does not document his review and approval of invoices. He indicated his approval for appropriateness of the expenditure and confirmation of receipt of good or services is implied when he records the invoice in the accounting system. The Office Administrator also has the ability to record transactions in the accounting system.
- We noted 5 of 25 invoices reviewed were not marked paid or otherwise canceled to prevent duplicate payments.



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- The district does not always require documentation, such as fuel receipt slips and cash register receipt slips, to support credit card purchases. As a result, monthly statements cannot be reconciled to actual purchases and the appropriateness of purchases cannot be evaluated.

Director approval of invoices should be documented by signing or initialing invoices. Marking invoices and other supporting documentation as paid reduces the likelihood of duplicate payments, and requiring acknowledgement of the receipt of goods or services prior to payment helps ensure the district actually received all items. To ensure obligations were actually incurred and amounts paid are proper, all disbursements should be supported by paid receipts or other detailed documentation with payment information clearly indicated.

3.3 Longevity pay

The Board approved and paid incentives to employees, totaling \$2,760, on December 9, 2016. District personnel indicated longevity pay is typically paid in December each year, but was not paid in 2015 due to the district's poor financial condition. While these incentive payments were approved by the Board, they are not part of formal pay plans. In addition, these payments were not subject to tax withholdings and were not reported on employee W-2 forms. The monies are given as an incentive to employees as recognition and appreciation of their service. The amounts ranged from \$50 to \$640 based on years of service and employment status (full-time, part-time, or reserve staff).

To ensure the incentive plan is in compliance with state and federal laws and all employees are treated equitably, the provisions of the incentive plan should be clearly defined in a formal policy and reviewed by legal counsel. In addition, the district should ensure all employee compensation is subject to payroll tax withholdings and reported on employee W-2 forms.

3.4 Fuel

The district does not have procedures to review and evaluate the reasonableness of vehicle usage and does not reconcile fuel usage to fuel purchases. The district paid approximately \$31,000 for fuel during the year ended June 30, 2017.

The district utilizes fuel cards at gas stations to purchase fuel and record vehicle odometer readings. Employees do not always accurately enter odometer readings into the fuel pump at the time of fueling, making it difficult to evaluate the reasonableness of fuel costs. In addition, employees do not always submit fuel receipt slips to the district office for comparison to monthly billing statements (see section 3.2).

Adequate procedures for monitoring fuel purchases, including comparison of mileage to fuel usage, are necessary to ensure the reasonableness of vehicle use and to prevent and detect theft and misuse of fuel. In addition, accurate entry of odometer readings are necessary to document the appropriate use of vehicles and to support fuel purchases.



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Recommendations

The Board of Directors:

- 3.1 Update the district's bid policy and ensure all applicable purchases of goods or services are made in accordance with the policy, and retain sufficient documentation of the selection process and criteria to support purchasing decisions. In addition, the Board should obtain and/or update current contracts specifying the services to be rendered and the manner and amount of compensation to be paid.
- 3.2 Ensure the Director's approval of invoices and receipt of goods or services is documented, invoices are marked paid, and adequate supporting documentation is obtained prior to payment for goods and services.
- 3.3 Establish formal policies for incentive payments, and ensure taxes are properly withheld and payments are reported on W-2 forms. The district should also contact the IRS and the Missouri Department of Revenue to determine if amended information returns should be submitted for the unreported compensation.
- 3.4 Establish adequate records and procedures to effectively monitor fuel use for reasonableness.

Auditee's Response

- 3.1 *More detailed procedures and standards for solicitation of bids will be developed and reviewed by legal counsel to include retaining documentation and what is applicable for bid. In addition, the Board will ensure the selection processes are recorded and all contracts are up to date with terms of services and payments.*
- 3.2 *All invoices will be reviewed and approved by the Director before payment. All invoices will be marked paid when disbursement is made. The district's accounting firm reconciles checks written with invoices. All invoices and check stubs are marked paid after obtaining Board approval and signatures.*
- 3.3 *The district has implemented this recommendation.*
- 3.4 *The district will review fuel charges and vehicle mileage at least monthly and will spot check fuel charges and mileage using online access to the account as required.*

4. Financial Reports and Budgets

The district financial reports were not filed timely and budgets do not include all elements required by state law.

- 4.1 Filing of financial reports District personnel did not file annual financial reports for fiscal years 2007 through 2016 timely with the SAO as required by state law. The district



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submitted an annual financial report for the year ended June 30, 2016, in March 2017, although it was due by December 31, 2016. Reports for fiscal years 2007 through 2015 were submitted in June 2017, with the exception of the 2010 report (not submitted as of May 2018). District personnel filed the fiscal year 2017 report timely.

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office. Section 105.145(5), RSMo, prohibits elected officials from continuing to receive compensation or processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the State Auditor's Office. In addition, 15 CSR 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of the subdivision's fiscal year. Effective August 28, 2017, under Section 105.145, RSMo, the State Auditor's Office must notify the Missouri Department of Revenue if a political subdivision fails to file a timely financial statement. Failure to timely file a financial statement may subject the political subdivision to a fine of \$500 per day.

4.2 Budgets

District budgets do not include all statutorily required elements. The fiscal year 2017 budget did not include a budget summary, actual beginning and estimated ending cash balances, actual receipts and disbursements for the 2 preceding years, or district indebtedness information.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the format. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of district operations. It also assists in setting tax levies and informing the public about district operations and current finances.

Recommendations

The Board of Directors:

- 4.1 Ensure annual financial reports are submitted in accordance with state law.
- 4.2 Ensure budgets contain all information required by state law.

Auditee's Response

- 4.1 *The district will file financial reports with State Auditor's Office as required by law.*
- 4.2 *The district will follow the recommendations of the Auditor beginning with the 2019 fiscal year budget.*

5. Sunshine Law

The Board's procedures for complying with the Sunshine Law need improvement.



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5.1 Closed session minutes

The Board held 7 closed session meetings during the year ended June 30, 2017, but minutes were not prepared and subsequently approved by the Board. Without minutes of closed sessions, there is no record of the discussions held or support for the decisions made, and less assurance to the public that various statutory provisions are followed.

Section 610.020.7, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of Board actions and decisions. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions made.

5.2 Public access policy

The Board has not adopted a written policy regarding public access to district records as required by state law. A written policy regarding public access to district records would establish guidelines for the district to make records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees that may be assessed for providing copies of public records.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the district to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

5.3 Record requests

District personnel do not maintain a log of public record requests to ensure all requests are handled in compliance with state law. While personnel indicated there were few requests for records, they did not document important information, such as the date a request was received, when records were provided, or important communications related to those requests.

Section 610.023, RSMo, provides each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request was received. To ensure compliance with state law, the district should document adequate information in a log to determine if requests are completed timely and all requests are adequately filled. Necessary information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated costs of filling the request.

Recommendations

The Board of Directors:

- 5.1 Ensure meeting minutes are prepared, approved, and maintained for all closed session meetings.
- 5.2 Develop a written public access policy.



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Auditee's Response	5.3	Ensure requests for information are responded to timely and maintain a public request log to help ensure compliance with state law.
	5.1	<i>The district agrees with the recommendations of the auditor and will comply.</i>
	5.2 & 5.3	<i>The district will direct legal counsel to develop appropriate policies and procedures.</i>

6. Electronic Data Security

The district has not established adequate password controls to reduce the risk of unauthorized access to computer systems and electronic data. Employees are not required to change passwords on a periodic basis to help ensure they remain known only to the assigned user and to reduce the risk of a compromised password.

Passwords are required to authenticate access to computers. Passwords should be changed periodically to reduce the risk of unauthorized access to and use of systems and data. Without effective security controls, there is an increased risk of unauthorized access to systems and the unauthorized use, modification, or destruction of data.

Recommendation

The Board of Directors require confidential passwords for each employee that are periodically changed to prevent unauthorized access to the district's computers and data.

Auditee's Response

The district agrees with the Auditor's recommendation and will implement a more robust electronic data security policy.

7. Capital Assets

The district does not maintain records of its capital assets including buildings, land, vehicles, equipment, and other property. Additionally, district personnel do not tag assets for specific identification or perform annual physical inventories. Insurance documents listed the value of land, buildings, vehicles, and other property at approximately \$2.7 million at December 1, 2017.

Adequate capital asset records and procedures are necessary to provide controls over district property; safeguard district assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.

Recommendation

The Board of Directors ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board should also ensure district personnel properly tag, number, or otherwise identify all applicable district property and conduct and document an annual inventory.



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Auditee's Response

A list of all capital assets has been created and an annual inventory will be conducted.

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Organization and Statistical Information

Vernon County Ambulance District was established in March 1978 pursuant to Chapter 190, RSMo. The district covers 826 square miles, has one building, and serves approximately 21,000 district residents. The district is comprised of six sub-districts of equal population with one taxpayer from each district comprising the Board of Directors of which a Chairman, Vice Chairman, and Treasurer are appointed from the group. Board members receive no compensation. As of June 30, 2017, the Board consisted of the following members:

Board of Directors

Name and Title	Term Expires
Michael Harris, Chairman	April 2018
Coeta Smith, Vice Chairwoman	April 2020
Chris Mason, Treasurer	April 2018
Jim Hibbs, Member	April 2019
April Hendren, Member	April 2019
Jeanne Baldwin, Member	April 2020

Director of Operations

The Director of Operations at June 30, 2017, was Leland Splitter and his annual compensation was \$75,389. The Director's compensation is established by the Board of Directors.

Financing Arrangements

The Board entered into a secured loan agreement totaling \$450,000 in February 2016 to obtain funds to pay outstanding debts related to federal and state payroll taxes, credit cards, and equipment. The agreement is scheduled to be paid off in 2021, but the district is making additional payments and will have the loan repaid sooner. The remaining principal outstanding as of June 30, 2017, was \$259,477.

The Board entered into a lease purchase agreement totaling \$155,800 in September 2016 to obtain funds to purchase 3 used ambulances. The lease agreement is scheduled to be paid off in 2020. The remaining principal outstanding as of June 30, 2017, was \$112,528.

Financial Activity

A summary of the District's financial activity for the year ended June 30, 2017, follows:

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Schedule of Receipts, Disbursements, and Changes in Cash
Year Ended June 30, 2017

	General Fund
RECEIPTS	
Property taxes	\$ 354,545
Trip charges	1,515,911
Standby fees	2,050
Instructional courses	7,060
Capital asset sales	46,670
Interest	12
Other	79,411
Total Receipts	<u>2,005,659</u>
DISBURSEMENTS	
Ambulance purchase payments	55,062
Ambulance maintenance	144,709
Building maintenance	82,502
Communications	29,366
Billing services	125,560
Operating loan repayment	118,743
General and administrative	85,487
Medical supplies	63,417
Equipment	26,884
Salaries and benefits	858,463
Training	12,660
Total Disbursements	<u>1,602,853</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	402,806
CASH BALANCE, JULY 1, 2016	<u>1,616,133</u>
CASH BALANCE, JUNE 30, 2017	<u>\$ 2,018,939</u>



Office of Missouri State Auditor
Nicole Galloway, CPA

ADMINISTRATION
Review of Article X,
Sections 16 Through 24,
Constitution of Missouri
Year Ended June 30, 2017



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Conclusions in the review of Article X, Sections 16 through 24

Background

The Constitution of Missouri was amended in 1980 to add Article X, Sections 16 through 24, commonly referred to as the Hancock Amendment. This tax limitation amendment places restrictions on the amount of personal income used to fund state government, and the amount by which fees and taxes can be increased. Mathematical formulas are used by the Office of Administration, Division of Budget and Planning (OA-BP) to determine the relevant threshold amounts each year.

Section 18(a-d) of the Hancock Amendment requires no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

Section 18(e) requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. Based upon the calculation provided by the OA-BP, the relevant annual revenue limit for fiscal year 2017 was \$101.5 million.

Fiscal Year 2017 Conclusions

For the fiscal year ended June 30, 2017, total state revenue was approximately \$4.2 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2017. This revenue limit has not been exceeded since the year ended June 30, 1999.

In addition, the OA-BP determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by a total of \$2.3 million, which is under the revenue limit of \$101.5 million. The projected net increase does not include 4 bills for which the Section 18(e) fiscal impact could not be projected. Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

Because of the nature of this review, no rating is provided.

Review of Article X, Sections 16 Through 24, Constitution of Missouri

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

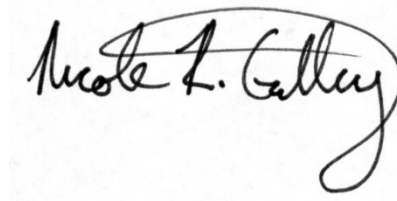
We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2017, and the application to those revenues of Article X, Section 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We previously reported on revenues of the state for the years ended June 30, 1982 through 2016. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

1. Evaluate the formulas to calculate the state's revenue limits.
2. Determine the specific items included in total state revenue.
3. Verify the accuracy of the revenue limit computations and compare the limits to total state revenue and projected tax and fee increases from legislative actions.
4. Review the state's overall compliance with the provisions of the amendment.

Our review included only the application of the revenue limit to state revenues and, accordingly, did not include a review of the effects of the amendment on any local governmental unit.

Our methodology to accomplish these objectives included discussions with personnel of the Office of Administration, Division of Budget and Planning, inspecting relevant records and reports compiled by that office, and reviewing data and reports from the statewide accounting system.

The Executive Summary and the Background, Methodology, and Conclusions present our comments and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA
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Review of Article X, Sections 16 Through 24, Constitution of Missouri

Executive Summary

Executive Summary

The amendment, commonly referred to as the Hancock Amendment, limits annual state revenues, and tax and fee increases.

Total State Revenue (TSR) Section 18(a-d)

Section 18(a-d) of the Hancock Amendment requires no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

For the year ended June 30, 2017, total state revenue (TSR) was approximately \$4.2 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2017. This revenue limit has not been exceeded since the year ended June 30, 1999. Over the last 5 years, the amount of TSR under the refund threshold has ranged from \$3.6 billion to \$4.2 billion.

Tax and fee increases Section 18(e)

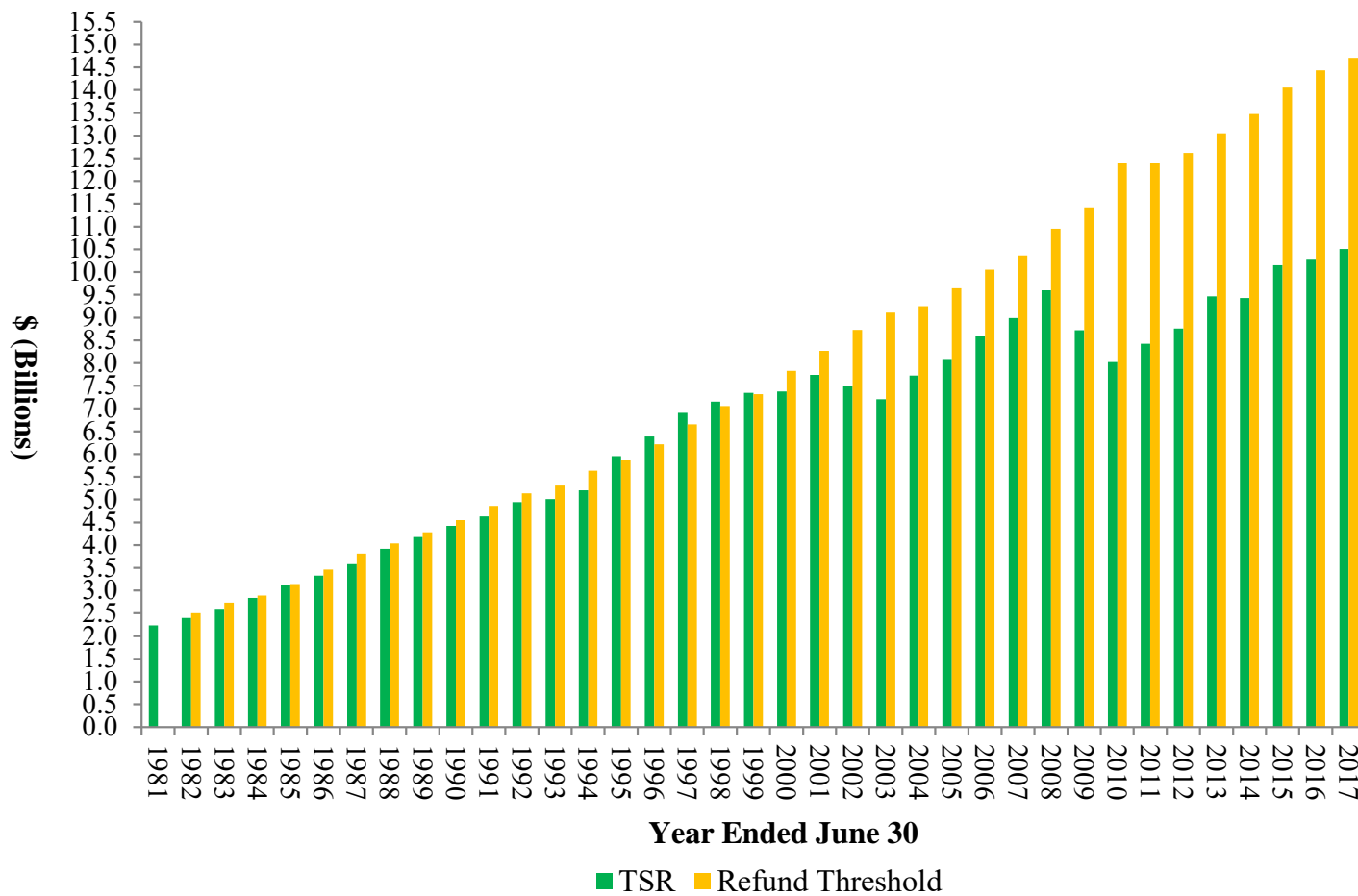
Section 18(e) of the Hancock Amendment states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less.

For the year ended June 30, 2017, the Office of Administration, Division of Budget and Planning (OA-BP) determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by a total of \$2.3 million, which is under the tax and fee increase revenue limit of \$101.5 million. The projected net increase does not include 4 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit is determined by measuring the aggregate actual new annual revenues produced in the first fiscal year each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

A bar graph of TSR compared to the refund threshold follows:

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 CHART OF TOTAL STATE REVENUE VERSUS REFUND THRESHOLD



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5, which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment is commonly referred to as the Hancock Amendment.

This review addresses the components of the amendment that relate to state revenues, primarily the requirements outlined in Section 18(a-d) which limit annual state revenues and Section 18(e) which limits tax and fee increases.

Total State Revenue Section 18(a-d)

Section 18(a-d) of the Hancock Amendment requires annual total state revenue limits. The amendment limits the amount of personal income that may be used to fund state government to no greater than the portion used to do so in 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

The Office of Administration, Division of Budget and Planning (OA-BP) calculates annual total state revenue (TSR), revenue limits, refund thresholds, and refund amounts.

Calculation

The table below summarizes the calculated TSR, revenue limits, refund thresholds, and refund calculations for the 5 years ended June 30, 2017.

	Year Ended June 30,				
	2013	2014	2015	2016	2017
	(in millions)				
TOTAL STATE REVENUE (TSR)					
Total revenues	\$ 24,736.17	24,616.14	25,845.98	26,737.22	27,249.91
Less excluded revenue	(14,050.75)	(13,878.69)	(14,442.15)	(15,019.33)	(15,326.03)
Less expenditure refunds	(1,240.31)	(1,328.25)	(1,278.49)	(1,459.78)	(1,474.61)
Add refundable tax credits	17.21	19.19	24.22	29.83	53.62
TSR	\$ 9,462.32	9,428.39	10,149.56	10,287.94	10,502.89
Missouri personal income (MPI)	\$ 228,218.00	235,661.00	245,771.39	252,482.44	257,338.33
Base year ratio (BYR)	x 0.056395	0.056395	0.056395	0.056395	0.056395
Base limit	12,870.35	13,290.10	13,860.28	14,238.75	14,512.60
Judicial article amendment	51.50	51.86	52.42	52.70	53.75
Revenue limit	12,921.85	13,341.96	13,912.70	14,291.45	14,566.35
1 percent adjustment	129.22	133.42	139.13	142.91	145.66
Refund threshold	\$ 13,051.07	13,475.38	14,051.83	14,434.36	14,712.01
TSR	\$ 9,462.32	9,428.39	10,149.56	10,287.94	10,502.89
Less refund threshold	13,051.07	13,475.38	14,051.83	14,434.36	14,712.01
Over (under) threshold	(3,588.75)	(4,046.99)	(3,902.27)	(4,146.42)	(4,209.12)
1 percent adjustment	0.00	0.00	0.00	0.00	0.00
Refund	\$ 0.00	0.00	0.00	0.00	0.00



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

The calculation shows for the year ended June 30, 2017, TSR was approximately \$4.2 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2017. This revenue limit has not been exceeded since the year ended June 30, 1999.

Revenue limit formula

The OA-BP calculated the 1981 base year ratio of personal income to TSR as 5.6 percent, and uses this ratio to calculate annual revenue limit.

Section 18(a) establishes the revenue limit formula as follows:

$$\begin{array}{lcl} \text{Revenue limit} & \text{Total state revenue (TSR)} & \text{The greater of MPI in the} \\ \text{for fiscal year} & \text{in FY 1981} & \text{calendar year (CY) prior} \\ \text{(FY) 20XX} = & \frac{\text{CY 1979 Missouri}}{\text{personal income (MPI)}} \times & \text{to the CY in which} \\ & & \text{appropriations are made} \\ & & \text{for FY 20XX or Average} \\ & & \text{MPI for 3 CYs preceding} \\ & & \text{FY 20XX.} \end{array}$$

The formula is composed of two principal parts. The first part of the formula, the base year ratio (BYR), is as follows:

$$\frac{\text{TSR in FY 1981}}{\text{CY 1979 MPI}}$$

The application of this ratio to the second part of the formula (future years' MPI) sets the revenue limit to ensure no greater portion of a future year's personal income will be used to fund state government than was the case at the time of passage of the amendment.

The MPI amounts used in the formula for the base year and subsequent years are reported by the U.S. Department of Commerce (DOC). The OA-BP uses the MPI first officially published by the DOC after the close of the calendar year to calculate the revenue limit for the applicable fiscal year. The OA-BP does not adjust the MPI used in the BYR or the second part of the formula for subsequent adjustments to the MPI by the DOC. Section 17(2) refers to ". . . total income . . . as defined and officially reported by" the DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests the revenue limit should be recalculated each time the MPI is adjusted by the DOC. For example, the BYR would be adjusted whenever the CY 1979 MPI is adjusted by the DOC. The use of the initial reporting of MPI provides at least two benefits. First, by having a consistent and unchanging BYR, the state can more easily plan and make appropriate adjustments to stay under the revenue limit. Second, if the initial MPI is subsequently adjusted, retroactive refunds are a possibility. That is, an adjustment to MPI for any prior year (including the base year) could reduce the revenue limit for a prior year below that year's TSR, providing a refund where one previously was not due. Therefore, we find this approach reasonable if it is followed consistently.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

The BYR was calculated by the OA-BP as follows (dollar amounts are in millions):

$$\frac{\$2,232.204096}{\$ 39,581.0} = .05639584891$$

In its calculations of the revenue limit, the OA-BP rounded the BYR to .056395. To determine the revenue limit for the fiscal year, this amount is multiplied by the MPI in the calendar year preceding the calendar year in which appropriations were made for the fiscal year or the average MPI for the 3 calendar years preceding the fiscal year. For the fiscal year 2017 revenue limit calculation, the OA-BP used the CY 2015 MPI which was greater than the average MPI for the preceding 3 calendar years.

Adjustments

Section 18(d) provides the revenue limit may be adjusted, ". . . if responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment . . . provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such a change."

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo, effective on July 1, 1981. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that this adjustment to the revenue limit is appropriate.

Refund threshold

Section 18(b) allows the state to exceed the revenue limit by less than 1 percent before a refund is due. Therefore, to determine the point at which the refund provision takes effect (the refund threshold) the revenue limit is adjusted upward by 1 percent. However, should TSR exceed the refund threshold, all revenues in excess of the revenue limit are subject to refund.

TSR

An integral part in applying the provisions of the amendment to state revenues is to determine what constitutes TSR. The amendment does not specify the methodology to be used to determine TSR. Consequently, procedures to calculate TSR have been established and certain decisions as to items that would be either included or excluded have been made, except for items ruled on by the Attorney General or the Missouri courts.

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and receipted by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

included in TSR. These funds include university local funds; local sales and use tax fund collections made by the Department of Revenue; various funds held in trust for inmates, patients, etc.; and various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and not appropriated. Thus, it is reasonable to conclude these funds should not be included in TSR.

From the revenue amounts obtained from SAM II, 7 funds are entirely excluded and 25 types of revenues are excluded to arrive at TSR, as defined in Section 17(1). These excluded funds and revenue types, and other exclusions and limits considered to arrive at TSR are described at Appendix C. A detailed schedule of SAM II revenue, adjustments for excluded funds and revenue types and other exclusions and limits, and resulting TSR for the 5 years ended June 30, 2017, is shown at Appendix A.

Tax and Fee Increases Section 18(e)

A 1996 amendment added Section 18(e) to the Hancock Amendment, which imposes an additional revenue limit on tax and fee increases.

Section 18(e) states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less. Sections 18(e) and 23 provide any taxpayer can bring suit in a court of law to enforce the provisions of the Hancock Amendment.

The OA-BP calculates the limits and monitors new legislation for tax and fee increases and decreases for each legislative session.

Calculation

The following table summarizes the OA-BP's annual projected net increases/decreases from legislative actions based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, calculated revenue limits, and projected amounts over/under revenue limits for the 5 years ended June 30, 2017.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

		Year Ended June 30,				
		2013	2014	2015	2016	2017
LEGISLATIVE ACTIONS*						
Net tax and fee increases/decreases	\$	28,637,998	At least (619,541,539)	(20,823,150)	Up to 127,712,253	2,272,090
REVENUE LIMIT						
By MPI growth	\$	106,086,662	110,160,390	115,701,458	117,529,541	120,291,485
By 1 percent of TSR	\$	84,244,171	87,556,705	94,623,204	94,283,895	101,495,508
Revenue limit (lesser amount)	\$	84,244,171	87,556,705	94,623,204	94,283,895	101,495,508
DIFFERENCE						
Over (under) limit	\$	(55,606,173)	N/A	N/A	Up to 33,428,358	(99,223,418)

* Legislative action amounts do not include bills for which Section 18(e) fiscal impact could not be projected.

N/A For fiscal years 2014 and 2015, the projections showed a net decrease in taxes and fees.

For the year ended June 30, 2017, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by a total of \$2.3 million, which is under the tax and fee increase revenue limit of \$101.5 million. As noted in the Legislative actions section, the projected net increase does not include 4 bills for which the Section 18(e) fiscal impact could not be projected. As noted in the Compliance section, actual compliance can be determined after each bill is fully effective. The 2016 legislative session was the only year the limit has been projected to be exceeded.

Revenue limit formula

Section 18(e) establishes the revenue limit as the lesser of (1) \$50 million adjusted annually by the percentage change in MPI for the second previous year, or (2) 1 percent of TSR for the second fiscal year prior to the legislative session.

For fiscal year 2017, the OA-BP calculated the MPI growth limit at \$120.3 million by multiplying the fiscal year 2016 MPI growth limit (\$117.5 million) by the percentage change in the MPI for fiscal year 2015 (2.35%). The OA-BP calculated the TSR limit at \$101.5 million by multiplying the fiscal year 2015 TSR (\$10.15 billion) by 1 percent. The revenue limit was established at the lesser of these amounts, or the TSR limit of \$101.5 million.

Legislative actions

After each legislative session, OA-BP personnel prepare a spreadsheet to quantify the potential fiscal impact of tax and fee increases and decreases from legislation enacted during the session. In accordance with Section 18(e), the OA-BP includes each House Bill and Senate Bill truly agreed and finally passed during the session, except bills vetoed by the governor and not overridden by the general assembly, and the estimated fiscal impact amount.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

The OA-BP determines estimated Section 18(e) fiscal impact amounts by compiling information and amounts in fiscal notes for each bill. The fiscal notes are prepared by the Oversight Division with input from state agencies and local political subdivisions. In accordance with Section 18(e), the OA-BP compiles an amount for the first fiscal year the bill is fully effective. For most bills with Section 18(e) fiscal impact, the OA-BP determines an increase or decrease amount based on information in the fiscal note. For some bills, the fiscal note indicates the fiscal impact is "unknown." Accordingly, the OA-BP lists "unknown," rather than a dollar amount, in the legislative actions spreadsheet for these bills. OA-BP personnel indicated they did not attempt to develop a more precise estimate for this calculation because in some cases, it is not possible to quantify the potential impact of the legislation. The legislative actions spreadsheet contains a net total tax and fee increase/decrease for all bills combined. That information is compared to the calculated revenue limit to determine potential Section 18(e) compliance. The netting of the tax and fee increases and decreases is reasonable and in compliance with the amendment language.

The OA-BP legislative actions spreadsheet for the fiscal year 2017 legislative session included 54 bills, 13 of which the OA-BP determined had potential Section 18(e) fiscal impact.

Compliance

Section 18(e)(4) provides compliance with Section 18(e) shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year each individual tax or fee change is fully effective. For the fiscal year 2017 legislative session, actual compliance can be measured after each 2017 legislative session bill is fully effective.

Section 18(e)(5) provides any taxpayer or statewide elected official may bring action under Section 23 of the Hancock Amendment to enforce compliance with the provisions of Section 18(e). For actions brought by any statewide elected official, the Missouri Supreme Court shall have original jurisdiction. In such enforcement actions, the court shall invalidate the taxes and fees that should have received a public vote. The court shall order remedies in the amount of excess revenues collected, such as refunds or reductions in future taxes and/or fees.

Conclusions

TSR

For the year ended June 30, 2017, TSR was approximately \$4.2 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2017. This revenue limit has not been exceeded since the year ended June 30, 1999.

Tax and Fee Increases

For the year ended June 30, 2017, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could increase by a total of



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

\$2.3 million, which is under the revenue limit of \$101.5 million. The projected net increase does not include 4 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source	Code	SAM II Revenues	Year Ended June 30,				
			2013	2014	2015	2016	2017
	1001	Sales and use tax	\$ 1,956,108,763	1,977,037,033	2,013,256,448	2,109,630,089	2,143,671,908
	1003	(8) Parks sales and use tax	41,011,615	42,830,073	44,211,573	46,171,505	46,830,973
	1005	(7) Soil and water sales and use tax	41,011,618	42,830,077	44,211,575	46,171,508	46,830,977
	1007	General revenue reimbursements - local sales and use tax	1,710,168	1,650,259	2,749,261	2,228,574	2,664,200
	1009	Motor vehicle sales tax	3,013,954	4,090,999	5,060,318	4,722,745	5,401,164
	1009	(24) Motor vehicle sales tax - Amendment 3	200,691,181	264,542,465	287,525,910	300,926,757	317,332,358
	1011	(16) Conservation sales and use tax	102,532,262	107,076,440	110,528,741	115,429,774	117,077,413
	1013	(2) Proposition C sales and use tax	803,929,533	841,225,588	868,206,165	906,517,715	918,927,877
	1015	Sales and use taxes paid under protest	138,240	217,330	252,144	248,449	1,079,334
	1022	Individual income tax	6,374,054,124	6,421,715,624	6,904,282,195	7,182,257,124	7,331,004,488
	1024	Individual income taxes paid under protest	2,322	7,174	6,927	-	-
	1026	Corporate income tax	469,446,717	479,242,902	525,403,403	466,496,555	432,357,927
	1028	Corporate income taxes paid under protest	38,061	16,571	1,155,831	-	-
	1033	County foreign insurance tax	191,390,872	202,752,455	239,393,674	247,446,081	280,592,925
	1037	Worker's compensation insurance tax	14,058,446	15,700,482	17,199,724	17,156,163	16,720,052
	1039	Worker's compensation insurance tax - second injury	42,328,061	54,987,065	90,502,981	106,107,160	101,791,431
	1041	Excess lines of insurance tax	26,311,783	28,719,999	29,713,178	30,024,860	33,455,598
	1049	Heavy beer tax	8,044,713	7,887,262	7,708,889	7,798,378	7,666,892
	1053	Liquor tax	21,047,333	21,925,239	22,476,067	22,844,443	24,012,395
	1055	Wine tax	5,598,899	5,947,749	6,023,763	6,205,469	6,184,019
	1057	Cigarette tax	86,837,985	82,301,596	81,745,445	83,685,975	79,873,777
	1059	Tobacco product tax	16,895,556	17,225,212	17,691,619	19,434,019	20,516,652
	1060	Motor vehicle fuel tax	400,533,646	395,257,448	393,296,159	400,332,970	410,393,007
	1060	(3) Motor vehicle fuel tax	163,022,120	164,058,506	165,022,444	172,484,819	171,758,978
	1060	(24) Motor vehicle fuel tax - Amendment 3	144,685,683	145,605,497	146,461,013	153,104,463	152,531,806
	1062	Special fuel non-gas tax	262,158	258,291	566,554	944,100	502,526
	1062	(24) Special fuel non-gas tax - Amendment 3	138,610	128,033	128,680	108,038	109,013
	1064	Aviation fuel tax	274,827	264,010	252,969	257,088	257,653
	1070	Corporation franchise tax	56,194,216	61,314,630	32,211,295	19,512,409	2,743,150
	1073	Estate tax	174,751	129,700	92,215	56,183	55,785
	1074	(12) Bingo tax	2,000,965	1,810,599	1,770,286	1,705,122	1,751,736
	1076	(13) Gaming commission gross receipts tax	329,024,116	314,364,443	320,386,965	323,585,514	324,262,046
	1079	County private car tax	218	83	-	-	-
	1080	Real and personal property tax	26,662,885	26,731,442	27,568,831	28,189,016	28,830,339
	1082	Delinquent real and personal property tax	3,232,208	2,994,380	2,696,733	2,702,974	2,811,753
	1084	Hazardous waste fees	2,671,827	2,365,426	2,321,743	2,331,512	2,721,071
	1086	Miscellaneous taxes protested	-	-	536	-	-
	1088	Nursing facility reimbursement allowance	18,111,951	18,329,061	18,022,997	20,891,666	19,522,237
	1089	Pharmacy reimbursement allowance	95,070,564	91,412,290	87,807,243	95,736,817	87,380,822
	1090	Federal reimbursement allowance	19,305,322	15,956,994	15,380,839	15,806,286	15,567,989
	1093	Athletic events tax	165,508	112,214	129,711	154,464	232,140
	1094	Ambulance service reimbursement allowance	8,135,233	7,956,001	7,894,871	7,863,496	9,781,742
	1095	Surcharges	189,214	154,948	140,769	132,698	105,605
	1097	Agency collected sales taxes	225,236	230,578	214,314	216,632	204,114
	1098	Telecommunications tax	-	-	28	-	7,512,046
	1099	Other taxes	83,390	79,512	44,349	91,624	77,086
	1100	Professional licenses or permits	29,001,314	27,594,721	29,225,729	26,707,324	28,140,106
	1102	Recreational licenses or permits	4,965,053	5,559,494	5,927,972	6,324,511	6,977,269
	1106	Motor vehicle licenses or permits	122,181,185	124,206,058	125,787,801	131,250,543	134,957,753
	1106	(24) Motor vehicle licenses or permits - Amendment 3	54,681,388	54,180,250	54,865,114	55,461,349	56,738,706
	1108	Interstate transportation licenses or permits	48,344,030	50,908,751	53,343,143	56,630,383	52,754,737
	1108	(24) Interstate transportation licenses or permits - Amendment 3	21,809,372	23,011,734	24,046,211	25,644,751	23,865,121
	1110	Driver's licenses or permits	6,832,517	6,331,641	7,461,353	7,165,485	6,391,039
	1110	(24) Driver's licenses or permits - Amendment 3	8,248,271	7,677,449	8,692,977	8,195,615	7,363,142
	1112	Land reclamation commission permits	566,245	601,738	549,999	586,109	673,840
	1114	Salesman licenses or permits	740,050	802,435	841,500	1,024,810	1,343,560
	1116	Vehicle and boat manufacturer and dealer licenses	866,356	869,682	875,649	906,202	944,410
	1118	Liquor licenses or permits	5,035,454	5,308,776	5,122,020	5,358,359	5,303,962
	1120	Gaming commission licenses	1,555,913	1,829,568	1,633,790	1,992,445	2,024,787
	1121	Fantasy Sports Licenses	-	-	-	-	23,446
	1124	Motor carrier licenses	2,692,836	2,791,638	2,961,695	2,492,555	2,294,927
	1126	Hunting and fishing licenses and commission permits	30,653,188	31,725,219	31,788,573	33,011,845	31,988,432
	1127	Hunting and fishing special tags	961,550	1,015,201	1,038,386	1,356,543	1,094,487

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source	Code	SAM II Revenues	Year Ended June 30,				
			2013	2014	2015	2016	2017
	1128	Hazardous waste transporter licenses	281,665	322,289	335,378	343,769	327,114
	1130	Water pollution control permits	4,226,907	4,065,386	4,715,396	5,494,736	5,859,232
	1132	(24) Overdimension/overweight permits - Amendment 3	8,452,114	9,545,940	9,277,614	9,563,794	9,377,774
	1134	Merchant licenses	1,448,958	1,551,865	1,578,713	1,558,949	1,624,958
	1136	Tobacco licenses	27,100	27,000	27,300	27,800	27,200
	1138	Temporary licenses	575	375	275	525	1,000
	1140	Duplicate plates	1,548,829	1,468,228	1,442,386	1,481,181	1,549,922
	1142	Duplicate driver license	1,962,246	1,819,152	1,862,866	1,994,714	2,133,152
	1149	Other licenses and permits	3,885,485	3,593,531	3,605,389	3,730,385	3,797,009
	1149	(24) Other licenses and permits - Amendment 3	1,259,068	1,493,436	1,743,776	1,277,111	2,221,319
	1150	Lobbyist registration fees	11,130	10,920	11,000	11,230	11,370
	1152	Motorboat fees	11,829,678	12,145,169	12,549,673	12,358,613	12,687,392
	1154	Narcotics and dangerous drugs fees	504,880	750,873	876,520	880,086	904,213
	1156	Occupational boards exam fees - individual exam fees	811,132	788,310	801,324	843,897	474,928
	1160	(24) Non-motor fuel decal fees - Amendment 3	185,168	234,285	285,643	247,609	316,589
	1162	Filing fees	17,882,469	18,691,254	19,047,755	19,812,035	19,096,824
	1163	Certifying/authenticating fees	45,411	130,938	11,809	55,699	135,395
	1164	Transfer fees	28,608	31,108	34,040	33,548	33,376
	1165	Service contract registration fee	105,100	119,000	116,100	131,500	129,950
	1169	Other registration fees	10,664,905	11,090,142	11,501,235	11,916,069	11,926,930
	1172	(13) Fantasy Sports Operation Fees	-	-	-	-	228,935
	1174	Asbestos fees	215,940	241,620	235,535	245,555	454,125
	1176	Egg license fees	-	27,083	15,885	58,646	31,481
	1178	Milk control fees	114,907	79,082	30,309	96,454	100,914
	1180	Home health care license fees	121,800	113,825	120,200	111,750	121,210
	1182	Nursing home license fees	122,011	127,806	142,069	137,660	146,633
	1184	Title V emissions fees	7,300,494	7,492,099	7,081,848	7,865,484	6,284,503
	1185	Emission fees/non Title V facilities	348,521	348,043	349,628	448,478	416,085
	1186	Boarding home license fees	712,735	710,206	737,607	719,001	744,606
	1188	Public utilities fees	19,996,899	20,118,625	19,695,636	19,842,506	19,936,400
	1190	Hospital license fees	84,559	85,884	89,082	81,871	87,149
	1192	Grain warehouse license fees	38,162	32,184	36,367	42,072	64,423
	1194	Missouri primacy fees	4,771,139	4,520,406	4,748,831	4,835,262	4,065,366
	1198	Transport load fees	11,227,662	11,239,640	11,195,303	11,567,440	11,633,855
	1200	Storage tank registration fees	42,980	192,916	193,725	205,110	57,645
	1202	Tourist cabin permit fees	183,095	181,910	181,401	179,526	180,454
	1206	Solid waste disposal fees	10,462,793	10,576,521	10,946,036	11,764,753	12,282,791
	1208	New tire fees	1,988,327	2,060,844	2,166,653	2,217,207	2,276,854
	1209	Battery fee	678,421	738,351	683,452	680,264	740,814
	1210	Ground water protection fees	920,000	667,969	616,030	693,711	698,748
	1211	Radioactive waste transport fee	318,600	248,625	289,850	256,975	210,775
	1214	Insurance regulatory fees, renewals and purchasing groups	2,105,145	2,804,144	2,435,554	2,269,071	2,544,199
	1216	Air conservation commission permit fees	298,638	212,155	246,325	333,850	423,138
	1218	Bingo license fees	39,580	38,010	35,085	31,930	31,030
	1220	Lab fees	5,572,347	5,725,578	6,079,666	6,305,303	7,957,512
	1222	Program administration fees	1,091,830	1,056,753	1,069,294	1,413,854	1,408,679
	1223	Confined animal feed operation indemnity fees	2,143	4,392	-	2,196	-
	1224	Railroad assessments	784,786	756,623	1,027,245	422,007	810,359
	1227	Enhanced vehicle emission inspection fees	1,970,590	2,000,573	2,096,697	2,130,025	2,177,427
	1233	Grain warehouse inspection fees	1,749,142	2,563,861	3,583,890	3,371,837	3,870,846
	1235	Milk inspection fees	1,158,584	1,032,307	1,011,168	1,030,191	1,085,848
	1237	Ice cream products inspection fees	32,806	35,125	33,150	31,731	30,600
	1239	Mine inspection fees	64,606	67,789	61,016	67,080	63,688
	1241	Mobile home and recreational vehicle inspection fees	357,436	401,934	383,477	426,507	434,304
	1243	Oil inspection fees	2,360,750	2,362,714	2,344,403	2,417,687	2,598,663
	1244	Oil and Gas Resources Fees	-	-	-	-	32,403
	1249	Other inspection fees	2,461,158	2,526,682	2,523,411	2,621,839	2,520,987
	1250	Collection fees	26,739,487	28,363,897	30,805,269	32,230,771	32,330,843
	1252	Admission fees	1,320,732	1,351,851	1,366,316	1,643,202	1,594,891
	1252	(13) Admission fees - riverboat gambling	48,803,064	44,870,917	44,222,953	42,523,664	40,826,259
	1254	State auditor fees	185,072	171,721	171,573	166,770	164,549
	1260	Grade crossing safety fees	1,305,614	1,310,711	1,325,763	1,336,137	1,360,093
	1262	Loan administration fees	6,516,695	6,923,903	7,127,199	8,311,128	9,385,819

Appendix A

Review of Article X, Sections 16 Through 24,
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Schedule of Total State Revenue

Revenue Source	Code	SAM II Revenues	Year Ended June 30,				
			2013	2014	2015	2016	2017
	1263	Contract fees	-	-	117,855	1,048,116	1,394,510
	1263	(A) Contract fees - Fund 657	-	-	384	-	-
	1264	Court fees	40,544,604	39,013,101	39,184,711	35,253,537	33,635,353
	1266	Financial institutions examination fees	10,176,788	11,112,130	10,676,424	10,386,467	11,444,946
	1268	Consumer finance license fees	999,525	956,625	963,425	1,351,002	1,312,454
	1270	Transcript fees	92,683	102,687	128,674	98,305	105,059
	1274	Marketing development fees	36,502	42,194	29,947	31,393	29,835
	1276	Miscellaneous insurance fees	90,660	93,380	91,690	91,400	88,150
	1278	Gaming commission administrative income	-	145	-	28	36
	1279	(A) Lottery commission fees	301,162	298,707	301,291	262,260	170,512
	1280	Motor vehicle inspection sticker fees	3,778,928	3,840,955	3,850,742	3,844,936	3,815,022
	1282	Logo sign advertising fees	3,167,882	4,434,405	4,561,512	6,440,866	4,971,340
	1284	Public defender fees	1,176,797	1,335,978	1,339,899	1,356,885	1,415,002
	1286	Witness fees	5,758	5,561	9,212	4,808	3,913
	1288	County recorders fees	7,472,773	6,460,207	6,247,774	6,472,305	6,697,602
	1290	Training or conference fees	183,421	169,658	205,630	205,462	161,925
	1294	Electronic monitoring fee	78,278	76,488	63,381	52,187	38,739
	1295	Intervention fees	9,851,227	9,006,410	8,503,124	8,429,899	7,414,914
	1298	Substance abuse offender program fees	6,291,593	5,831,337	5,402,865	4,834,915	4,621,600
	1302	Criminal records check fees	10,798,720	10,027,568	11,037,517	12,170,148	11,578,987
	1303	Other fees	10,700,540	10,278,791	10,976,155	11,062,952	12,192,455
	1305	(4) Bond sales proceeds	-	-	167,828,087	210,116,282	102,130,224
	1306	Proceeds from capital leases	-	2,592,318	5	-	-
	1310	Land sales	8,422,605	5,938,834	3,444,324	8,871,857	3,221,947
	1312	Sales of natural resources products	2,849,276	3,892,772	2,702,674	2,764,888	3,026,638
	1314	Sales of agriculture products	2,874,050	3,239,003	2,890,674	2,355,652	2,254,153
	1316	Manufactured product sales	8,827,769	7,779,143	8,418,694	7,456,017	7,814,296
	1318	Information sales	2,351,654	2,537,175	2,579,080	2,197,919	2,128,295
	1320	Souvenir sales	474,186	582,266	936,945	1,188,846	1,331,883
	1322	Surplus property sales - state	3,704,451	2,761,141	2,921,816	2,443,802	1,963,089
	1322	(22) Surplus property sales - state - Fund 710	1,414,547	1,725,866	2,003,696	1,996,692	2,889,940
	1324	Surplus property sales - federal	2,989,213	2,295,451	2,059,579	2,401,222	1,849,831
	1326	Unclaimed property sales	1,205	-	2,971	7,228	-
	1328	Sales of fixed assets - control	10,727,324	7,931,754	6,972,758	8,237,789	16,771,373
	1330	Vital records sales	1,149,125	1,082,840	1,010,445	1,033,867	1,083,091
	1332	Lottery ticket sales	-	64	-	-	-
	1332	(A) Lottery ticket sales - Fund 657	490,432,070	492,825,818	463,931,842	544,750,138	-
	1332	(A) Lottery ticket sales - Fund 682	-	-	-	-	506,939,548
	1334	Cafeteria sales	661,975	800,225	895,283	848,497	815,052
	1338	Other sales	259,540	258,697	1,401,509	150,851	164,257
	1340	Gain sale fixed assets - control	-	-	-	-	10,000
	1342	Supply sales	-	31	249	206	186
	1401	Land rentals/leases	31,690	64,383	38,650	101,391	222,151
	1403	State facilities rentals/leases	1,486,747	1,413,722	1,504,187	1,320,462	1,179,200
	1404	Parking rentals/leases	63,176	63,552	69,989	69,424	66,696
	1405	Concessions and recreational rentals/leases	2,567,237	2,495,952	2,951,494	3,034,114	3,105,762
	1407	Housing/building rentals/leases	255,524	218,818	260,615	235,093	221,368
	1409	Other leases and rentals	736,716	1,079,948	1,458,148	1,503,996	2,559,687
	1414	(1) Medicare	5,359,704	6,781,464	5,691,724	6,509,624	9,098,685
	1418	(1) Medicaid	90,326,464	81,573,482	73,123,636	72,032,939	80,000,126
	1419	(1) Medicaid - case managers	100	6,462	-	113,400	-
	1420	(1) Medicaid - community based	205,718,504	214,026,223	240,617,515	259,045,530	275,410,223
	1422	Private payments	1,813,703	1,862,213	4,055,811	4,725,731	4,310,559
	1424	Insurance payments	327,885	445,098	510,326	443,538	326,524
	1426	Other payments	28,989	9,474	12,863	7,547	538,898
	1434	Institutional support fees	-	-	-	1,284	-
	1436	Room and care	26,953,266	28,363,819	28,109,625	27,664,512	26,946,999
	1442	Mail/freight services	-	8	-	-	1,321
	1446	Printing service	195,571	197,944	158,884	150,009	214,420
	1448	Computer services	847	79,095	288,876	524,018	418,050
	1450	Administration services	12,658	36,613	38,548	19,962	6,076
	1501	Private donations	5,297,073	5,600,103	7,797,052	4,554,090	7,531,073
	1502	Other governmental entity donations	5,000,000	4,050,000	1,050,032	-	1,607,500

Appendix A

Review of Article X, Sections 16 Through 24,
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Schedule of Total State Revenue

Revenue Source	Code	SAM II Revenues	Year Ended June 30,				
			2013	2014	2015	2016	2017
	1507	(1) NASAO (airport inspections)	26,000	30,550	27,950	20,150	23,400
	1510	(1) US Department of Agriculture	490,290,851	485,385,631	500,917,291	514,422,704	514,408,963
	1512	(1) US Department of Defense	32,995,530	30,693,698	32,534,000	38,537,907	33,598,338
	1513	(1) US Department of Homeland Security	2,909,266	2,786,890	3,808,312	2,854,523	2,430,710
	1514	(1) US Department of Housing and Urban Development	48,483,173	45,313,039	40,676,241	46,977,140	47,220,963
	1516	(1) US Department of Interior	27,550,163	29,116,162	27,826,979	29,441,709	32,053,401
	1518	(1) US Department of Justice	2,575,272	3,808,162	2,856,329	5,251,610	4,430,759
	1520	(1) US Department of Labor	156,406,546	125,567,984	126,368,853	120,842,194	123,241,053
	1522	(1) US Department of Education	657,586,937	651,573,896	653,328,831	657,882,449	679,698,618
	1522	(C) US Department of Education - Fund 880	4,968,022	6,631,940	4,125,941	3,075,670	2,513,914
	1522	(C) US Department of Education - Fund 881	93,334,531	89,823,025	72,379,643	47,726,056	36,334,748
	1524	(1) US Department of Transportation	983,599,456	913,853,780	856,690,126	908,711,359	921,311,289
	1526	(1) National Foundation for the Arts and Humanities	3,666,292	3,402,815	3,667,829	3,861,753	3,667,633
	1528	(1) US Veterans Administration	61,159,036	63,243,170	69,070,475	71,189,569	74,619,431
	1529	(1) US General Services Administration	43,391	50,091	36,789	27,192	24,477
	1530	(1) US Environmental Protection Agency	153,021,768	89,482,740	92,295,480	84,163,611	92,033,621
	1532	(1) US Department of Energy	6,005,146	10,598,978	6,869,770	6,841,344	7,065,176
	1534	(1) Federal Emergency Management Agency	72,661,743	48,677,321	136,785,815	90,290,749	80,291,635
	1536	(1) US Department of Health and Human Services	6,431,112,075	6,699,531,165	7,047,608,534	7,283,666,051	7,595,549,648
	1538	(1) National/community services	3,677,716	2,752,733	3,659,053	4,157,499	3,837,179
	1540	(E) US Social Security Administration - Fund 727	-	-	-	23,237	15,657
	1540	(1) US Social Security Administration	46,294,342	41,684,705	45,917,912	53,118,438	49,257,386
	1542	(1) National Archives and Records	6,789	80,676	15,025	43,615	10,460
	1544	(1) Elections Assistance Commission	24,162	-	-	-	-
	1546	(1) US Department of Treasury	5,244	9,160,236	-	10,476	121,807
	1548	(1) Equal Employment Opportunity Commission	-	134	-	-	-
	1549	(1) Miscellaneous federal revenues	34,938,505	46,737,165	48,644,049	39,911,964	39,415,516
	1551	County mental health programs	13,263,536	12,094,852	11,311,919	12,946,158	12,412,049
	1557	(1) American Recovery and Reinvestment Act	153,213,693	83,364,036	40,937,451	27,772,004	37,522,104
	1558	(1) American Recovery and Reinvestment Act - other	238,070	98,176	-	-	-
	1560	(1) Federal pass-through grants	61,246,642	47,604,707	37,998,600	19,553,864	31,442,468
	1560	(E) Federal pass-through grants - Fund 727	-	-	-	-	140
	1601	Time deposits interest	3,864,773	1,759,898	1,611,893	1,558,436	1,776,400
	1601	(2) Time deposits interest - Fund 688	94,686	40,548	40,894	36,417	40,463
	1601	(A) Time deposits interest - Fund 657	20,393	8,630	9,615	11,594	7,860
	1601	(A) Time deposits interest - Fund 682	-	-	-	-	6,900
	1601	(7) Time deposits interest - Fund 614	39,420	17,658	22,182	21,547	23,033
	1601	(8) Time deposits interest - Fund 613	29,258	12,552	11,456	10,151	7,517
	1601	(B) Time deposits interest - Fund 905	9,488	4,274	5,275	4,474	3,797
	1601	(12) Time deposits interest - Fund 289	1,480	452	150	88	62
	1601	(13) Time deposits interest - Fund 285	20,688	9,321	8,292	7,262	9,526
	1601	(D) Time deposits interest - Fund 963	1,230	512	513	442	495
	1601	(16) Time deposits interest - Fund 609	56,042	25,879	28,629	25,434	46,378
	1601	(C) Time deposits interest - Fund 880	36,591	22,942	27,827	25,249	27,386
	1601	(C) Time deposits interest - Fund 881	51,270	12,854	9,036	6,758	10,378
	1601	(E) Time deposits interest - Fund 727	-	-	-	3	12
	1603	U.S./agency securities interest	20,360,811	21,271,757	19,236,045	21,062,373	25,189,472
	1603	(2) U.S./agency securities interest - Fund 688	307,343	314,250	276,482	291,279	393,868
	1603	(A) U.S./agency securities interest - Fund 657	63,503	67,509	64,305	90,912	67,231
	1603	(A) U.S./agency securities interest - Fund 682	-	-	-	-	77,129
	1603	(7) U.S./agency securities interest - Fund 614	132,540	136,776	149,111	172,161	223,251
	1603	(8) U.S./agency securities interest - Fund 613	91,337	97,185	77,050	81,195	68,983
	1603	(B) U.S./agency securities interest - Fund 905	29,795	33,279	35,597	35,689	35,704
	1603	(12) U.S./agency securities interest - Fund 289	5,809	3,521	996	785	601
	1603	(13) U.S./agency securities interest - Fund 285	67,409	71,221	55,813	58,132	92,251.87
	1603	(D) U.S./agency securities interest - Fund 963	6,115	6,256	5,880	6,021	7,331
	1603	(16) U.S./agency securities interest - Fund 609	173,935	201,135	192,528	202,650	451,363
	1603	(C) U.S./agency securities interest - Fund 880	109,286	180,476	187,577	201,919	266,191
	1603	(C) U.S./agency securities interest - Fund 881	175,470	96,161	60,978	53,579	101,089
	1603	(E) U.S./agency securities interest - Fund 727	-	-	-	26	114
	1605	Other investment interest	182,587	133,832	238,000	945,400	227,032
	1608	Realized gains and losses	-	-	13,079	-	-
	1610	Interest on loans	3,844,323	5,963,729	12,020,643	2,306,462	3,991,978

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Review of Article X, Sections 16 Through 24,
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Schedule of Total State Revenue

Revenue Source	Code	SAM II Revenues	Year Ended June 30,				
			2013	2014	2015	2016	2017
	1612	(25) Interest - federal	22,442,061	12,442,473	4,271,580	6,414	370
	1614	Interest on receivables	4,697	5,686	2,083	2,189	1,399
	1616	Interest on settlements	295,109	393,324	24,438	30,187	89,584
	1618	Other interest	24,831	67,098	10,695	25,214	16,281
	1618	(16) Other interest - Fund 609	116	-	-	-	-
	1620	Safety responsibility	-	-	50	-	-
	1621	Penalties	16,383,711	15,026,501	17,377,448	13,441,422	10,476,994
	1621	(C) Penalties - Fund 881	88	61	38	1,232	41
	1624	Settlements	55,120,514	5,310,083	39,019,494	5,602,284	11,865,632
	1624	(A) Settlements - Fund 657	-	-	-	1,578	-
	1624	(C) Settlements - Fund 880	-	-	582	-	-
	1626	Court awards	1,266,313	12,167,031	11,122,925	12,786,154	23,175,458
	1628	Insufficient funds charges	3,593	3,711	2,585	3,088	2,443
	1634	Estates	218,619	247	3,950	792	461
	1636	Unclaimed properties	95,900,842	92,346,642	100,888,189	94,224,664	96,044,838
	1636	(A) Unclaimed properties - state - Fund 657	631	-	-	-	-
	1700	(5) Salary refunds - federal	504,436	390,225	316,764	186,340	172,157
	1701	(5) Salary refunds - state	5,477	7,845	8,307	3,259	3,994
	1702	(5) Salary refunds - local/other	31,561	-	29	50	68
	1703	(5) General relief pension refunds	4,646	1,987	1,711	2,123	3,110
	1704	(5) Blind pension refunds	4,699	4,706	11,787	9,123	15,155
	1706	(5) Dependent children pension refunds	262,817	254,651	166,610	154,613	181,017
	1715	(5) Day care refunds	51,663	210,036	174,958	248,033	123,001
	1717	(5) Medicare - Medicaid refunds	639,370,093	546,964,083	555,309,589	764,065,387	745,882,820
	1719	(5) Cost in criminal cases refunds	958,828	1,055,769	1,145,795	1,107,583	989,773
	1720	(5) American Recovery and Reinvestment Act refunds	988,108	902,499	3,406,265	234,023	104,795
	1721	(5) Vendor refunds - federal	869,752	767,526	1,057,850	4,620,866	1,375,208
	1722	(5) Vendor refunds - state	679,317	2,021,933	606,888	655,137	1,671,200
	1722	(A) Vendor refunds - state - Fund 657	4,627	35,174	393	1,695	-
	1722	(A) Vendor refunds - state - Fund 682	-	-	-	-	2,422
	1723	(5) Vendor refunds - local/other	1,401,379	602,267	1,035,475	716,747	842,054
	1723	(C) Vendor refunds - local/other - Fund 880	712	383	339	209	967
	1724	(5) Political subdivision refunds	-	-	204	-	-
	1725	(5) Excess court payment refunds	648,913	8,716	152,449	27,813	270,262
	1727	(5) School refunds	9,526,783	6,710,912	3,773,819	6,417,301	3,867,964
	1728	(5) Scholarship refunds	72,950	45,031	1,737,431	1,079,095	1,184,340
	1728	(C) Scholarship refunds - Fund 880	-	-	-	270	-
	1729	(5) Audit findings - federal	209	-	7,894	3,541	-
	1730	(5) Audit findings - state	101	-	118	25	-
	1731	(5) Audit findings - local/other	40,404	103,069	26,509	76,760	34,242
	1732	(5) Utility refunds	3,305	101,704	112,228	136,184	184,036
	1733	(5) Fuel tax refunds	4,205	203,876	184,901	168,077	9,443
	1735	(5) Tax incremental financing (TIF) refund	-	974	-	-	-
	1737	(5) Other refunds	3,264,579	5,434,645	3,267,783	2,445,440	2,535,828
	1737	(B) Other refunds - Fund 905	-	-	176,756	-	-
	1737	(C) Other refunds - Fund 880	6	-	-	-	-
	1737	(D) Other refunds - Fund 963	-	-	-	-	136
	1806	(18) Recovery costs	150,725,636	82,224,337	146,337,214	141,153,215	208,492,070
	1806	(A) Recovery costs - Fund 657	-	-	6,565	-	-
	1806	(A) Recovery costs - Fund 682	-	-	-	-	61,714
	1808	Deposit of surplus property funds	-	-	341	-	-
	1811	(21) Local match	98,129,383	50,600,510	34,985,281	20,599,206	14,410,471
	1812	(19) Cost reimbursements - federal	437,557	419,025	4,631,476	6,867,653	9,841,676
	1813	(19) Cost reimbursements - state	46,502,004	18,340,057	16,172,695	16,176,101	14,167,649
	1813	Cost reimbursements - state (included)	15,728,569	15,930,219	17,577,192	18,273,342	17,608,815
	1814	(19) Cost reimbursements - local/other	187,364,955	187,174,831	170,106,348	179,458,857	137,157,431
	1814	(B) Cost reimbursements - local/other - Fund 905	-	100,510	-	-	2,849,735
	1814	(C) Cost reimbursements - local/other - Fund 880	8,615	6,630	4,461	2,175	-
	1816	Bond account	9,214,123	8,760,097	8,693,952	8,020,533	6,843,143
	1818	(17) Employee expense reimbursement - federal	819	1,463	6,207	6,623	2,861
	1819	(17) Employee expense reimbursement - state	450	410	37,620	2,055	798
	1820	(17) Employee expense reimbursement - local/other	754	-	4,033	2,115	1,903
	1821	(17) Employee personal expense reimbursement	24,186	38,726	38,730	89,417	83,806

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source	Code	SAM II Revenues	Year Ended June 30,				
			2013	2014	2015	2016	2017
	1822	(10) Outlawed checks	6,162,199	5,536,200	5,544,179	7,906,652	9,341,755
	1822	(B) Outlawed checks - Fund 905	6,024	10,275	7,616	7,438	25,359
	1824	(20) Canceled checks	2,182,674	1,861,189	4,730,204	4,523,255	5,055,748
	1824	(A) Canceled checks - Fund 657	-	-	-	-	75
	1824	(B) Canceled checks - Fund 905	2,355	6,209	178	129	2,857
	1824	(C) Canceled checks - Fund 880	950	-	-	-	-
	1826	(9) Redeposit of investments principal	264,945	1,459,102	112,942	109,022	1,123,588
	1828	(11) Redeposit of loan principal	68,996,096	69,361,487	74,454,908	83,588,497	97,881,344
	1830	Telephone commissions	1,447,934	1,490,792	1,535,516	1,581,576	1,629,024
	1832	Commission on sales	11,266	13,523	5,731	5,728	4,655
	1834	Rebates	2,503,915	1,539,474	1,438,212	1,176,702	1,350,966
	1834	(A) Rebates - Fund 657	5,334	5,114	3,981	5,095	-
	1834	(A) Rebates - Fund 682	-	-	-	-	4,814
	1834	(C) Rebates - Fund 880	738	472	383	303	452
	1834	(23) Rebates - WIC	52,386,707	57,273,740	81,979,391	48,507,981	65,071,479
	1836	Housing and maintenance receipts	18,924	20,142	19,848	15,811	976
	1838	Loan defaults	483,363	674,897	571,590	495,335	505,882
	1840	(15) Loan proceeds	9,056,992	13,212,581	8,269,645	-	-
	1842	(11) Loan repayment	218,043	200,599	248,334	328,190	310,072
	1842	(C) Loan repayment - Fund 881	64,238,375	61,363,561	57,594,427	53,537,794	59,229,827
	1843	(11) Loans receivable contra account	4,170,829	5,394,634	5,354,505	5,680,374	8,537,324
	1844	Insurance proceeds	-	1,516	-	7,988	41,049
	1846	Capital credits/dividends	66,172	64,039	104,066	96,044	93,480
	1848	Recycling receipts	317,333	286,314	232,498	207,286	212,898
	1850	Forfeitures	1,703,594	2,274,761	1,882,450	1,503,970	1,202,243
	1852	Overpayments	513,751	801,638	360,921	508,376	596,653
	1856	(1) Other miscellaneous receipts - federal	7,536,647	5,213,456	5,950,285	4,961,120	10,124,635
	1858	Other miscellaneous receipts - state	3,954,119	3,907,352	3,977,952	3,869,407	13,832,071
	1858	(A) Other miscellaneous receipts - state - Fund 657	3,438	8,330	2,291	1,773	-
	1858	(A) Other miscellaneous receipts - state - Fund 682	-	-	-	-	4,655
	1858	(B) Other miscellaneous receipts - state - Fund 905	13,536,541	14,686,795	14,770,311	11,499,237	5,669,644
	1860	Other miscellaneous receipts - local/other	7,390,306	2,385,011	3,820,925	2,664,027	2,140,078
	1860	(A) Other miscellaneous receipts - local/other - Fund 657	3,359,445	4,419,428	3,755,680	2,986,561	-
	1860	(A) Other miscellaneous receipts - local/other - Fund 682	-	-	-	-	2,122,102
	1862	Fees for copying public records	258,947	257,705	272,648	273,622	265,841
	1862	(A) Fees for copying public records - Fund 657	56	998	-	151	-
	1862	(A) Fees for copying public records - Fund 682	-	-	-	-	75
	1866	Federal share of grantee sales	234,984	243,547	450,287	330,838	299,208
	1868	Receivable overpayment - federal	-	76	58	178	-
	1870	Receivable overpayment - state	19	790	67	40	3
	1872	Receivable overpayment - local	1,345	40	96	250	-
	6001	(6) Supply sales	401,968	451,132	390,128	479,411	374,932
	6002	(6) Open records fees	12,065	16,184	15,081	8,987	10,574
	6003	(6) Fleet services operations/maintenance	2,244,601	2,115,565	2,045,630	1,786,879	1,645,479
	6005	(6) Fleet services replacement	1,590,541	1,522,658	1,678,517	1,630,894	240,065
	6006	(6) Criminal records check fees	373,277	317,652	456,286	329,043	405,830
	6007	(6) Mail/freight services	11,230,955	10,679,698	9,761,536	9,619,041	9,605,392
	6009	(6) Telephone billing	34,581,943	36,473,586	36,836,383	37,945,584	38,207,119
	6011	(6) Printing service	5,457,257	5,243,375	5,275,658	5,126,201	4,953,996
	6013	(6) Reimbursement/recovery cost	59,725,679	27,114,023	31,672,678	27,485,232	27,633,771
	6013	(C) Reimbursement/recovery cost - Fund 881	-	-	2,242	-	-
	6015	(6) Leased facility	105,027,361	106,994,424	61,542,743	61,346,648	62,104,759
	6017	(6) Sale of material, supplies, and services	564,009	909,355	810,590	1,151,871	792,091
	6019	(6) Training	537,835	554,521	624,636	631,324	459,259
	6021	(6) Computer services	19,567,908	22,297,639	24,413,038	29,571,066	30,753,047
	6023	(6) Administration services	772,096	850,060	522,914	612,172	647,587
	6025	(6) Flight operations services	399,173	298,650	770,175	492,045	542,252
	6027	(6) Sale of manufactured products	17,974,645	18,969,055	19,461,962	20,665,985	20,192,629
	6029	(6) Interagency receipts	51,636,237	42,755,745	41,407,133	34,873,321	34,431,497
	6029	(C) Interagency receipts - Fund 881	588,922	522,508	591,646	562,670	634,586
	6030	(6) Sampling &/or analysis	515,738	841,801	926,768	909,218	896,298
	6031	(14) Redeposit of state funds	58,517	19,606	112,655	153,566	203,360
	6032	(6) Deposit of unclaimed property	1,225	-	-	-	-

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2013	2014	2015	2016	2017
6033	(6) Permits	47,185	38,426	41,669	54,736	58,800
6034	(6) Registration fees	55,048	103,377	133,015	107,443	124,446
6035	(6) Taxes	7,890,094	8,419,180	9,609,364	8,613,452	7,653,994
6036	(6) Transcript fees	8,016	8,210	26,002	10,195	16,039
	Total revenues	24,736,168,819	24,616,141,577	25,845,977,839	26,737,217,477	27,249,912,291
Fund Exclusions:						
(A)	Lottery Funds - Fund 657 and 682	494,190,659	497,669,708	468,076,347	548,111,757	509,465,037
(B)	Alternative Care Trust Fund - Fund 905	13,584,203	14,841,342	14,995,733	11,546,967	8,587,096
(C)	Student Loan Funds - Funds 880 and 881	163,513,576	158,661,013	134,985,120	105,193,884	99,119,579
(D)	Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963	7,345	6,768	6,393	6,463	7,962
(E)	Division of Youth Services Child Benefits Fund - Fund 727	-	-	-	23,266	15,923
Revenue Source Exclusions:						
(1)	Federal funds	9,738,679,227	9,742,199,727	10,103,924,854	10,352,212,487	10,747,909,704
(2)	Proposition C sales and use tax/interest	804,331,562	841,580,386	868,523,541	906,845,411	919,362,208
(3)	Proposition A gas tax and license fee increases	163,022,120	164,058,506	165,022,444	172,484,819	171,758,978
(4)	Bond sales	-	-	167,828,087	210,116,282	102,130,224
(5)	Refunds	658,694,225	565,792,454	572,505,364	782,357,520	759,450,467
(6)	Interagency sales and receipts	320,614,856	286,974,316	248,421,906	243,450,748	241,749,856
(7)	Soil and water sales and use tax/interest	41,183,578	42,984,511	44,382,868	46,365,216	47,077,261
(8)	Parks sales and use tax/interest	41,132,210	42,939,810	44,300,079	46,262,851	46,907,473
(9)	Redeposit of investment principal	264,945	1,459,102	112,942	109,022	1,123,588
(10)	Outlawed checks	6,162,199	5,536,200	5,544,179	7,906,652	9,341,755
(11)	Redeposit of loan principal	73,384,968	74,956,720	80,057,747	89,597,061	106,728,740
(12)	Bingo	2,008,254	1,814,572	1,771,432	1,705,995	1,752,399
(13)	Riverboat gambling and other gaming proceeds	377,915,277	359,315,902	364,674,023	366,174,572	365,419,018
(14)	Redeposit of state funds	58,517	19,606	112,655	153,566	203,360
(15)	Loan proceeds	9,056,992	13,212,581	8,269,645	-	-
(16)	Conservation sales and use tax/interest	102,762,355	107,303,454	110,749,898	115,657,858	117,575,154
(17)	State employee expense reimbursement	26,209	40,599	86,590	100,210	89,368
(18)	Recovery costs	150,725,636	82,224,337	146,337,214	141,153,215	208,492,070
(19)	Cost reimbursements	234,304,516	205,933,913	190,910,519	202,502,611	161,166,756
(20)	Canceled checks	2,182,674	1,861,189	4,730,204	4,523,255	5,055,748
(21)	Local match	98,129,383	50,600,510	34,985,281	20,599,206	14,410,471
(22)	Proceeds of surplus property sales - Fund 710	1,414,547	1,725,866	2,003,696	1,996,692	2,889,940
(23)	DHSS program rebates	52,386,707	57,273,740	81,979,391	48,507,981	65,071,479
(24)	Amendment 3 revenue derived from highway users	440,150,855	506,419,089	533,026,938	554,529,487	569,855,828
(25)	Interest - federal	22,442,061	12,442,473	4,271,580	6,414	370
Other Exclusions and Limits:						
	CMIA interest payment to the federal government	-	-	19,999	7,016	12,274
	Agency remitted sales tax	260,481	239,471	224,953	236,007	213,462
	Abandoned funds claim payments	38,155,004	38,604,634	39,309,427	38,888,067	43,082,600
	Coding errors	-	-	(95)	-	-
	Total exclusions	14,050,745,141	13,878,692,499	14,442,150,954	15,019,332,558	15,326,026,148
	Total revenues after exclusions	10,685,423,678	10,737,449,078	11,403,826,885	11,717,884,919	11,923,886,143
Less SAM II expenditure refunds (Appendix B)						
		(1,240,311,060)	(1,328,253,309)	(1,278,493,892)	(1,459,778,233)	(1,474,612,512)
Add refundable tax credits:						
	Missouri Works	-	-	-	-	11,969,574
	Enterprise Zone	231,246	109,188	141,943	-	-
	BUILD	5,590,472	4,610,238	3,311,820	3,858,758	4,832,573
	Missouri Quality Jobs	7,355,213	9,774,161	17,445,172	20,281,001	30,145,802
	New Enhanced Enterprise Zone	3,522,698	3,834,717	2,395,322	3,470,176	3,350,388
	Self-employed Health Insurance	451,242	793,147	829,513	1,523,728	1,946,042
	Public Safety Officer Surviving Spouse, Residential Dwelling Accessibility, Sporting Event Credit, and Business Facility Credit	56,949	72,258	94,043	695,312	1,367,055
	Total State Revenue	\$ 9,462,320,438	9,428,389,478	10,149,550,806	10,287,935,661	10,502,885,065

Revenue amounts excluded from SAM II revenue amounts to arrive at Total State Revenue are discussed at Appendix C.

Appendix B

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Expenditure Refunds

Object Code	SAM II Expenditure Refunds	Year Ended June 30,				
		2013	2014	2015	2016	2017
3200	Bond refunds	\$ 3,766,775	4,037,533	4,612,996	20,246,084	23,327,341
3206	Deposit and escrow refunds	75,616	65,501	80,882	568,458	48,096
3212	Federal share grantee sales refunds	-	-	46	-	-
3213	Tax credit debt offset	211,413	99,150	65,941	68,893	146,178
3215	Debt offset refunds	9,312,765	8,811,600	10,102,444	12,275,735	12,931,564
3218	Motor vehicle license fee refunds	451,527	526,385	312,432	430,535	1,318,516
3221	Driver's license fee refunds	61,656	55,674	54,387	50,160	38,925
3227	License and permit fee refunds	236,183	135,557	537,491	830,932	969,379
3230	Registration fee refunds	29,217	26,604	26,142	29,604	41,130
3233	Regulatory fee refunds	15,030	12,237	22,222	11,202	14,328
3236	Inspection fee refunds	42,713	51,341	68,105	53,611	54,007
3239	Miscellaneous fee refunds	420,978	388,745	379,316	444,125	463,144
3242	Sales refunds	16,664	18,821	4,539	6,030	5,824
3245	Lease and rentals refunds	3,265	4,070	2,085	3,535	4,673
3248	Medical services refunds	6,010,508	7,406,446	10,030,985	7,794,112	8,874,556
3251	Contributions refunds	29,913	-	56,807	500	597
3254	Federal refunds	493,420	989,516	700,700	3,994,617	481,514
3257	Penalty and court award refunds	(856)	10,332	285	1,640	326
3260	Interagency billing refunds	1,884	-	-	300	-
3261	Receivable overpayment refunds	377,953	289,274	375,941	338,729	331,152
3267	Deferred revenue refunds	2,401,657	1,316,303	1,773,082	3,398,108	2,139,922
3268	Liability account refunds	-	3,276	-	-	-
3269	Other refunds	12,383,222	1,331,127	2,349,459	643,356	1,134,036
3272	Sales and use tax protested refunds	8,383	332	574,348	1,314	3,217
3281	County foreign insurance tax refunds	39,317,277	13,616,378	9,270,877	6,166,772	4,131,633
3284	County domestic insurance tax refunds	-	4,345,959	91,816	-	-
3287	Worker's compensation insurance tax refunds	513,702	96,395	169,765	308,555	267,358
3290	Worker's compensation 2nd injury insurance tax refunds	-	-	-	4,618	2,385
3291	Surplus lines insurance tax refund	16,672	42,391	31,040	54,296	32,302
3293	Cigarette tax refunds	26,810	50,251	20,732	19,696	38,557
3299	Aviation fuel tax refunds	4,131	20,025	5,607	5,772	2,239
3305	Special fuel (non-gas) tax refunds	20,461,228	19,702,979	19,891,763	16,618,103	17,609,769
3308	Fuel tax refunds	7,838,108	9,112,720	10,582,920	10,050,762	14,701,157
3311	Sales tax refunds	535	-	-	-	261
3314	Food tax exemption refunds	-	179	-	-	-
3317	General sales and use tax refunds	25,564,348	44,356,280	26,712,898	40,504,538	35,688,543
3326	Motor vehicle sales tax refunds	3,658,569	4,561,344	6,193,025	5,319,325	6,112,493
3329	Motor vehicle use tax refunds	1,060,387	286,517	64,376	3,210	2,791
3335	Boat tax refunds	4,784	3,760	3,680	3,688	4,070
3338	Individual tax refunds	879,453,248	948,964,266	943,383,972	1,032,515,749	1,080,740,622
3341	Senior citizens tax refunds	113,962,551	110,643,361	104,810,266	106,927,409	100,851,062
3344	Corporation tax refunds	108,715,703	142,741,406	120,498,356	181,455,603	159,007,587
3347	Franchise tax refunds	1,471,893	1,826,313	2,151,688	6,023,791	10,681
3350	Inheritance tax refunds	-	412	-	-	101,364
3356	Other tax refunds	1,891,228	2,302,549	2,480,476	2,604,766	2,979,213
	Total SAM II Expenditure Refunds	\$ 1,240,311,060	1,328,253,309	1,278,493,892	1,459,778,233	1,474,612,512

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Appendix C

TSR Exclusions

Various revenue amounts are excluded from Statewide Accounting System for Missouri (SAM II) revenue amounts to arrive at Total State Revenue (TSR), as shown on Appendix A. These exclusions, which include certain funds, certain revenue types, and other exclusions and limits, are discussed below.

Excluded Funds

From the revenue amounts obtained from SAM II, certain funds are entirely excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

(A) Lottery Funds

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded. Beginning in fiscal year 2017, lottery proceeds are deposited in the State Lottery Fund. In prior fiscal years, lottery proceeds were deposited in the Lottery Enterprise Fund.

(B) Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo. The Department of Social Services uses this fund to account for funds held in trust for the benefit of children who have been placed in the legal custody of the state. The Department of Corrections, Department of Mental Health, and the Missouri Veterans Commission hold funds in trust for inmates and patients. Funds held in trust are not state funds since the funds remain the property of the individual. Since the Alternative Care Trust Fund does not account for state funds, it is excluded.

(C) Student Loan Funds

Federal legislation passed in 1997 made changes in the accounting required for federal education loans. Starting in federal fiscal year 1998, the federal government considers all monies in these funds as property of the federal government or guaranty agency. As a result, the state excludes the two student loan funds held in trust.

(D) Pansy Johnson-Travis Memorial State Gardens Trust Fund

The state received an endowment in 1987 for the purpose of establishing a memorial state garden. The state is to invest the endowment for 100 years before using the funds to establish the memorial garden. Since the funds cannot be appropriated until 2087, the revenue is excluded from TSR.

(E) Division of Youth Services Child Benefits Fund

The Division of Youth Services (DYS) Child Benefits Fund was administratively created to account for payments from the Social Security Administration held in trust for the benefit of youth in the DYS custody. Funds held in trust are not deemed to be state funds, and are therefore excluded. This fund was added as an excluded fund in fiscal year 2016. In prior years, most of the fund revenues were excluded as federal funds.



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Excluded Revenues

From the revenue amounts obtained from SAM II, certain types of revenues are excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

- | | |
|--|---|
| (1) Federal Funds | Article X, Section 17, Missouri Constitution, specifically excludes federal funds. |
| (2) Proposition C Sales and Use Tax/Interest | In November 1982, the voters approved Proposition C, which increased the state sales and use tax by 1 percent. Since Proposition C received direct voter approval as provided in Article X, Section 16, Missouri Constitution, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded. |
| (3) Proposition A Gas Tax and License Fee Increases | In April 1987, the voters approved Proposition A, which increased the motor fuel tax by 4 cents per gallon and increased the annual registration fee for certain motor vehicles, effective July 1, 1987. Since the increase in tax and fees received direct voter approval, these revenues are excluded. Also, see item (24). |
| (4) Bond Sales | Attorney General Opinion 22-1982 concluded that proceeds of the state's general obligation bonds were not to be included in TSR. |
| (5) Refunds | Refunds received due to the overpayment of obligations by the state, as identified by certain revenue source codes, are excluded. Refunds also include cost recoveries and prescription drug rebates received through the Medicaid and Children's Health Insurance programs. |
| (6) Interagency Sales and Receipts | Since interagency transactions do not generate additional revenue for the state as a whole, interagency sales and receipts, as identified by certain revenue source codes, are excluded. |
| (7) Soil and Water Sales and Use Tax/Interest
and | In August 1984, the voters approved a one-tenth of 1 percent sales tax for soil and water conservation and state parks. Article IV, Section 47(c), Missouri Constitution, states that the additional revenue provided by the tax shall not be part of TSR. Since the voters approved the sales tax, the sales tax and any interest earned on the investment of the balance in these funds are excluded. |
| (8) Parks Sales and Use Tax/Interest | |
| (9) Redeposit of Investment Principal | The redeposit of investment principal is excluded. |
| (10) Outlawed Checks | Outlawed checks (issued checks not cashed by the payee within the time allowed) are redeposited in the state treasury and are excluded. |
| (11) Redeposit of Loan Principal | Redeposits of loan principal are excluded. |



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(12) Bingo Tax

The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.

(13) Riverboat Gambling and
Other Gaming Proceeds

In August 1992, voters approved an amendment to Article III, Section 39(d), Missouri Constitution that requires all state gaming revenues be appropriated for public education and excludes these revenues from TSR.

In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming, which had been enacted by voters as Proposition A in November 1992.

Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.

On November 24, 1998, the Missouri Court of Appeals, Western District, entered its final decision in *Kelly v. Hanson*, 984 S.W. 2d 540 (Mo. App. W.D. 1998). The Missouri Court of Appeals, Western District, held that revenue from the \$1 portion of the state-imposed \$2 admission fee payable to the state is excluded from TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR. The remaining \$1 portion of the \$2 admission fee is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.



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In 2016, the general assembly passed HB 1941 that requires licensed fantasy sports contest operators to pay an annual operation fee equal to 11.5 percent of the operator's net revenue from the previous calendar year. These revenues are deposited in the Gaming Proceeds for Education Fund. Section 313.822, RSMo, provides all monies deposited in the Gaming Proceeds for Education Fund are to be treated as proceeds of river boat gambling. Under Article III, Section 39(d), Missouri Constitution, these annual operation fees are excluded from TSR.

(14) Redeposit of State Funds

The redeposit of state funds for which a state expenditure was originally incurred, such as from closing a petty cash fund and returning the funds to the state treasury, is excluded.

(15) Loan Proceeds

The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.

(16) Conservation Sales and Use
Tax/Interest

In *Conservation Federation of Missouri v. Richard Hanson*, 994 S.W. 2d 27 (Mo. Banc. 1999), the Supreme Court held that the revenue derived from the one-eighth of 1 percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.

(17) State Employee Expense
Reimbursement

The state receives reimbursement from private individuals, firms, partnerships, corporations, etc., for state employee expenses incurred in providing testimony in a court of law, for which the employee has already been reimbursed by a state expense account. These reimbursements are excluded.

(18) Recovery Costs

Monies received from others for costs incurred by the state or to be incurred by the state are excluded. Monies received from tobacco companies under the Tobacco Master Settlement Agreement are included in the recovery costs exclusion. See Tobacco Master Settlement Agreement Proceeds section. Also, see item (19).

(19) Cost Reimbursements

Monies received from other governments for reimbursements of costs incurred by the state are excluded.

Regarding items (18) and (19), the state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. Although the constitution does not specifically mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.

(20) Canceled Checks

Receipts derived from the redeposit of state checks that have been canceled are excluded.



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|---|---|
| (21) Local Match | Local governments provide funds to the state to use as a local match to qualify for federal or state funding. Since these funds are not state funds, they are excluded. |
| (22) Proceeds of Surplus Property Sales | The proceeds from some sales of surplus property are excluded. Although the constitution does not specifically mention proceeds of surplus property sales and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue. |
| (23) DHSS Program Rebates | The Department of Health and Senior Services (DHSS) receives rebates through various federal programs, including the Special Supplemental Nutrition Program for Women, Infants, and Children and the HIV Care Formula Grants. These rebates are related to purchases made with federal funds and are therefore excluded. |
| (24) Amendment 3 Revenue Derived From Highway Users | <p>In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005.</p> <p>Section 30(a)(4) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, "The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of 'total state revenues'. . . ."</p> <p>Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, "The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of 'total state revenues'. . . ."</p> <p>As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.</p> <p>The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item (3))</p> |



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Sections 29, 30(c), and 30(d) have no Hancock implications.

(25) Interest - Federal

Interest assessed and received on advances made to the state by the federal government. Since the interest is due to the federal government, it is excluded from TSR.

Other Exclusions and
Limits

Other exclusions and limits have been considered to arrive at TSR, as follows:

Cash Management Improvement
Act (CMIA)

The state has to enter into an agreement with the federal government that governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.

Agency Remitted Sales Tax

Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.

Abandoned Funds Claim
Payments

Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.

Expenditure Refunds

Under Article X, Section 17(1), Missouri Constitution, TSR shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. A schedule of expenditure refunds is included at Appendix B.

Tobacco Master Settlement
Agreement Proceeds

The OA-BP excluded \$191,261,135 received from tobacco companies during fiscal year 2017. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and state Attorney Generals. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001.



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The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2017 were as follows:

Fiscal Year	Amount
2001	\$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453
2009	168,066,958
2010	140,318,927
2011	132,631,552
2012	135,246,224
2013	135,166,246
2014	66,085,418
2015	132,261,643
2016	123,645,603
2017	191,261,135

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "*all money recovered from others for costs incurred by the state or to be incurred by the state.*" The OA-BP believes these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. For our fiscal year 2001 report, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs prior to fiscal year 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These projects showed that Medicaid costs attributable to smoking were higher than the amount the state received from the tobacco companies under the settlement agreement. As a result, in our 2001 report we concluded it was proper for the OA-BP to exclude the amounts received from the tobacco companies as a recovery cost.



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A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a result, the Harrison study was not fully completed. However, the draft report provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state received. OA officials could not locate any current studies, but they believe continued exclusion is reasonable.

Federal Reimbursement
Allowance and Nursing Facility
Reimbursement Allowance

The Federal Reimbursement Allowance and the Nursing Facility Reimbursement Allowance tax imposed by the state to pay the state's share of the costs of the Medicaid program when collected by an offset against Medicaid claims, is not directly deposited in the state treasury. As a result, this revenue is not included in TSR.

Appendix D

Review of Article X, Sections 16 Through 24,
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Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	Code	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
			2013	2014	2015	2016	2017			
	1536	US Department of Health and Human Services	\$ 6,431,112,075	6,699,531,165	7,047,608,534	7,283,666,051	7,595,549,648	35,057,467,473	27.14	27.14
	1022	Individual income tax	6,374,054,124	6,421,715,624	6,904,282,195	7,182,257,124	7,331,004,488	34,213,313,555	26.48	53.62
	1001	Sales and use tax	1,956,108,763	1,977,037,033	2,013,256,448	2,109,630,089	2,143,671,908	10,199,704,241	7.90	61.52
	1524	US Department of Transportation	983,599,456	913,853,780	856,690,126	908,711,359	921,311,289	4,584,166,010	3.55	65.07
	1013	Proposition C sales and use tax	803,929,533	841,225,588	868,206,165	906,517,715	918,927,877	4,338,806,878	3.36	68.42
	1522	US Department of Education	755,889,490	748,028,861	729,834,415	708,684,175	718,547,280	3,660,984,221	2.83	71.26
	1060	Motor vehicle fuel tax	708,241,449	704,921,451	704,779,616	725,922,252	734,683,791	3,578,548,559	2.77	74.03
	1717	Medicare - Medicaid refunds	639,370,093	546,964,083	555,309,589	764,065,387	745,882,820	3,251,591,972	2.52	76.54
	1510	US Department of Agriculture	490,290,851	485,385,631	500,917,291	514,422,704	514,408,963	2,505,425,440	1.94	78.48
	1332	Lottery ticket sales	490,432,070	492,825,882	463,931,842	544,750,138	506,939,548	2,498,879,480	1.93	80.42
	1026	Corporate income tax	469,446,717	479,242,902	525,403,403	466,496,555	432,357,927	2,372,947,504	1.84	82.26
	1076	Gaming commission gross receipts tax	329,024,116	314,364,443	320,386,965	323,585,514	324,262,046	1,611,623,084	1.25	83.50
	1009	Motor vehicle sales tax	203,705,135	268,633,464	292,586,228	305,649,502	322,733,522	1,393,307,851	1.08	84.58
	1420	Medicaid - community based	205,718,504	214,026,223	240,617,515	259,045,530	275,410,223	1,194,817,995	0.92	85.51
	1033	County foreign insurance tax	191,390,872	202,752,455	239,393,674	247,446,081	280,592,925	1,161,576,007	0.90	86.41
	1106	Motor vehicle licenses or permits	176,862,573	178,386,308	180,652,915	186,711,892	191,696,459	914,310,147	0.71	87.11
	1814	Cost reimbursements - local/other	187,373,570	187,281,971	170,110,809	179,461,032	140,007,166	864,234,548	0.67	87.78
	1806	Recovery costs	150,725,636	82,224,337	146,343,779	141,153,215	208,553,784	729,000,751	0.56	88.35
	1520	US Department of Labor	156,406,546	125,567,984	126,368,853	120,842,194	123,241,053	652,426,630	0.51	88.85
	1011	Conservation sales and use tax	102,532,262	107,076,440	110,528,741	115,429,774	117,077,413	552,644,630	0.43	89.28
	1530	US Environmental Protection Agency	153,021,768	89,482,740	92,295,480	84,163,611	92,033,621	510,997,220	0.40	89.67
	1305	Bond sales proceeds	-	-	167,828,087	210,116,282	102,130,224	480,074,593	0.37	90.05
	1636	Unclaimed properties	95,901,473	92,346,642	100,888,189	94,224,664	96,044,838	479,405,806	0.37	90.42
	1089	Pharmacy reimbursement allowance	95,070,564	91,412,290	87,807,243	95,736,817	87,380,822	457,407,736	0.35	90.77
	1534	Federal Emergency Management Agency	72,661,743	48,677,321	136,785,815	90,290,749	80,291,635	428,707,263	0.33	91.10
	1057	Cigarette tax	86,837,985	82,301,596	81,745,445	83,685,975	79,873,777	414,444,778	0.32	91.42
	1418	Medicaid	90,326,464	81,573,482	73,123,636	72,032,939	80,000,126	397,056,647	0.31	91.73
	6015	Leased facility	105,027,361	106,994,424	61,542,743	61,346,648	62,104,759	397,015,935	0.31	92.04
	1039	Worker's compensation insurance tax - second injury	42,328,061	54,987,065	90,502,981	106,107,160	101,791,431	395,716,698	0.31	92.35
	1828	Redeposit of loan principal	68,996,096	69,361,487	74,454,908	83,588,497	97,881,344	394,282,332	0.31	92.65
	1108	Interstate transportation licenses or permits	70,153,402	73,920,485	77,389,354	82,275,134	76,619,858	380,358,233	0.29	92.94
	1557	American Recovery and Reinvestment Act	153,213,693	83,364,036	40,937,451	27,772,004	37,522,104	342,809,288	0.27	93.21
	1528	US Veterans Administration	61,159,036	63,243,170	69,070,475	71,189,569	74,619,431	339,281,681	0.26	93.47
	1834	Rebates	54,896,694	58,818,800	83,421,967	49,690,081	66,427,711	313,255,253	0.24	93.72
	1842	Loan repayment	64,456,418	61,564,160	57,842,761	53,865,984	59,539,899	297,269,222	0.23	93.95
	1540	US Social Security Administration	46,294,342	41,684,705	45,917,912	53,141,675	49,273,043	236,311,677	0.18	94.13
	1514	US Department of Housing and Urban Development	48,483,173	45,313,039	40,676,241	46,977,140	47,220,963	228,670,556	0.18	94.31
	1252	Admission fees	50,123,796	46,222,768	45,589,269	44,166,866	42,421,150	228,523,849	0.18	94.48
	1005	Soil and water sales and use tax	41,011,618	42,830,077	44,211,575	46,171,508	46,830,977	221,055,755	0.17	94.65
	1003	Parks sales and use tax	41,011,615	42,830,073	44,211,573	46,171,505	46,830,973	221,055,739	0.17	94.82

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Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2013	2014	2015	2016	2017			
1811	Local match	98,129,383	50,600,510	34,985,281	20,599,206	14,410,471	218,724,851	0.17	94.99
1549	Miscellaneous federal revenues	34,938,505	46,737,165	48,644,049	39,911,964	39,415,516	209,647,199	0.16	95.16
6029	Interagency receipts	52,225,159	43,278,253	41,998,779	35,435,991	35,066,083	208,004,265	0.16	95.32
1560	Federal pass-through grants	61,246,642	47,604,707	37,998,600	19,553,864	31,442,608	197,846,421	0.15	95.47
1813	Cost reimbursements - state	62,230,573	34,270,276	33,749,887	34,449,443	31,776,464	196,476,643	0.15	95.62
1264	Court fees	40,544,604	39,013,101	39,184,711	35,253,537	33,635,353	187,631,306	0.15	95.77
6009	Telephone billing	34,581,943	36,473,586	36,836,383	37,945,584	38,207,119	184,044,615	0.14	95.91
6013	Reimbursement/recovery cost	59,725,679	27,114,023	31,674,920	27,485,232	27,633,771	173,633,625	0.13	96.04
1070	Corporation franchise tax	56,194,216	61,314,630	32,211,295	19,512,409	2,743,150	171,975,700	0.13	96.18
1512	US Department of Defense	32,995,530	30,693,698	32,534,000	38,537,907	33,598,338	168,359,473	0.13	96.31
1126	Hunting and fishing licenses and commission permits	30,653,188	31,725,219	31,788,573	33,011,845	31,988,432	159,167,257	0.12	96.43
1250	Collection fees	26,739,487	28,363,897	30,805,269	32,230,771	32,330,843	150,470,267	0.12	96.55
1041	Excess lines of insurance tax	26,311,783	28,719,999	29,713,178	30,024,860	33,455,598	148,225,418	0.11	96.66
1516	US Department of Interior	27,550,163	29,116,162	27,826,979	29,441,709	32,053,401	145,988,414	0.11	96.78
1100	Professional licenses or permits	29,001,314	27,594,721	29,225,729	26,707,324	28,140,106	140,669,194	0.11	96.88
1436	Room and care	26,953,266	28,363,819	28,109,625	27,664,512	26,946,999	138,038,221	0.11	96.99
1080	Real and personal property tax	26,662,885	26,731,442	27,568,831	28,189,016	28,830,339	137,982,513	0.11	97.10
6021	Computer services	19,567,908	22,297,639	24,413,038	29,571,066	30,753,047	126,602,698	0.10	97.20
1624	Settlements	55,120,514	5,310,083	39,020,076	5,603,862	11,865,632	116,920,167	0.09	97.29
1603	U.S./agency securities interest	21,523,353	22,479,526	20,342,362	22,256,721	26,974,579	113,576,541	0.09	97.37
1053	Liquor tax	21,047,333	21,925,239	22,476,067	22,844,443	24,012,395	112,305,477	0.09	97.46
1188	Public utilities fees	19,996,899	20,118,625	19,695,636	19,842,506	19,936,400	99,590,066	0.08	97.54
6027	Sale of manufactured products	17,974,645	18,969,055	19,461,962	20,665,985	20,192,629	97,264,276	0.08	97.61
1088	Nursing facility reimbursement allowance	18,111,951	18,329,061	18,022,997	20,891,666	19,522,237	94,877,912	0.07	97.69
1162	Filing fees	17,882,469	18,691,254	19,047,755	19,812,035	19,096,824	94,530,337	0.07	97.76
1059	Tobacco product tax	16,895,556	17,225,212	17,691,619	19,434,019	20,516,652	91,763,058	0.07	97.83
1858	Other miscellaneous receipts - state	17,494,098	18,602,477	18,750,554	15,370,417	19,506,370	89,723,916	0.07	97.90
1090	Federal reimbursement allowance	19,305,322	15,956,994	15,380,839	15,806,286	15,567,989	82,017,430	0.06	97.96
1037	Worker's compensation insurance tax	14,058,446	15,700,482	17,199,724	17,156,163	16,720,052	80,834,867	0.06	98.03
1110	Driver's licenses or permits	15,080,788	14,009,090	16,154,330	15,361,100	13,754,181	74,359,489	0.06	98.08
1621	Penalties	16,383,799	15,026,562	17,377,486	13,442,654	10,477,035	72,707,536	0.06	98.14
1551	County mental health programs	13,263,536	12,094,852	11,311,919	12,946,158	12,412,049	62,028,514	0.05	98.19
1152	Motorboat fees	11,829,678	12,145,169	12,549,673	12,358,613	12,687,392	61,570,525	0.05	98.24
1626	Court awards	1,266,313	12,167,031	11,122,925	12,786,154	23,175,458	60,517,881	0.05	98.28
1169	Other registration fees	10,664,905	11,090,142	11,501,235	11,916,069	11,926,930	57,099,281	0.04	98.33
1198	Transport load fees	11,227,662	11,239,640	11,195,303	11,567,440	11,633,855	56,863,900	0.04	98.37
1206	Solid waste disposal fees	10,462,793	10,576,521	10,946,036	11,764,753	12,282,791	56,032,894	0.04	98.41
1302	Criminal records check fees	10,798,720	10,027,568	11,037,517	12,170,148	11,578,987	55,612,940	0.04	98.46
1303	Other fees	10,700,540	10,278,791	10,976,155	11,062,952	12,192,455	55,210,893	0.04	98.50
1266	Financial institutions examination fees	10,176,788	11,112,130	10,676,424	10,386,467	11,444,946	53,796,755	0.04	98.54

Appendix D

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2013	2014	2015	2016	2017			
6007	Mail/freight services	11,230,955	10,679,698	9,761,536	9,619,041	9,605,392	50,896,622	0.04	98.58
1328	Sales of fixed assets - control	10,727,324	7,931,754	6,972,758	8,237,789	16,771,373	50,640,998	0.04	98.62
1132	Overdimension/overweight permits - Amendment 3	8,452,114	9,545,940	9,277,614	9,563,794	9,377,774	46,217,236	0.04	98.66
1295	Intervention fees	9,851,227	9,006,410	8,503,124	8,429,899	7,414,914	43,205,574	0.03	98.69
6035	Taxes	7,890,094	8,419,180	9,609,364	8,613,452	7,653,994	42,186,084	0.03	98.72
1094	Ambulance service reimbursement allowance	8,135,233	7,956,001	7,894,871	7,863,496	9,781,742	41,631,343	0.03	98.75
1816	Bond account	9,214,123	8,760,097	8,693,952	8,020,533	6,843,143	41,531,848	0.03	98.79
1316	Manufactured product sales	8,827,769	7,779,143	8,418,694	7,456,017	7,814,296	40,295,919	0.03	98.82
1612	Interest - federal	22,442,061	12,442,473	4,271,580	6,414	370	39,162,898	0.03	98.85
1049	Heavy beer tax	8,044,713	7,887,262	7,708,889	7,798,378	7,666,892	39,106,134	0.03	98.88
1262	Loan administration fees	6,516,695	6,923,903	7,127,199	8,311,128	9,385,819	38,264,744	0.03	98.91
1532	US Department of Energy	6,005,146	10,598,978	6,869,770	6,841,344	7,065,176	37,380,414	0.03	98.94
1184	Title V emissions fees	7,300,494	7,492,099	7,081,848	7,865,484	6,284,503	36,024,428	0.03	98.97
1860	Other miscellaneous receipts - local/other	10,749,751	6,804,439	7,576,605	5,650,588	4,262,180	35,043,563	0.03	98.99
1822	Outlawed checks	6,168,223	5,546,475	5,551,795	7,914,090	9,367,114	34,547,697	0.03	99.02
	All other revenue source codes	239,905,424	257,305,389	255,998,311	246,890,088	267,013,317	1,267,112,529	0.98	100.00
	Total Revenues	\$ 24,736,168,819	24,616,141,577	25,845,977,839	26,737,217,477	27,249,912,291	129,185,418,003		

Review of Article X, Sections 16 Through 24, Constitution of Missouri Appendix E

Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996*)

TAXATION

Section 16. Taxes and state spending to be limited--state to support certain local activities--emergency spending and bond payments to be authorized. Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive of this article.

Section 17. Definitions. As used in sections 16 through 24 of Article X:

- (1) **"Total state revenues"** includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.
- (2) **"Personal income of Missouri"** is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.
- (3) **"General price level"** means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized.

- (a). There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the fiscal year for which the calculation is being made, or



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix E

the average of personal income of Missouri in the previous three calendar years, whichever is greater.

(b). For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Missouri state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(c). The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under the provisions of this constitution.

(d). If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

(e). Voter approval required for taxes or fees, when, exceptions--definitions--compliance procedure, remedies.

1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase shall be measured by



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix E

the estimated new annual revenues collected during the first fiscal year that it is fully effective. The term "increase taxes or fees" means any law or laws passed by the general assembly after May 2, 1996, that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

3. In the event of an emergency, the general assembly may increase taxes, licenses or fees for one year beyond the limit in this subsection under the same procedure specified in section 19 of this article.

4. Compliance with the limit in this section shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year that each individual tax or fee change is fully effective.

5. Any taxpayer or statewide elected official may bring an action under the provisions of section 23 of this article to enforce compliance with the provisions of this section. The Missouri supreme court shall have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this section. In such enforcement actions, the court shall invalidate the taxes and fees which should have received a public vote as defined in subsection 1 of this section. The court shall order remedies of the amount of revenue collected in excess of the limit in this subsection as the court finds appropriate in order to allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset the excess monies collected.

Section 19. Limits may be exceeded, when, how. The revenue limit of section 18 of this article may be exceeded only if all of the following conditions are met: (1) The governor requests the general assembly to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the general assembly thereafter declares an emergency in accordance with the specifics of the governor's request by a majority vote for fiscal year 1981-1982, thereafter a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under section 18 of this article be the subject of an emergency request.

Section 20. Limitation on state expenses. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix E

Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding. The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivision, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

Section 22. Political subdivisions to receive voter approval for increases in taxes and fees--rollbacks may be required--limitation not applicable to taxes for bonds.

(a). Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b). The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

Section 23. Taxpayers may bring actions for interpretations of limitations. Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.



Review of Article X, Sections 16 Through 24,
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Appendix E

Section 24. Voter approval requirements not exclusive--self-enforceability.

(a). The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b). The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

* The 1996 amendment added Section 18(e).

2017 Annual Report
Missouri State Auditor

Nicole Galloway, CPA



Transparency

Accountability

Results

2018-035



Letter from Auditor Galloway

For the past three years, I have proudly served as the taxpayers' watchdog. The role of Auditor is unique in our government as the only independent position to hold government accountable. As someone who is passionate about fiscal efficiency and minimizing waste, I embrace the opportunity to protect taxpayers and ensure they get the most of their government.

In 2017, we released 155 reports that hold government agencies at all levels accountable to you — the citizens they serve. These reports revealed evidence of public corruption, highlighted inefficiencies and shined a light on waste and mismanagement. Audits get results, and these efforts have resulted in changes to operations, more effective processes, and, at times, criminal charges brought alleging corruption by public officials.

Our successes this year were thanks to the dedicated staff and the high standards set by our office. With this in mind, it was no surprise when we received the highest rating possible from a peer review by the National State Auditors Association. This recognition by our peers from across the country acknowledges our efforts to efficiently and effectively serve Missourians.

Another important factor in our accomplishments is the feedback and information we receive from Missourians who report potential wrongdoing in government. As State Auditor, I operate the state's Whistleblower Hotline. We routinely receive tips about improper government activities from those in a position to observe it. These reports are an important part of the audit process. If you see waste, fraud or mismanagement in government, report it. You can reach my Whistleblower Hotline by calling 800-347-8597, by emailing moaudit@auditor.mo.gov, or by using the online submission form at auditor.mo.gov/hotline. Callers may choose to remain anonymous.

It is my honor to serve as your advocate, ensuring government at all levels is efficient, effective and transparent.

A handwritten signature in black ink that reads 'Nicole L. Galloway'.

Nicole Galloway, CPA



Leaders & representatives from counties across the state attended State Auditor Nicole Galloway's County Government Day.

Duties of the State Auditor

The State Auditor's Office is Missouri's independent watchdog agency. The Missouri Constitution and state law give the Missouri State Auditor authority to audit:

- All state agencies, boards and commissions
- Public employee retirement systems
- Public employee healthcare systems
- State court system
- School districts
- Counties that do not have a county auditor
- Other political subdivisions upon petition by the voters of those subdivisions

The State Auditor's Office works to ensure the proper use of public funds and to improve the efficiency and effectiveness of Missouri government. Audits examine financial accountability, look for waste and opportunities for fraud, and evaluate whether government organizations and programs are achieving their purposes and operating economically and efficiently. All audits are performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.



Inside 2017 Annual Report



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HOLDING PUBLIC OFFICIALS ACCOUNTABLE



Since being sworn into office, Auditor Galloway has:

Identified more than

\$300 million

in government waste, fraud and mismanagement

Released audits resulting in more than

30 criminal counts

alleging corruption against public officials

Former leaders of southwest Missouri road district face felony charges

Auditor Galloway issued a progress report of the embattled Buck Prairie Special Road District in Lawrence County. A 2016 audit found \$65,000 in inappropriate spending and payments. The follow-up review found improvements and new safeguards in place. After the 2016 report, the prosecuting attorney filed Class C felony charges against six individuals.

Cooper County Clerk pleads guilty to stealing from taxpayers

An audit of the Cooper County Clerk details actions taken by a now former clerk to misappropriate county funds to purchase a leased vehicle. The issues were brought to the attention of auditors during a routine audit of the county. The county clerk pled guilty to stealing, and as a condition of probation, was required to pay restitution and resign.

Evidence of theft in Chariton County Sheriff's Office

Auditor Galloway released a report detailing at least \$26,000 in funds stolen over an almost two-year period. The audit was initiated by the Sheriff after the discovery of questionable activity and confirmed \$26,277 went missing that should have been deposited in the Sheriff's fee account or inmate account. The report has been provided to law enforcement.

Audit uncovers \$100K+ missing, unaccounted for in city of Viburnum

An audit of the city of Viburnum detailed more than \$100,000 in potentially fraudulent activities by a former city clerk who served the city for 14 years. The prosecuting attorney charged the clerk with receiving stolen property, a Class B felony.

FIGHTING PUBLIC CORRUPTION

“When intentional misconduct happens, it's a matter of ethics and integrity. When public officials breach the public trust, prosecutors, law enforcement and the Auditor need to be able to effectively work together to protect citizens and remove bad actors from office.”

-Amy Fite

President of the Missouri Association of Prosecuting Attorneys and Christian County Prosecuting Attorney

As the state agency charged with investigating the misuse of public resources, the Missouri State Auditor's Office is uniquely positioned to be a vital part of anti-corruption efforts. However, there is too much red tape that prevents law enforcement and the State Auditor from easily working together to expose fraud and abuse.

In 2017, Auditor Galloway worked with legislators and law enforcement officials on bipartisan legislation to provide additional tools to fight public corruption.

The legislation was vetoed by the Governor, but has been proposed again in 2018. The measure includes greater penalties in public corruption cases and allows increased partnerships between the State Auditor and prosecutors and law enforcement in such cases.

The legislation again has the support of the Missouri Association of Prosecuting Attorneys.



Fighting

WASTE, FRAUD AND MISUSE OF FUNDS



University of Missouri System brings end to hidden “bonus” pay uncovered in audit

In March, an audit of the University of Missouri System described inappropriate bonus payments to top administrators, including incentive payments, luxury vehicle allowances and other compensation not included in published salaries. Four days after Auditor Galloway released the audit, the University of Missouri System President announced an end to bonus payments.

Evidence of \$90 million billing scheme at Putnam County Memorial Hospital

An audit of Putnam County Memorial Hospital uncovered \$90 million in inappropriate lab billings by hospital leadership and associates. The report detailed a billing scheme in which the lab services company and its affiliates conducted lab work across the country, but Putnam County Memorial Hospital billed the insurance companies using the hospital account. In exchange, the hospital received a cut of the insurance payouts.

Records and information uncovered through the course of the audit have been provided to state and federal law enforcement authorities.

Review of federal dollars finds \$1 million in questionable spending

The Statewide Single Audit annually reviews the state’s management and spending of federal dollars. The 2017 audit raised concerns with a number of oversight areas and identified \$1 million in questionable costs in social safety net programs. The review identified a lack of accountability in two agencies that administer federal funds, the Department of Mental Health and the Department of Social Services.

Protecting Whistleblowers

In June, the Governor signed Senate Bill 43, which compromises long-standing whistleblower protections, increases the threat of retaliation and fosters an environment of intimidation for those who report wrongdoing.

“The Whistleblower and Taxpayer Protection Act would reverse state government’s trend toward secrecy and fight against a chilling effect that could undermine the state’s ability to uncover wasteful, improper or illegal uses of taxpayer dollars.”

Even though state law no longer protects public employees from being fired for identifying wrongdoing in the workplace, reports to the Auditor's Whistleblower Hotline are anonymous and protected by law.



Auditor Galloway is working with lawmakers to pass legislation restoring protections and adding safeguards for public employees who report inappropriate activity in the workplace. In December, she announced that bills have been pre-filed in the House and Senate for consideration during the 2018 legislative session.

The Whistleblower and Taxpayer Protection Act positions Missouri as a leader for those who would speak out against fraud, public corruption, and government wrongdoing.

Contact the State Auditor’s Whistleblower Hotline To Report Wrongdoing

The State Auditor’s Whistleblower Hotline is a confidential resource for public employees to report waste, fraud or misuse of taxpayer dollars.



If you see waste or fraud in government, report it.



Call: 800-347-8597



Email: moaudit@auditor.mo.gov



Website: auditor.mo.gov/hotline

Answers

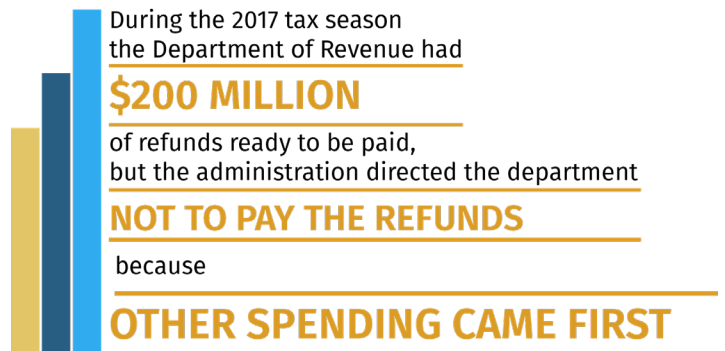
for Missourians on late tax refunds

“ My office received thousands of calls and e-mails from taxpayers who were rightfully frustrated because they were not receiving the money they were owed. This is real money to Missourians trying to pay bills and support their families. ”

In 2017, Auditor Galloway launched a review of the processes used to ensure tax refunds are paid timely and with all appropriate interest. The audit reviewed compliance and timeliness over a two-year period.

During the course of the audit, thousands of taxpayers reached out to the State Auditor's Office to report late refunds, missing interest or difficulties getting answers from the Department of Revenue. Auditor Galloway also had to take the unusual step of issuing a subpoena to obtain information on the state's management of income tax refunds.

Despite unprecedented attempts by the current Governor's administration to obstruct audit work, the audit was released and found refunds to taxpayers have been increasingly delayed at the direction of the Department of Revenue and the Office of Administration.



What taxpayers said:

Taxpayers throughout Missouri reached out to the State Auditor's Office because of delays in receiving their tax refunds. In June, Auditor Galloway called on the director of the Department of Revenue to take quick action and address taxpayers' complaints.

“

I could use the money for gas to get back and forth to work, and provide the state with more tax money that would be spent here.

If it was known that refunds were going to be late, **the taxpayer has the right to know.**

I am extremely frustrated at the Department of Revenue and the fact that **there is no penalty in place for their actions.**

It's disappointing that the state cannot process a simple tax return in less than 45 days.

”

Budget Integrity Series

provides examination into the state budget crisis

In 2017, Auditor Galloway announced her Budget Integrity Series, which examined the contributing factors to Missouri's current budget crisis. These reports highlighted years of broken promises and policy decisions based on unrealistic expectations that have left the state unprepared for an economic downturn.

Legislative giveaways undermine state's fiscal health

Auditor Galloway released an audit of the state's tax incentives and exemptions. The review found:

- The legislature lacks an accurate way to account for or track the fiscal impact of hundreds of tax breaks. Of the 209 sales and use tax exemptions on the books, only three are tracked.
- The legislature's process for estimating the impact of proposed legislation is sometimes formulated with out-of-date information and requires much greater economic analysis.
- Missouri offers the second highest discount in the nation to retailers in exchange for paying sales taxes on time. A similar discount is offered to businesses that remit their employee withholding taxes on time, which is a discount only offered in Missouri.



The audit also found payments out of the Legal Expense Fund were consistently higher than budgeted amounts. In fiscal year 2017, for example, the actual amount spent was more than \$17 million higher than what was budgeted.

Budget Impact of Tax Credits

An examination of the state's tax credit programs shows a \$3 billion tax credit liability that extends at least into the next 15 years due to credits that have been issued or authorized, but not yet redeemed. In addition, tax credit programs have cost the state \$5.4 billion over the past decade.

Legal settlements and judgments cost taxpayers more than \$115 million

A report highlighted how millions in taxpayer dollars are being spent on legal expenses with no system in place to track the amount and nature of payments.

The state's Legal Expense Fund is the pool of money used to make payments stemming from lawsuits against the state. The Office of Administration relies on an outdated system that lacks the ability to produce basic electronic reports.

The examination noted the current process makes it difficult for policymakers to get access to information about the cost of the tax credits because of incomplete or inaccurate information provided by the Department of Economic Development and other state agencies.

HOLDING SPECIAL TAXING DISTRICTS *Accountable*

Auditor Galloway is committed to shining a light on how special taxing districts, specifically Transportation Development Districts (TDDs) and Community Improvement Districts (CIDs), collect and spend taxpayer dollars.

Legislation passed during the 2017 legislative session increases government accountability by ensuring penalty provisions exist for local governments and political subdivisions that fail to submit required annual financial reports. Auditor Galloway worked with legislators to pass a bill in 2016 adding penalties for Transportation Development Districts that failed to report this information. This 2017 legislation broadens the penalties to include other local government bodies.

A series of audits have worked to bring transparency to special taxing districts.

TDD collected thousands, made no improvements

Auditor Galloway's report on the Hospital Interchange TDD in Cass County brought to light a failed project that resulted in thousands in taxes collected, but no benefits for taxpayers.

Unaccountable tax districts rack up \$1 billion in taxpayer debt

Auditor Galloway released a report on TDDs that found districts across the state engaging in questionable practices with little oversight or transparency because of the weakness of existing laws. The audit also found taxpayers on the hook for nearly \$1 billion in outstanding project costs to be repaid with sales taxes they did not vote on or approve.



“ **TAXING DISTRICTS MUST BE ACCOUNTABLE**
for every tax dollar they collect.
Laws governing special
taxing districts must be fixed. ”

Reviews of Community Improvement Districts identify pattern of problems

In 2016, a new law authorized the State Auditor's Office to audit CIDs without requiring citizens to initiate the audit through the petition process. In 2017, Auditor Galloway completed audits of four CIDs: North Oaks Plaza CID in Northwoods, BaratHaven CID in Dardenne Prairie, Independence Events Center CID in Independence and Ward Parkway Center CID in Kansas City. The audits found that projects are often plagued with problems or are not living up to their promises and led Auditor Galloway to initiate a review of CIDs throughout the state.



EMPHASIS ON *Cyber Security*



Since taking office, Auditor Galloway has focused on efforts to keep Missourians' information secure by incorporating data security into the standard audit process and regularly making recommendations to counties, municipalities and courts on ways to better safeguard electronic records.

Auditor Galloway was a recipient of the Center for Digital Education Top 30 award for her work to increase the security of student data in Missouri schools. She was recognized in part due to the success of her Cyber Aware School audits, which were designed to increase safeguards against unauthorized access to student information.

Auditor Galloway is also working to ensure parents are notified in case of a data breach at their children's school. Current state law does not require schools to notify parents if their children or family's personal information has been compromised in a cyber security incident. During the 2017 session, legislation to change the law had broad bipartisan support, but ultimately was not passed. In December, the bill was among the first to be pre-filed for the 2018 legislative session.



Some school districts have policies in place that require notification if a data breach occurs. In 2017, Auditor Galloway visited public school districts across Missouri to commend them on taking this proactive approach.

Peer review gives highest rating possible

In October, Auditor Galloway announced her office received the highest rating possible during a review by the National State Auditors Association (NSAA).

An external peer review enables the State Auditor's Office to obtain an independent assessment of whether or not its system of quality control is adequate to ensure compliance with Government Auditing Standards.

The review was conducted under the NSAA's External Peer Review Program, which is administered by the National Association of State Auditors, Comptrollers, and Treasurers. The review team included representatives from seven other state audit organizations and the federal government. A peer review is required every three years for organizations that conduct governmental audits.



Promoting family-friendly leave policies for state employees

Auditor Galloway has worked to update her office's personnel policies to be more family friendly. This includes expanding personnel policies to include responding to domestic violence as a protected leave category. She also expanded leave policies to allow for bonding time after the birth or adoption of a newborn. Auditor Galloway has encouraged other state office holders to follow her lead. Not long after, the administration extended similar leave policies throughout the executive branch of state government.



For additional 2017 information, visit auditor.mo.gov

Statewide Closeout audits

The State Auditor's Office performs closeout audits of statewide offices to assist in transitions and ensure that incoming officials are aware of areas for improvement. Auditor Galloway works independently to ensure these audits are tough, fair and thorough, no matter the party affiliation of the auditee.

Governor: Fair
Lt. Governor: Good
Attorney General: Fair
Secretary of State: Good
Treasurer: Excellent



Report	Date Issued	Report Number
Crawford County Financial Statements	12-2017	2017-155
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Monthly Report on Political Subdivision Filings November 2017	12-2017	2017-153
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Follow-Up Report On Audit Findings City of Bridgeton Employees Retirement Plan Funding and Governance	11-2017	2017-145
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Follow-Up Report On Audit Findings Forty-First Judicial Circuit, City of Shelbina Municipal Division	11-2017	2017-137
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Follow-Up Report On Audit Findings City of Viburnum	11-2017	2017-131
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U.S. Highway 36 - Interstate 72 Corridor Transportation Development District	11-2017	2017-129
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Monthly Report on Municipal Court and Revenue Filings September 2017	10-2017	2017-125
Monthly Report on Political Subdivision Filings September 2017	10-2017	2017-124
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Texas County Financial Statements	10-2017	2017-120
Mercer County Financial Statements	10-2017	2017-119
Gentry County Financial Statements	10-2017	2017-118
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Maries County	10-2017	2017-114
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Third Judicial Circuit City of Bethany Municipal Division	10-2017	2017-112
Moniteau County Financial Statements	10-2017	2017-111
Scotland County Financial Statements	10-2017	2017-110
City of Lexington	10-2017	2017-109
Forty- First Judicial Circuit Macon County	10-2017	2017-108
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Moniteau County Collector and Property Tax System	09-2017	2017-106
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Monthly Report on Municipal Court and Revenue Filings August 2017	09-2017	2017-104
Monthly Report on Political Subdivision Filings August 2017	09-2017	2017-103
North Oaks Plaza Shopping Center Community Improvement District	09-2017	2017-102
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Maries County Financial Statements	09-2017	2017-097
Pike County Financial Statements	09-2017	2017-096
Bollinger County Financial Statements	09-2017	2017-095
Summary of Local Government and Court Audit Findings - Information Security Controls	09-2017	2017-094
Public Water Supply District # 4 of Washington County	09-2017	2017-093
Cooper County Financial Statements	09-2017	2017-092
Follow-Up Report On Audit Findings Lawrence County	08-2017	2017-091
Monthly Report on Transportation Development District Filings July 2017	08-2017	2017-090
Monthly Report on Municipal Court and Revenue Filings July 2017	08-2017	2017-089
Moniteau County	08-2017	2017-088
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Stoddard County Financial Statements	08-2017	2017-086
Ste. Genevieve County Financial Statements	08-2017	2017-085

Report	Date Issued	Report Number
Webster County Financial Statements	08-2017	2017-084
Follow-Up Report On Audit Findings City of Rich Hill	08-2017	2017-083
Livingston County Financial Statements	08-2017	2017-082
Dade County Financial Statements	08-2017	2017-081
Department of Revenue Wentzville Contract License Office	08-2017	2017-080
Follow-Up Report On Audit Findings Wright County Collector and Property Tax System	08-2017	2017-079
Forty-Third Judicial Circuit Livingston County	08-2017	2017-078
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Department of Revenue Oakville Contract License Office	08-2017	2017-076
St. Clair County Financial Statements	08-2017	2017-075
Putnam County Memorial Hospital	08-2017	2017-074
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Monthly Report on Municipal Court and Revenue Filings June 2017	08-2017	2017-072
Department of Revenue Brookfield Contract License Office	08-2017	2017-071
Department of Revenue Hannibal Contract License Office	08-2017	2017-070
Crawford County	07-2017	2017-069
Daviess County	07-2017	2017-068
Monthly Report on Transportation Development District Filings June 2017	07-2017	2017-067
Morgan County Financial Statements	07-2017	2017-066
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Department of Revenue Hermann Contract License Office	07-2017	2017-063
Department of Revenue Glenstone Contract License Office	07-2017	2017-062
Department of Revenue Monett Contract License Office	07-2017	2017-061
Missouri State Lottery Commission	07-2017	2017-060
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Report	Date Issued	Report Number
Department of Health and Senior Services Missouri Electronic Vital Records System	06-2017	2017-048
Follow-Up Report On Audit Findings Twenty-First Judicial Circuit City of Wellston Municipal Division	06-2017	2017-047
Barton County	06-2017	2017-046
Follow Up Report On Audit Findings City of Sparta	06-2017	2017-045
Livingston County	06-2017	2017-044
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Monthly Report on Transportation Development District Filings April 2017	06-2017	2017-041
Monthly Report on Municipal Court and Revenue Filings April 2017	06-2017	2017-040
City of Wellston	05-2017	2017-039
Department of Revenue Ellington Contract License Office	05-2017	2017-038
Department of Revenue Fayette Contract License Office	05-2017	2017-037
Taney County Collector and Property Tax System	05-2017	2017-036
City of Harrisonville	05-2017	2017-035
Follow-Up Report On Audit Findings Waynesville R-VI School District Cash Handling Internal Controls	05-2017	2017-034
Administration Review of Article X, Sections 16 Through 24, Constitution of Missouri Year Ended June 30, 2016	05-2017	2017-033
Randolph County	05-2017	2017-032
Compilation of 2016 Federal Forfeiture Reports	05-2017	2017-031
Office of Lieutenant Governor	04-2017	2017-030
Office of State Treasurer Period July 1, 2016 through January 9, 2017	04-2017	2017-029
Office of State Treasurer	04-2017	2017-028
Monthly Report on Transportation Development District Filings March 2017	04-2017	2017-027
Monthly Report on Municipal Court and Revenue Filings March 2017	04-2017	2017-026
Twenty-First Judicial Circuit - City of Ferguson Municipal Division	04-2017	2017-025
Follow-Up Report On Audit Findings Fox C-6 School District	04-2017	2017-024
Fifteenth Judicial Circuit City of Lexington Municipal Division	04-2017	2017-023
Benton County Public Administrator	04-2017	2017-022
Department of Revenue License Office Visits - Gainesville	04-2017	2017-021
Transportation Development Districts	04-2017	2017-020
Annual Financial Report Filings Due in 2016	03-2017	2017-019
State of Missouri Single Audit Year Ended June 30, 2016	03-2017	2017-018
Follow-Up Report On Audit Findings Wayne County	03-2017	2017-017
Monthly Report on Transportation Development District Filings February 2017	03-2017	2017-016

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Greene County Fire Protection District	03-2017	2017-014
St. Louis County Fire Protection District	03-2017	2017-013
University of Missouri System Administration	03-2017	2017-012
Follow-Up Report On Audit Findings Buck Prairie Special Road District	03-2017	2017-011
Compilation of 2016 Criminal Activity Forfeiture Act Seizures	02-2017	2017-010
Monthly Report on Transportation Development District Filings January 2017	02-2017	2017-009
Monthly Report on Municipal Court and Revenue Filings January 2017	02-2017	2017-008
2016 Annual Report	02-2017	2017-007
Summary of Audit Findings - County Collectors and Property Tax System	02-2017	2017-006
2016 Property Tax Rates	02-2017	2017-005
Monthly Report on Transportation Development District Filings December 2016	02-2017	2017-004
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Forty-First Judicial Circuit City of Shelbina Municipal Division	01-2017	2017-002
Department of Higher Education Performance Funding	01-2017	2017-001

Date of Registration	Bonds Issued By	Amount of Issue
12-27-2017	School District of the City of Ladue	\$24,925,000.00
12-22-2017	School District of University City	\$12,335,000.00
12-22-2017	Branson Reorganized School District No. 4	\$20,205,000.00
12-22-2017	Galena R-II School District	\$850,000.00
12-21-2017	Greene County Reorganized School District No. 3 (Republic)	\$2,890,000.00
12-21-2017	Lebanon R-III School District	\$8,660,000.00
12-20-2017	Orrick R-XI School District	\$1,300,000.00
12-20-2017	Ozark Reorganized School District No. 6	\$4,520,000.00
12-20-2017	Warren County R-III School District	\$5,450,000.00
12-20-2017	Lincoln County R-III School District of Troy	\$2,795,000.00
12-20-2017	Trenton R-IX School District	\$1,620,000.00
12-20-2017	Ralls County R-II School District	\$3,195,000.00
12-19-2017	Smithville R-II School District	\$5,075,000.00
12-19-2017	Rolla School District No. 31	\$4,630,000.00
12-19-2017	Carthage R-IX School District	\$8,970,000.00
12-19-2017	Advance R-IV School District	\$1,070,000.00
12-19-2017	Nixa Public Schools	\$7,480,000.00
12-19-2017	Lawson Reorganized School District No. R-XIV	\$2,230,000.00
12-18-2017	Camdenton Reorganized School District No. R-3	\$25,490,000.00
12-18-2017	School District of Springfield R-XII	\$98,795,000.00
12-18-2017	Seneca R-VII School District	\$5,710,000.00
12-18-2017	Gasconade County R-I School District	\$2,965,000.00
12-18-2017	School District of Clayton	\$23,465,000.00
12-18-2017	The School District of Washington	\$24,065,000.00
12-18-2017	Gasconade County R-II School District	\$5,445,000.00
12-18-2017	Reorganized School District No. 7	\$18,775,000.00
12-18-2017	Reorganized School District No. 4	\$9,945,000.00
12-18-2017	Lafayette County C-1 School District	\$1,970,000.00
12-18-2017	Farmington R-7 School District	\$8,000,000.00
12-18-2017	Reeds Spring R-IV School District	\$1,890,000.00
12-15-2017	Ste. Genevieve County R-II School District	\$6,800,000.00
12-14-2017	Crawford County R-I School District	\$1,605,000.00
12-14-2017	Rockwood R-VI School District	\$26,690,000.00
12-14-2017	School of the Osage	\$9,075,000.00
12-13-2017	School District of Webster Groves	\$16,990,000.00
12-12-2017	City of Springfield	\$2,430,000.00
12-12-2017	Van-Far R-I School District	\$1,700,000.00

Date of Registration	Bonds Issued By	Amount of Issue
12-11-2017	Iberia R-V School District	\$1,366,000.00
12-11-2017	Norborne R-VII School District	\$1,400,000.00
12-11-2017	Campbell R-II School District	\$4,385,000.00
12-11-2017	Joplin Schools	\$24,465,000.00
12-07-2017	City of Webb City	\$0.00
12-06-2017	Moberly School District No.81	\$4,180,000.00
12-01-2017	City of St. Charles, Neighborhood Improvement District	\$1,415,000.00
11-28-2017	City of Blue Springs	\$11,915,000.00
11-27-2017	Community R-VI School District	\$1,250,000.00
11-22-2017	Reorganized School District No. 2 (Willard)	\$8,500,000.00
11-20-2017	Maryland Heights Fire Protection District	\$8,500,000.00
11-15-2017	Tipton R-VI School District	\$4,575,000.00
11-14-2017	City of Warrenton	\$6,400,000.00
11-09-2017	Eureka Fire Protection District	\$2,762,828.95
11-07-2017	City of Belton	\$11,940,000.00
11-07-2017	City of Belton	\$2,100,000.00
11-06-2017	Clarksburg C-2 School District	\$420,000.00
10-30-2017	Jefferson County R-VII School District	\$6,290,000.00
10-27-2017	Southern Boone County R-I School District	\$3,275,000.00
10-26-2017	The School District of Columbia	\$37,955,000.00
10-25-2017	Webb City R-VII School District	\$5,885,000.00
10-25-2017	City of Bellefontaine Neighbors	\$3,545,000.00
10-20-2017	Fabius River Drainage District	\$4,645,000.00
10-13-2017	Sturgeon R-V School District	\$2,000,000.00
10-12-2017	Hickory County R-I School District	\$1,275,000.00
10-10-2017	Clark County R-I School District	\$8,000,000.00
10-06-2017	New Bloomfield R-III School District	\$2,000,000.00
10-06-2017	Belton School District #124	\$28,175,000.00
10-05-2017	Green Ridge R-VIII School District	\$835,000.00
10-05-2017	Parkway C-2 School District	\$27,405,000.00
10-05-2017	Howard Bend Levee District	\$900,000.00
10-05-2017	Howard Bend Levee District	\$900,000.00
10-05-2017	Howard Bend Levee District	\$360,000.00
10-04-2017	Park Hill School District	\$87,715,000.00
10-04-2017	Greene County Reorganized No. 3 School District(Republic)	\$7,935,000.00
10-03-2017	Wentzville R-IV School District	\$11,075,000.00
10-03-2017	Cole County, Neighborhood Improvement District	\$535,000.00

Date of Registration	Bonds Issued By	Amount of Issue
09-22-2017	Fort Osage R-I School District of Jackson County	\$5,685,000.00
09-21-2017	Hollister R-V School District	\$6,075,000.00
09-19-2017	City of Silex	\$252,597.23
09-15-2017	Crane R-III School District	\$1,725,000.00
09-15-2017	Holden R-III School District	\$2,200,000.00
09-15-2017	Schuyler R-I School District	\$3,000,000.00
09-15-2017	Mid-Buchanan County R-V School District	\$2,330,000.00
09-11-2017	Carl Junction R-I School District	\$9,420,000.00
09-11-2017	Reorganized School District No. 4 of Jackson County	\$4,830,000.00
08-30-2017	Mount Vernon R-V	\$2,500,000.00
08-29-2017	Ritenour School District	\$6,960,000.00
08-29-2017	City of Rock Hill	\$3,079,974.00
08-29-2017	Desoto School District #73	\$8,805,000.00
08-29-2017	Winfield R-IV School District	\$2,500,000.00
08-29-2017	City of Warrensburg	\$5,550,000.00
08-29-2017	Carl Junction R-I School District	\$10,000,000.00
08-29-2017	Normandy Schools Collaborative of St. Louis County	\$5,000,000.00
08-29-2017	Crawford R-II School District	\$3,775,000.00
08-09-2017	Pattonville R-III School District	\$19,855,000.00
08-01-2017	Louisiana R-II School District	\$3,000,000.00
07-31-2017	Sullivan C-2 School District	\$5,000,000.00
07-31-2017	City of Olivette	\$1,340,000.00
07-17-2017	Oregon-Howell R-III School District	\$1,650,000.00
07-17-2017	Thayer R-II School District	\$3,900,000.00
07-10-2017	Grandview C-4 School District	\$5,000,000.00
07-10-2017	Reorganized School District R-II of Cape Girardeau County	\$8,500,000.00
07-07-2017	City of Lake Winnebago	\$400,000.00
07-07-2017	Windsor C-1 School District	\$5,250,000.00
07-07-2017	Southwest R-V School District	\$1,300,000.00
07-07-2017	Princeton R-V School District	\$5,800,000.00
07-05-2017	Nixa Public Schools	\$7,570,000.00
06-29-2017	Meramec Valley R-II School District	\$5,435,000.00
06-29-2017	North Nodaway County R-VI School District	\$675,000.00
06-28-2017	The School District of the City of Independence	\$43,315,000.00
06-27-2017	Clarkton C-4 School District	\$500,000.00
06-27-2017	North Kansas City Levee District	\$4,975,000.00
06-27-2017	Maryville R-II School District	\$5,250,000.00

Date of Registration	Bonds Issued By	Amount of Issue
06-27-2017	Clarkton C-4 School District	\$900,000.00
06-27-2017	Ferguson Reorganized School District R-2	\$9,380,000.00
06-20-2017	City of St. Charles School District	\$47,000,000.00
06-16-2017	North Shelby School District	\$1,500,000.00
06-15-2017	Meramec Valley R-III School District	\$8,000,000.00
06-15-2017	North Platte County R-I School District	\$6,200,000.00
06-14-2017	Sikeston R-VI School District	\$8,000,000.00
06-09-2017	White Cloud Township, Nodaway County	\$150,000.00
06-09-2017	Independence Township, Nodaway County	\$100,000.00
06-08-2017	Lone Jack C-6 School District	\$3,750,000.00
06-07-2017	Valley Park School District	\$515,000.00
06-07-2017	Valley Park School District	\$9,485,000.00
06-07-2017	Weaubleau R-III School District	\$2,200,000.00
06-06-2017	Chaffee R-II School District	\$2,400,000.00
06-01-2017	Oran R-III School District	\$1,035,000.00
06-01-2017	Odessa R-VII School District	\$6,000,000.00
05-30-2017	Kearney R-I School District	\$27,000,000.00
05-30-2017	Gasconade County R-I School District	\$2,000,000.00
05-30-2017	City of Smithton	\$865,000.00
05-30-2017	Dolan & West Dolan Fire Protection District	\$1,840,000.00
05-25-2017	Strasburg C-3 School District	\$1,200,000.00
05-25-2017	Hillsboro Reorganized School District R-3	\$2,180,000.00
05-25-2017	Hillsboro Reorganized School District R-3	\$9,820,000.00
05-24-2017	Rich Hill R-IV School District	\$850,000.00
05-23-2017	North Callaway County R-I School District	\$4,900,000.00
05-22-2017	Scott County Central School District	\$1,750,000.00
05-18-2017	Cole County R-I School District	\$2,000,000.00
05-16-2017	Paris R-II School District	\$2,300,000.00
05-12-2017	Archie R-V School District	\$1,000,000.00
05-10-2017	Drexel R-IV School District	\$1,875,000.00
05-08-2017	City of Creve Coeur	\$10,635,000.00
05-02-2017	City of Belton	\$4,350,000.00
04-28-2017	Sparta R-III School District	\$1,935,000.00
04-27-2017	Purdy R-II School District	\$2,299,098.80
04-27-2017	City of Raymore	\$2,750,000.00
04-27-2017	City of Grandview	\$3,500,000.00
04-20-2017	City of St. Ann	\$4,600,000.00

Date of Registration	Bonds Issued By	Amount of Issue
04-19-2017	City of O'Fallon	\$20,700,000.00
04-12-2017	Smithville R-II School District	\$9,375,000.00
04-12-2017	The School District of Columbia	\$10,000,000.00
04-11-2017	Monett R-I School District	\$5,035,000.00
04-06-2017	Rock Port R-II School District	\$2,700,000.00
04-04-2017	El Dorado Springs R-II School District	\$7,325,000.00
04-04-2017	Howard Bend Levee District	\$2,075,000.00
04-04-2017	Howard Bend Levee District	\$2,530,000.00
04-04-2017	Chillicothe R-II School District	\$5,500,000.00
03-30-2017	Palmyra R-I School District	\$6,000,000.00
03-28-2017	Monroe City R-I School District	\$2,800,000.00
03-23-2017	Butler R-V School District	\$2,500,000.00
03-21-2017	Neosho R-V School District	\$4,000,000.00
03-20-2017	Harrisonville R-IX School District	\$6,755,000.00
03-13-2017	Central County Fire and Rescue	\$6,355,000.00
03-10-2017	Reorganized School District R-II (Raymore-Peculiar)	\$9,765,000.00
03-09-2017	O'Fallon Fire Protection District	\$2,220,000.00
03-07-2017	City of Bethany	\$1,700,000.00
03-02-2017	Bolivar R-I School District	\$2,750,000.00
03-02-2017	Mexico School District No. 59	\$5,680,000.00
03-02-2017	City of Bellefontaine Neighbors	\$8,000,000.00
03-01-2017	The School District of the City of Independence	\$9,505,000.00
03-01-2017	Municipal Library District of Maplewood	\$1,285,000.00
03-01-2017	School District of Maplewood Richmond Heights	\$4,925,000.00
02-28-2017	Branson Reorganized School District No. 4	\$9,345,000.00
02-28-2017	Clever R-V School District	\$3,465,000.00
02-27-2017	Hollister Reorganized School District No. R-V	\$750,000.00
02-22-2017	Grain Valley R-V School District	\$3,800,000.00
02-17-2017	City of Marquand	\$100,000.00
02-15-2017	Excelsior Springs School District #40	\$6,075,000.00
02-09-2017	Moberly School District	\$5,380,000.00
02-01-2017	Camdenton Reorganized School District No. R-3 of Camden County	\$8,690,000.00
02-01-2017	City of St. Peters	\$12,000,000.00
01-31-2017	Riverside-Quindaro Bend Levee District of Platte County	\$12,620,000.00
01-26-2017	Wentzville Fire Protection District	\$9,250,000.00
01-24-2017	Lincoln County R-III School District of Troy	\$7,205,000.00

Date of Registration	Bonds Issued By	Amount of Issue
01-10-2017	Affton 101 School District	\$3,000,000.00
01-10-2017	Affton 101 School District	\$18,920,000.00
01-10-2017	Northeast Randolph County R-IV School District	\$2,550,000.00
01-05-2017	The School District of Washington	\$5,995,000.00

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-117	1/3/2017	Proposed Constitutional Amendment - Article IV - Missouri Legalization and Regulation of Cannabis and Cannabis Hemp Initiative	Rejected by Secretary of State
18-118	1/3/2017	Proposed Constitutional Amendment - Article IV (Cannabis)	Rejected by Secretary of State
18-119	1/3/2017	Proposal Related to Chapter 191, RSMo (Missouri Death with Dignity Act)	Rejected by Secretary of State
18-120	1/6/2017	Proposal Related to Chapter 191, RSMo (Missouri Death with Dignity Act)	Rejected by Secretary of State
18-121	1/10/2017	Proposed Constitutional Amendment - Article I (Right to Grow Cannabis and Hemp)	Withdrawn By Petitioner
18-122	1/10/2017	Proposed Constitutional Amendment - Article X (Financing Sport Facilities)	Withdrawn By Petitioner
18-123	1/10/2017	Proposed Constitutional Amendment -Article I (Compensation for Services)	Rejected by Secretary of State
18-124	1/11/2017	Proposed Constitutional Amendment - Article X (Financing Sport Facilities)	Withdrawn By Petitioner
18-125	1/11/2017	Proposed Constitutional Amendment - Article I (Right to Grow Cannabis and Hemp)	Rejected by Secretary of State
18-126	1/18/2017	Proposed Constitutional Amendment - Article IV (Cannabis Legalization)	Rejected by Secretary of State
18-127	1/23/2017	Proposal Related to Chapter 191, RSMo (Missouri Death with Dignity Act)	Rejected by Secretary of State
18-128	1/24/2017	Proposed Constitutional Amendment - Article IV, Version 1 (Cannabis Legalization)	2/27/2017
18-129	1/24/2017	Proposed Constitutional Amendment - Article IV, Version 2 (Cannabis Legalization)	2/27/2017
18-130	1/24/2017	Proposed Constitutional Amendment - Article IV, Version 3 (Cannabis Legalization)	2/27/2017
18-131	1/24/2017	Proposed Constitutional Amendment - Article IV, Version 4 (Cannabis Legalization)	2/27/2017
18-132	1/24/2017	Proposed Constitutional Amendment - Article IV, Version 5 (Cannabis Legalization)	2/27/2017
18-133	1/24/2017	Proposed Constitutional Amendment - Article IV, Version 1 (Cannabis Legalization)	2/27/2017
18-134	1/24/2017	Proposed Constitutional Amendment - Article IV, Version 2 (Cannabis Legalization)	2/27/2017
18-135	1/24/2017	Proposed Constitutional Amendment - Article IV, Version 3 (Cannabis Legalization)	2/27/2017
18-136	1/25/2017	Proposed Constitutional Amendment - Article IV (Cannabis Legalization)	Rejected by Secretary of State
18-137	1/25/2017	Proposed Constitutional Amendment - Article IV, version 1 (Fair Chase Amendment)	Withdrawn By Petitioner
18-138	1/25/2017	Proposed Constitutional Amendment - Article IV, version 2 (Fair Chase Amendment)	Withdrawn By Petitioner

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-139	1/25/2017	Proposed Constitutional Amendment - Article IV, version 3 (Fair Chase Amendment)	Withdrawn By Petitioner
18-140	1/25/2017	Proposed Constitutional Amendment - Article IV, Version 4 (Fair Chase Amendment)	Withdrawn By Petitioner
18-141	1/25/2017	Proposed Constitutional Amendment - Article IV, Version 5 (Fair Chase Amendment)	Withdrawn By Petitioner
18-142	1/26/2018	Proposed Constitutional Amendment - Article IV (Cannabis)	Rejected by Secretary of State
18-143	1/27/2017	Proposed Constitutional Amendment - Article I (Right to Grow Cannabis and Hemp)	Rejected by Secretary of State
18-144	2/1/2017	Proposed Constitutional Amendment -Article III, version 1 (House of Representatives)	Rejected by Secretary of State
18-145	2/1/2017	Proposal Related to Chapters 286 and 143, RSMo, version 1 (The Renewable Energy Project)	Withdrawn By Petitioner
18-146	2/1/2017	Proposal Related to Chapters 286 and 143, RSMo, version 2 (The Renewable Energy Project)	Withdrawn By Petitioner
18-147	2/1/2017	Proposal Related to Chapters 130 and 143, RSMo (Public Financing for Elections)	Withdrawn By Petitioner
18-148	2/1/2017	Proposal Related to Chapter 128, RSMo (Congressional Elections)	Rejected by Secretary of State
18-149	2/1/2017	Proposed Constitutional Amendment - Article VIII (Election of Statewide Office Holders)	3/3/2017
18-150	2/1/2017	Proposal Related to Chapter 192, RSMo (The Missouri Health Insurance Cooperative)	3/3/2017
18-151	2/1/2017	Proposed Constitutional Amendment - Article III, version 2 (House of Representatives)	3/3/2017
18-152	2/1/2017	Proposed Constitutional Amendment - Article III (Locally Established Minimum Wage Amendment)	3/3/2017
18-153	2/1/2017	Proposed Constitutional Amendment - Article I, version 1 (Campaign Contributions by Artificial Entities Amendment)	Rejected by Secretary of State
18-154	2/1/2017	Proposed Constitutional Amendment - Article I, version 2 (Campaign Contributions by Artificial Entities Amendment)	Rejected by Secretary of State
18-155	2/1/2017	Proposed Constitutional Amendment - Article I, version 3 (Campaign Contributions by Artificial Entities Amendment)	Rejected by Secretary of State
18-156	2/1/2017	Proposal Related To Chapter 128, RSMo (Interstate Compact on the Agreement Among the States to Elect the President by National Popular Vote Act)	Rejected by Secretary of State
18-157	2/6/2017	Proposed Constitutional Amendment - Article IV (Cannabis Legalization)	Rejected by Secretary of State
18-158	2/6/2017	Proposal Related to Chapters 286 and 143, RSMo, version 1 (The Renewable Energy Project)	3/9/2017
18-159	2/6/2017	Proposal Related to Chapters 286 and 143, RSMo, version 2 (The Renewable Energy Project)	3/9/2017
18-160	2/6/2017	Proposal Related to Chapters 130 and 143, RSMo (Public Financing for Elections)	3/9/2017

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-R001	2/7/2017	Senate Substitute No. 2 for Senate Bill No. 19 (Collective Bargaining)	Rejected by Secretary of State
18-161	2/10/2017	Proposal Related to Chapter 191, RSMo (Missouri Death with Dignity Act)	Rejected by Secretary of State
18-162	2/15/2017	Proposed Constitutional Amendment - Article III (Altering, Amending, or Repealing Enacted Initiative Petitions)	3/17/2017
18-163	2/15/2017	Proposed Constitutional Amendment - Article IV (Cannabis Legalization)	Rejected by Secretary of State
18-R002	2/22/2017	Senate Substitute No. 2 for Senate Bill 19 (Collective Bargaining)	3/24/2017
18-164	2/23/2017	Proposal Related to Chapter 128, RSMo (National Popular Vote Act)	3/24/2017
18-165	2/23/2017	Proposal Related to Chapter 128, RSMo (Congressional Elections)	Rejected by Secretary of State
18-166	2/23/2017	Proposed Constitutional Amendment - Article I, version 1 (Campaign Contributions by Artificial Entities)	Rejected by Secretary of State
18-167	2/23/2017	Proposed Constitutional Amendment - Article I, version 2 (Campaign Contributions by Artificial Entities)	Rejected by Secretary of State
18-168	2/23/2017	Proposed Constitutional Amendment - Article III (House of Representatives)	Rejected by Secretary of State
18-169	3/7/2017	Proposal Related to Chapter 320, RSMo (Fire Protection Districts)	Rejected by Secretary of State
18-170	3/13/2017	Proposal Related to Chapter 321, RSMo (Qualifications of Fire Directors)	Rejected by Secretary of State
18-171	3/14/2017	Proposed Constitutional Amendment - Article I (Right to Grow Cannabis and Hemp)	Withdrawn By Petitioner
18-172	3/14/2017	Proposed Constitutional Amendment - Article IV, Version 1 (Cannabis Treatment Amendment)	4/13/2017
18-173	3/14/2017	Proposed Constitutional Amendment - Article IV, Version 2 (Cannabis Treatment Amendment)	Rejected by Secretary of State
18-174	3/14/2017	Proposed Constitutional Amendment - Article X, Version 1 (Financing Sport Facilities)	Rejected by Secretary of State
18-175	3/14/2017	Proposed Constitutional Amendment - Article X, Version 2 (Financing Sport Facilities)	Rejected by Secretary of State
18-176	3/14/2017	Proposed Constitutional Amendment - Article X, version 3 (Financing Sport Facilities)	Rejected by Secretary of State
18-177	3/14/2017	Proposed Constitutional Amendment - Article X, version 4 (Financing Sport Facilities)	Rejected by Secretary of State
18-178	3/14/2017	Proposal Related to Chapter 115, RSMo (Voter Identification)	Withdrawn By Petitioner
18-179	3/15/2017	Proposed Constitutional Amendment - Article IV (Cannabis Legalization)	4/13/2017
18-180	3/15/2017	Proposed Constitutional Amendment - Article I (Right to Grow Cannabis and Hemp)	Rejected by Secretary of State
18-181	3/15/2017	Proposal Related to Chapter 115, RSMo (Voter Identification)	Rejected by Secretary of State

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-182	3/20/2017	Proposed Constitutional Amendment - Article IV (Cannabis Legalization)	Rejected by Secretary of State
18-183	3/21/2017	Proposed Constitutional Amendment - Article IV, version 1 (Cannabis Legalization)	4/20/2017
18-184	3/21/2017	Proposed Constitutional Amendment - Article IV, version 2 (Cannabis Legalization)	4/20/2017
18-185	3/21/2017	Proposed Constitutional Amendment - Article IV, version 3 (Cannabis Legalization)	4/20/2017
18-186	3/29/2017	Proposed Constitutional Amendment - Article IV, version 1 (Native Missouri Wildlife Conservation Amendment)	Withdrawn By Petitioner
18-187	3/29/2017	Proposed Constitutional Amendment - Article IV, version 2 (Fair Chase Amendment)	Withdrawn By Petitioner
18-188	3/29/2017	Proposed Constitutional Amendment - Article IV, version 3 (Native Missouri Wildlife Conservation Amendment)	Withdrawn By Petitioner
18-189	3/29/2017	Proposed Constitutional Amendment - Article IV, version 4 (Native Missouri Wildlife Conservation Amendment)	4/28/2017
18-190	3/30/2017	Proposed Constitutional Amendment - Article I (Right to Grow Cannabis and Hemp)	4/28/2017
18-191	3/30/2017	Proposal Related to Chapter 115, RSMo (Voter Identification)	Withdrawn By Petitioner
18-192	3/31/2017	Proposal Related to Chapter 321, RSMo (Establishing the St. Louis City Fire Protection District)	Rejected by Secretary of State
18-193	3/31/2017	Proposal Related to Chapter 128, RSMo (Congressional Elections)	4/28/2017
18-194	4/3/2017	Proposal Related to Chapter 115, RSMo (Voter Identification)	Rejected by Secretary of State
18-195	4/3/2017	Proposed Constitutional Amendment - Article III (House of Representatives)	5/2/2017
18-196	4/4/2017	Proposal Related to Chapter 290, RSMo, version 1 (Minimum Wage)	5/2/2017
18-197	4/4/2017	Proposal Related to Chapter 290, RSMo, version 2 (Minimum Wage)	5/2/2017
18-198	4/4/2017	Proposal Related to Chapter 290, RSMo, version 3 (Minimum Wage)	5/2/2017
18-199	4/4/2017	Proposal Related to Chapter 290, RSMo, version 4 (Minimum Wage)	5/2/2017
18-200	4/4/2017	Proposal Related to Chapter 290, RSMo, version 5 (Minimum Wage)	5/2/2017
18-201	4/4/2017	Proposal Related to Chapter 290, RSMo, version 6 (Minimum Wage)	5/2/2017
18-202	4/4/2017	Proposal Related to Chapter 290, RSMo, version 7 (Minimum Wage)	5/2/2017
18-203	4/4/2017	Proposal Related to Chapter 290, RSMo, version 8 (Minimum Wage)	5/2/2017

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-204	4/4/2017	Proposal Related to Chapter 290, RSMo, version 9 (Minimum Wage)	5/2/2017
18-205	4/4/2017	Proposal Related to Chapter 290, RSMo, version 10 (Minimum Wage)	5/2/2017
18-206	4/4/2017	Proposal Related to Chapter 290, RSMo, version 11 (Minimum Wage)	5/2/2017
18-207	4/4/2017	Proposal Related to Chapter 290, RSMo, version 12 (Minimum Wage)	5/2/2017
18-208	4/4/2017	Proposal Related to Chapter 290, RSMo, version 13 (Minimum Wage)	5/2/2017
18-209	4/4/2017	Proposal Related to Chapter 290, RSMo, version 14 (Minimum Wage)	5/2/2017
18-210	4/4/2017	Proposal Related to Chapter 290, RSMo, version 15 (Minimum Wage)	5/2/2017
18-211	4/4/2017	Proposal Related to Chapter 290, RSMo, version 16 (Minimum Wage)	5/2/2017
18-212	4/4/2017	Proposal Related to Chapter 290, RSMo, version 17 (Minimum Wage)	5/2/2017
18-213	4/4/2017	Proposal Related to Chapter 290, RSMo, version 18 (Minimum Wage)	5/2/2017
18-214	4/4/2017	Proposal Related to Chapter 290, RSMo, version 19 (Minimum Wage)	5/2/2017
18-215	4/4/2017	Proposal Related to Chapter 290, RSMo, version 20 (Minimum Wage)	5/2/2017
18-216	4/4/2017	Proposal Related to Chapter 290, RSMo, version 21 (Minimum Wage)	5/2/2017
18-217	4/4/2017	Proposed Constitutional Amendment - Article IV (Cannabis Treatment Amendment)	Rejected by Secretary of State
18-218	4/4/2017	Proposed Constitutional Amendment - Article IV (Cannabis Legalization)	5/2/2017
18-219	4/5/2017	Proposed Constitutional Amendment - Article IV, version 1 (Toll Roads)	5/2/2017
18-220	4/5/2017	Proposed Constitutional Amendment - Article IV, version 2 (Toll Roads)	5/2/2017
18-221	4/5/2017	Proposed Constitutional Amendment - Article IV, version 3 (Toll Roads)	5/2/2017
18-222	4/7/2017	Proposed Constitutional Amendment - Article X (Financing Sports Facilities)	5/5/2017
18-223	4/24/2017	Proposed Constitutional Amendment - Article IV (Cannabis Legalization)	5/25/2017
18-224	5/2/2017	Proposed Constitutional Amendment - Article III (Initiative Petitions)	6/1/2017
18-225	5/2/2017	Proposed Constitutional Amendment - Article IV (Cannabis Treatment Amendment)	Rejected by Secretary of State

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-226	5/2/2017	Proposal Related to Chapter 115, RSMo (Voter Identification)	Rejected by Secretary of State
18-227	5/24/2017	Proposed Constitutional Amendment - Article IV, version 1 (Cannabis Treatment Amendment)	Rejected by Secretary of State
18-228	5/24/2017	Proposed Constitutional Amendment - Article IV, version 2 (Cannabis Treatment Amendment)	Withdrawn By Petitioner
18-229	5/24/2017	Proposal Related to Chapter 115, RSMo (Voter Identification)	Rejected by Secretary of State
18-230	5/25/2017	Proposed Constitutional Amendment - Article IV (Cannabis Treatment Amendment)	Withdrawn By Petitioner
18-231	5/26/2017	Proposed Constitutional Amendment - Article IV (Cannabis Treatment Amendment)	Rejected by Secretary of State
18-232	6/8/2017	Proposed Constitutional Amendment (Expanding Medical Coverage)	Rejected by Secretary of State
18-233	6/12/2017	Proposed Constitutional Amendment (Expanding Medical Coverage)	Rejected by Secretary of State
18-234	6/16/2017	Proposed Constitutional Amendment (Tax on Missouri Gross State Product to Fund Education)	Rejected by Secretary of State
18-235	6/23/2017	Proposal Related to Chapter 188, RSMo (Right to Life)	Rejected by Secretary of State
18-236	6/27/2017	Proposed Constitutional Amendment - Article I (Missouri Career Centers)	Rejected by Secretary of State
18-237	6/27/2017	Proposed Constitutional Amendment - Article IV (Sales Tax for Rail Passenger Service)	Rejected by Secretary of State
18-238	6/27/2017	Proposed Constitutional Amendment - Article IV (Sales Tax for Technology Parks)	Rejected by Secretary of State
18-239	6/27/2017	Proposed Constitutional Amendment - Article V (Bar Exam Eligibility)	Rejected by Secretary of State
18-240	7/10/2017	Proposal Related to Chapter 130, RSMo, version 1 (Free and Fair Elections)	Rejected by Secretary of State
18-241	7/10/2017	Proposal Related to Chapter 130, RSMo, version 2 (Free and Fair Elections)	Rejected by Secretary of State
18-242	7/13/2017	Proposal Related to Chapter 188, RSMo (Right to Life)	Rejected by Secretary of State
18-243	7/17/2017	Proposal Related to Chapters 147, 161, and 191, RSMo (Changes to Annual Franchise Tax)	Rejected by Secretary of State
18-244	7/17/2017	Proposal Related to Chapter 208, RSMo, version 1 (Changes to the MO HealthNet Program)	Rejected by Secretary of State
18-245	7/17/2017	Proposal Related to Chapter 208, RSMo, version 2 (Changes to the MO HealthNet Program)	Rejected by Secretary of State
18-246	7/17/2017	Proposed Constitutional Amendment - Article I (Missouri Career Centers)	8/17/2017
18-247	7/17/2017	Proposed Constitutional Amendment - Article IV (Sales Tax for Rail Passenger Service)	Rejected by Secretary of State

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-248	7/17/2017	Proposed Constitutional Amendment - Article IV (Sales Tax for Technology Parks)	8/17/2017
18-249	7/17/2017	Proposed Constitutional Amendment - Article V (Bar Exam Eligibility)	8/17/2017
18-250	7/18/2017	Proposal Related to Chapter 147, RSMo (Changes to Annual Franchise Tax)	Rejected by Secretary of State
18-251	7/25/2017	Proposal Related to Chapters 156 and 290, RSMo (Taxation of Gross State Product)	Rejected by Secretary of State
18-252	7/25/2017	Proposal Related to Chapter 156, RSMo (Taxation of Gross State Product)	Rejected by Secretary of State
18-253	7/28/2017	Proposal Related to Chapters 192, 195, 263, and 311, RSMo (Missouri Patient Care Act)	Rejected by Secretary of State
18-254	8/3/2017	Proposal Related to Chapter 147, RSMo (Changes to Annual Franchise Tax)	Rejected by Secretary of State
18-255	8/3/2017	Proposal Related to Chapters 147, 161, and 191 RSMo (Changes to Annual Franchise Tax)	Rejected by Secretary of State
18-256	8/3/2017	Proposal Related to Chapter 208 RSMo, version 1 (Changes to the MO HealthNet Program)	Rejected by Secretary of State
18-257	8/3/2017	Proposal Related to Chapter 208 RSMo, version 2 (Changes to the MO HealthNet Program)	Rejected by Secretary of State
18-258	8/7/2017	Proposal Related to Chapters 147, 161, and 191 RSMo (Changes to Annual Franchise Tax)	Rejected by Secretary of State
18-259	8/7/2017	Proposal Related to Chapter 156, RSMo, version 1 (Taxation of Gross State Product)	Rejected by Secretary of State
18-260	8/7/2017	Proposal Related to Chapter 156, RSMo, version 2 (Taxation of Gross State Product)	Rejected by Secretary of State
18-261	8/7/2017	Proposal Related to Chapters 156 & 290, RSMo, version 1 (Taxation of Gross State Product)	Rejected by Secretary of State
18-262	8/7/2017	Proposal Related to Chapters 156 & 290, RSMo, version 2 (Taxation of Gross State Product)	Rejected by Secretary of State
18-263	8/7/2017	Proposal Related to Chapter 558, RSMo (Prison Commitment Terms)	Rejected by Secretary of State
18-264	8/8/2017	Proposal Related to Chapters 217, 221, 544, 557, 558, & 577 (Changes to Law Enforcement)	Rejected by Secretary of State
18-265	8/11/2017	Proposed Constitutional Amendment - Article VIII (Federal Constitutional Convention)	Rejected by Secretary of State
18-266	8/15/2017	Proposal Related to Chapters 192, 195, 263, and 311, RSMo (Missouri Patient Care Act)	Rejected by Secretary of State
18-267	8/22/2017	Proposal Related to Chapter 559, RSMo (Probation and Prison Sentences)	Rejected by Secretary of State
18-268	8/24/2017	Proposal Related to Chapter 374, RSMo (Professional Bail Bondsman and Surety Recovery Agent Licensure Act)	Rejected by Secretary of State
18-269	8/28/2017	Proposed Constitutional Amendment - Article VIII (Federal Constitutional Convention)	Rejected by Secretary of State

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-270	8/30/2017	Proposal Related to Chapter 188, RSMo (Right To Life)	Rejected by Secretary of State
18-271	9/1/2017	Proposal Related to Chapters 192, 195, 263, and 311, RSMo - (Missouri Patient Care Act)	9/29/2017
18-272	9/5/2017	Proposal Related to Chapters 558 and 560, RSMo (Criminal Sentences)	Rejected by Secretary of State
18-273	9/6/2017	Proposal Related to Chapter 147, RSMo, version 1 (Changes to Annual Franchise Tax)	Withdrawn By Petitioner
18-274	9/6/2017	Proposal Related to Chapter 147, RSMo, version 2 (Changes to Annual Franchise Tax)	Rejected by Secretary of State
18-275	9/6/2017	Proposal Related to Chapter 208 RSMo (Changes to the MO HealthNet Program)	10/6/2017
18-276	9/8/2017	Proposal Related to Chapters 217 and 544, RSMo (House Arrest)	Rejected by Secretary of State
18-277	9/11/2017	Proposal Related to Chapter 147, RSMo (Changes to Annual Franchise Tax)	Rejected by Secretary of State
18-278	9/19/2017	Proposal Related to Chapter 374, RSMo (Regulation of Bail Bond Agents and Surety Recovery Agents)	Rejected by Secretary of State
18-279	9/20/2017	Proposed Constitutional Amendment - Article V, version 1 (Bar Exam Eligibility)	Rejected by Secretary of State
18-280	9/20/2017	Proposed Constitutional Amendment - Article V, version 2 (Bar Exam Eligibility)	Rejected by Secretary of State
18-281	9/20/2017	Proposed Constitutional Amendment - Article I (Missouri Career Centers)	10/20/2017
18-282	9/20/2017	Proposed Constitutional Amendment - Article IV (Sales Tax for Rail Passenger Service)	Rejected by Secretary of State
18-283	9/25/2017	Proposal Related to Chapter 147, RSMo, version 1 (Changes to Annual Franchise Tax)	Rejected by Secretary of State
18-284	9/25/2017	Proposal Related to Chapter 147, RSMo, version 2 (Changes to Annual Franchise Tax)	Rejected by Secretary of State
18-285	9/26/2017	Proposal Related to Chapter 115, RSMo (Voter Identification)	Rejected by Secretary of State
18-286	9/29/2017	Proposal Related to Chapters 558 and 560, RSMo (Excessive Bail)	Rejected by Secretary of State
18-287	9/29/2017	Proposal Related to Chapters 558 and 559, RSMo (Prison Sentences)	Rejected by Secretary of State
18-288	9/29/2017	Proposal Related to Chapters 217, 544, and 557, RSMo (House Arrest)	Rejected by Secretary of State
18-289	10/4/2017	Proposed Constitutional Amendment - Article V (Election of Judges)	Withdrawn By Petitioner
18-290	10/5/2017	Proposed Constitutional Amendment - Article V (Election of Judges)	Rejected by Secretary of State
18-291	10/6/2017	Proposal Related to Chapter 374, RSMo (Bail Bonds and Surety Agents)	Rejected by Secretary of State

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-292	10/10/2017	Proposal Related to Chapter 558, RSMo (Felony Fine Penalties)	Rejected by Secretary of State
18-293	10/11/2017	Proposal Related to Chapter 559, RSMo (Probation and Prison Sentences)	Rejected by Secretary of State
18-294	10/11/2017	Proposal Related to Chapters 218, 544, and 557 RSMo (House Arrest Program)	Rejected by Secretary of State
18-295	10/13/2017	Proposal Related to Chapter 115, RSMo (Voter Identification)	11/9/2017
18-296	10/13/2017	Proposal Related to Chapter 147, RSMo, version 1 (Changes to Annual Franchise Tax)	11/9/2017
18-297	10/13/2017	Proposal Related to Chapter 147, RSMo, version 2 (Changes to Annual Franchise Tax)	11/9/2017
18-298	10/13/2017	Proposal Related to Chapter 147, RSMo, version 3 (Changes to Annual Franchise Tax)	11/9/2017
18-299	10/13/2017	Proposal Related to Chapter 147, RSMo, version 4 (Changes to Annual Franchise Tax)	11/9/2017
18-300	10/26/2017	Proposal Related to Chapter 116, RSMo (Fines)	Rejected by Secretary of State
18-301	10/27/2017	Proposal Related to Chapters 558 and 560, RSMo (Excessive Bail)	Rejected by Secretary of State
18-302	10/30/2017	Proposed Constitutional Amendment - Article IV (Cannabis Legalization)	Rejected by Secretary of State
18-303	11/2/2017	Proposed Constitutional Amendment - Article I (Right To Work)	Rejected by Secretary of State
18-304	11/13/2017	Proposed Constitutional Amendment - Article I (Right To Work)	12/11/2017
18-305	11/27/2017	Proposed Constitutional Amendment - Article I, version 1 (Right To Work)	Withdrawn By Petitioner
18-306	11/27/2017	Proposed Constitutional Amendment - Article I, version 2 (Right To Work - Freedom of Speech)	Withdrawn By Petitioner
18-307	11/27/2017	Proposed Constitutional Amendment - Article I, version 3 (Right To Work - Freedom of Speech)	Withdrawn By Petitioner
18-308	11/27/2017	Proposed Constitutional Amendment - Article I, version 4 (Right To Work - Freedom of Speech)	Withdrawn By Petitioner
18-309	11/27/2017	Proposed Constitutional Amendment - Article I, version 5 (Right To Work - Freedom of Speech)	Withdrawn By Petitioner
18-310	11/27/2017	Proposed Constitutional Amendment - Article I, version 6 (Right To Work)	Withdrawn By Petitioner
18-311	11/27/2017	Proposal Related to Chapter 558, RSMo (Prison Commitment Terms)	Rejected by Secretary of State
18-312	12/6/2017	Proposal Related to Chapter 320, RSMo (Fire Department Registration)	Rejected by Secretary of State
18-313	12/8/2017	Proposed Constitutional Amendment - Article XIV, version 1 (Union Abuse Prevention Amendment)	Withdrawn By Petitioner
18-314	12/8/2017	Proposed Constitutional Amendment - Article XIV, version 2 (Union Abuse Prevention Amendment)	Withdrawn By Petitioner

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-315	12/8/2017	Proposed Constitutional Amendment - Article VI (Immigration and Custom Enforcement)	1/5/2018
18-316	12/8/2017	Proposed Constitutional Amendment - Article XIV, version 3 (Right to Remember Amendment)	1/5/2018
18-317	12/12/2017	Proposed Constitutional Amendment - Article V, version 1 (Nonpartisan Election of Judges)	1/12/2018
18-318	12/12/2017	Proposed Constitutional Amendment - Article V, version 2 (Election of Judges)	1/12/2018
18-319	12/12/2017	Proposal Related to Chapter 320, RSMo (Fire Department Registration)	Rejected by Secretary of State
18-320	12/12/2017	Proposal Related to Chapter 57, RSMo (Election of Sheriffs)	Rejected by Secretary of State
18-321	12/12/2017	Proposal Related to Chapter 590, RSMo (Regulation and Licensing of Corporate Security Advisors)	Rejected by Secretary of State
18-322	12/18/2017	Proposed Constitutional Amendment - Article IV, Version 1 (Sales Tax to Fund Law Enforcement)	1/18/2018
18-323	12/18/2017	Proposed Constitutional Amendment - Article IV, Version 2 (Sales Tax to Fund Law Enforcement)	1/18/2018
18-324	12/18/2017	Proposal Related to Chapter 142, RSMo, Version 1 (Motor Fuel Tax)	1/18/2018
18-325	12/18/2017	Proposal Related to Chapter 142, RSMo, Version 2 (Motor Fuel Tax)	1/18/2018
18-326	12/18/2017	Proposal Related to Chapter 142, RSMo, Version 3 (Motor Fuel Tax)	1/18/2018
18-327	12/19/2017	Proposed Constitutional Amendment - Article IV, Version 1 (Sales Tax to Fund Law Enforcement)	1/18/2018
18-328	12/19/2017	Proposed Constitutional Amendment - Article IV, Version 1 (Sales Tax to Fund Law Enforcement)	1/18/2018
18-329	12/22/2017	Proposal Related to Chapter 178, RSMo (Community College Police Officers)	Rejected by Secretary of State



Office of Missouri State Auditor
Nicole Galloway, CPA

Reynolds County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Reynolds County

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of detailed accounting and bank records. Procedures for receipting, recording, depositing, and reconciling need improvement. The Sheriff maintains some monies in a bank account outside the county treasury, in violation of state law. The Sheriff has not established adequate controls and procedures over seized property.
Property Tax System	The County Clerk and/or County Commission did not review and approve outlawed 2012 personal property taxes totaling approximately \$5,600 during the year ended February 28, 2018. The County Commission's 3 signature stamps are not adequately controlled.
Public Administrator's Annual Settlements	The Public Administrator does not always file annual settlements timely.
County Disbursements	The County Commission did not obtain proposals for legal and property appraisal services, and neither the County Commission nor the Sheriff solicited bids for prisoner meals. The county did not enter into a written agreement for the property appraisal services and did not enter into written agreements with various political subdivisions regarding the prorating of these costs among the political subdivisions.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Reynolds County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Reynolds County

We have audited certain operations of Reynolds County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Reynolds County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

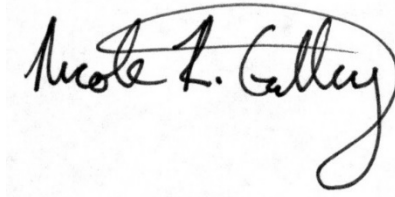
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Reynolds County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Travis Owens, MBA, CPA CFE, CGAP
In-Charge Auditor:	Anh Nguyen
Audit Staff:	Emily Warren, CPA
	Wanda S. Rice, MBA

Reynolds County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office processed receipts for civil paper service fees, bonds, inmate monies, prisoner board, and other miscellaneous receipts totaling approximately \$125,600 for the year ended December 31, 2017.

1.1 Segregation of duties and supervisory review

The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of detailed accounting and bank records. The Sheriff's secretary is responsible for receipting, recording, and depositing monies; making disbursements; and reconciling the bank accounts. The Sheriff does not document his reviews of the monthly bank reconciliations, canceled checks, and other disbursement documentation. In addition, the Sheriff does not review accounting records to ensure monies received have been properly recorded, deposited, and disbursed.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, disbursing, and reconciling monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits.

1.2 Receipts and deposits

Procedures for receipting, recording, depositing, and reconciling need improvement.

- During non-business hours, jail personnel issue generic unnumbered bond forms, do not maintain a log of bonds received, and do not issue prenumbered manual receipt slips for bonds received. Bond monies and a copy of the bond form are put in an envelope, and then the envelope is put in a lockbox. The Sheriff's secretary is the only person who has access to the lockbox, but is not provided with any records to know the amount of monies that should be in it. As a result, neither the Sheriff's secretary nor the Sheriff can account for all bonds received and ensure bonds are handled properly. The Sheriff's office collected approximately \$81,700 in cash bonds during the year ended December 31, 2017.
- The Sheriff's secretary does not always issue receipt slips timely or record receipts timely for civil paper service fees received, and does not always deposit these fees timely and intact. The Sheriff's office remitted approximately \$8,900 to the County Treasurer for civil paper service fees during the year ended December 31, 2017. During a cash count performed on February 8, 2018, we noted 2 of the 8 checks were for civil paper service fees and were dated December 18, 2017, and December 21, 2017, but a receipt slip was not issued for either check until February 7, 2018. The Sheriff's secretary indicated she often holds receipts until civil papers have been served or a deputy has made a service attempt because this



Reynolds County Management Advisory Report - State Auditor's Findings

process allows her to better track outstanding cases and because open cases may require refunds or additional billing for mileage.

Failure to implement adequate receipting, recording, depositing, and reconciling procedures increases the risk that loss, theft, or misuse of monies received will go undetected.

1.3 Account held outside treasury

The Sheriff maintains some monies in a bank account outside the county treasury, in violation of state law. During the year ended December 31, 2017, the Sheriff received approximately \$3,000 for calendar sale commissions (advertising) and \$1,400 in donations from a raffle held to assist the department with purchasing a police dog. This bank account held approximately \$4,000 as of December 31, 2017. The Sheriff made several purchases from this account totaling approximately \$1,900 for advertising, supplies for educational activities at local schools, motor vehicle title fees for Sheriff's office vehicles, and a police dog. While these expenditures appear reasonable, expending monies outside of the county's normal budgeting and disbursement process increases the risk of misuse or unnecessary purchases.

There is no statutory authority allowing the Sheriff to maintain an account outside the county treasury. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the County Treasurer. In addition, Attorney General's Opinion No. 45-1992 to the Hickory County Prosecuting Attorney, states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.

1.4 Seized property

The Sheriff has not established adequate controls and procedures over seized property. The seized property evidence log maintained is not complete and only includes items seized starting in July 2017. We could not trace 2 of the 5 items selected from the seized property room to the log. In addition, the Sheriff does not periodically reconcile the physical inventory to the log.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory records including information such as description, current location, case number, date of seizure, and disposition of such property, should be maintained and periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly.

Similar conditions previously reported

Similar conditions to sections 1.2 and 1.3 were noted in our prior audit report.



Reynolds County
Management Advisory Report - State Auditor's Findings

Recommendations

The Sheriff:

- 1.1 Segregate accounting duties or ensure documented supervisory reviews of detailed accounting and bank records are performed.
- 1.2 Issue prenumbered receipt slips for bond monies received, account for the numerical sequence of receipt slips, and maintain a bond log. In addition, manual receipt slips should be issued and recorded promptly for all civil paper service fees received, and receipts should be deposited timely and intact.
- 1.3 Transfer the balance of the bank account to the County Treasurer and close the account.
- 1.4 Maintain a complete and accurate seized property evidence log, and ensure a periodic inventory is conducted and reconciled to the seized property evidence log, and investigate any differences.

Auditee's Response

- 1.1 *I will ensure my monthly supervisory review of the bank reconciliation and bank statements is documented. Future reviews will include a detailed review of receipts and receipt slips, deposits, and disbursements on a test basis to ensure the numerical sequence of receipt slips can be accounted for and disbursements are proper.*
- 1.2 *I will begin implementing the auditor's recommendation by ordering prenumbered bond forms, prenumbered receipt slips, and a bond log or ledger for the jail. I will attempt to better segregate duties by assigning lockbox keys to other personnel without cash handling duties, and ensure an independent person is present with the secretary to open and count the lockbox and compare monies to the bond ledger. I immediately implemented the auditor's recommendation to make timely and intact deposits once auditors alerted me and I am no longer holding any checks.*
- 1.3 *I will promptly close this bank account and turn the monies over to the County Treasurer. I will work with the County Clerk and County Treasurer to process a budget amendment for these monies.*
- 1.4 *I am in the process of disposing of a large amount of old seized property that is no longer needed. Once this process is completed, the evidence officer will update his master log to include all items in our possession.*

My officers and I recently conducted a full inventory of the property room using the current evidence officer's log for more recent items, and paper case records for the older items. I was able to properly



Reynolds County
Management Advisory Report - State Auditor's Findings

account for all items held in the property room. I will continue to conduct a full inventory of the property room annually.

2. Property Tax System

2.1 Outlawed property taxes

Property tax system controls and procedures need improvement. The County Collector's office processed property taxes and other revenues of approximately \$8.2 million for the year ended February 28, 2018.

The County Clerk and/or County Commission did not review and approve outlawed 2012 personal property taxes totaling approximately \$5,600 during the year ended February 28, 2018. As a result, outlawed taxes, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not monitored and errors or irregularities could go undetected. According to the County Collector, she is the only official with access rights in the property tax system to outlaw taxes, and she does not generate a report of taxes outlawed for the County Clerk or County Commission to approve.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved outlawed taxes to actual changes made to the property tax system would help to ensure changes are proper.

A similar condition was noted in our prior audit report.

2.2 Signature stamps

The County Commission's 3 signature stamps are not adequately controlled. The County Assessor's office has custody of a signature stamp for each of the County Commissioners. County Assessor's office personnel stamp each court order (addition or abatement of property taxes) with the County Commissioner's individual signature stamps and provides copies of the court orders to the County Clerk and County Collector.

To safeguard against possible loss, theft, or misuse of funds, the County Commission should establish controls over the use of and access to the signature stamps.

Recommendations

- 2.1 The County Clerk and County Commission ensure outlawed taxes are properly reviewed and approved.
- 2.2 The County Commission should establish controls over the use of and restrict access to the signature stamps.

Auditee's Response

- 2.1 *On an annual basis, we will require the County Collector provide us an itemized listing of all personal property tax accounts she is*



Reynolds County
Management Advisory Report - State Auditor's Findings

proposing should be outlawed. We will review and approve this listing before granting her authorization to outlaw the property taxes.

- 2.2 *Per discussion with the auditors, we will immediately collect the signature stamps from the County Assessor and store them in a secure location. After the auditors brought this to our attention while they were on-site, we began reviewing and approving individual court orders for additions and abatements on a weekly basis and will continue this process.*

3. Public Administrator's Annual Settlements

The Public Administrator does not always file annual settlements timely. During our review of the 9 active cases, we found 4 cases did not have annual settlements filed timely. These 4 annual settlements were filed approximately 4 to 7 months after the due date. The Public Administrator does not keep a record of when annual settlements are due to the court. Instead, she relies on the Circuit Court, Probate Division Clerk to send reminder notifications to the Public Administrator. The Public Administrator indicated she did not receive a reminder notification for some of the 4 cases. After we discussed this issue with the Public Administrator, she prepared a formal schedule of due dates for each annual settlement that she plans to periodically review to ensure annual settlements are filed before the due date.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely filing of settlements is necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected. In addition, Sections 473.557 and 475.280, RSMo, require the clerk of the court to notify the conservator or guardian (Public Administrator) of the deadline for the annual settlement; however, failure to receive the notice does not excuse the conservator or guardian from filing the settlements as required by law.

Recommendation

The Public Administrator ensure annual settlements are filed timely.

Auditee's Response

I immediately began implementing this recommendation while the auditors were here on-site and alerted me that it is my responsibility to ensure the settlements get filed timely. I am now tracking the due dates for all of my wards in a desk calendar, and will ensure all future settlements are completed and filed prior to the due date.



Reynolds County
Management Advisory Report - State Auditor's Findings

4. County Disbursements

Procedures related to bidding and written agreements need improvement.

4.1 Bidding

The County Commission did not obtain proposals for legal and property appraisal services, and neither the County Commission nor the Sheriff solicited bids for prisoner meals.

The services primarily related to representing the county and political subdivisions in the resolution of protested property taxes. The county paid the law firm approximately \$63,000 and the property appraisal consultant approximately \$24,000 during the year ended December 31, 2017. The County Clerk indicated county officials considered these firms sole source vendors because of their expertise and qualifications with the mining industry; however, the county did not document this reasoning for not soliciting competitive proposals. In addition, approximately \$27,000 was spent for prisoner meals during the year ended December 31, 2017. The Sheriff indicated his office primarily purchases food and prepackaged meals from a vendor who delivers the food to the jail.

Section 50.660, RSMo, provides bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to obtain the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, the selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

4.2 Written agreements

The county did not enter into a written agreement for the property appraisal services discussed in section 4.1 and did not enter into written agreements with various political subdivisions regarding the prorating of these costs among the political subdivisions.

According to the County Clerk, the county and various political subdivisions verbally agreed to share all expenses incurred related to the protested property taxes. The portion of fees owed is determined on a pro-rata basis after the assessed valuation has been resolved by the Missouri State Tax Commission. The county periodically bills the various political subdivisions for their share of the expenses.

Section 432.070, RSMo, requires government contracts to be in writing. Written agreements are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

Similar conditions
previously reported

A similar condition to section 4.1 was noted in our prior 2 audit reports and a similar condition to section 4.2 was noted in our prior audit report.



Reynolds County
Management Advisory Report - State Auditor's Findings

Recommendations

The County Commission:

- 4.1 Ensure bids are solicited for all applicable purchases of goods and services in accordance with state law, and maintain adequate documentation of decisions made.
- 4.2 Enter into written agreements with vendors and political subdivisions as required by state law.

Auditee's Response

- 4.1 *We believe each of the goods or services listed in this audit finding are sole source procurements. The attorney and appraiser each have specialized expertise, and it would not be feasible or cost effective for us to make a change in the middle of a long court battle that is nearing resolution. Also, the vendor who supplies food to the jail is the only vendor with the items needed who will deliver to our rural location.*
- 4.2 *We have has not had any difficulties collecting amounts billed to the various taxing authorities and there are no amounts currently due. The cost sharing arrangement relates to a single taxpayer who began protesting taxes many years ago. At that time the various taxing authorities were notified of the cost sharing requirements and verbally agreed to the terms and the terms have not significantly changed since that time. We anticipate this ongoing issue with the mining corporation protesting the County Assessor's method of calculating their assessed valuation will be resolved within approximately one year and these services will no longer be required in the future.*

Reynolds County

Organization and Statistical Information

Reynolds County is a county-organized, third-class county. The county seat is Centerville.

Reynolds County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 44 full-time employees and 3 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board and the Senior Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Joe Loyd, Presiding Commissioner	\$	29,560
Doug Warren, Associate Commissioner		27,560
Eddie Williams, Associate Commissioner		27,560
Myra Turner, Recorder of Deeds		41,500
Mike Harper, County Clerk		41,500
Michael Randazzo, Prosecuting Attorney		49,000
Tom Stout, Sheriff		45,000
Wanda Corder, County Treasurer		41,500
Jeffrey N. McSpadden, County Coroner		13,500
Robyn Gray, Public Administrator		20,500
Kathy Hoffmann, County Collector, year ended February 28,	41,500	
Rick Parker, County Assessor, year ended August 31,		41,500



Office of Missouri State Auditor
Nicole Galloway, CPA

Osage County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Osage County

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory reviews of detailed accounting and bank records are performed. Receipts are not properly reconciled to deposits. The Sheriff's office does not prepare a monthly list of liabilities of inmate balances for the commissary account, and consequently, liabilities are not reconciled to the commissary's available cash balance. The Sheriff's office does not always retain bond forms or reconcile amounts per the forms to deposits, and bond forms are not prenumbered. The Sheriff's office does not always deposit receipts timely.
Reduction of Property Tax Levy	The county has not sufficiently reduced property tax levies to offset 50 percent of sales tax monies received by approximately \$95,000 during the 4 years ended December 31, 2017.
Railroad and Utility Taxes	The County Clerk prepared 2017 property tax statements for the 15 railroads and utilities using an incorrect average school tax rate.
Public Administrator's Annual Settlements	The Public Administrator does not always file annual settlements timely in compliance with state law. The Circuit Court, Probate Division, does not have a system in place to monitor and ensure timely filing of annual settlements, and does not always submit timely notices of settlements due or follow up on annual settlements not filed by the required date.
Passwords	The Recorder of Deeds and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was Fair.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Osage County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Osage County

We have audited certain operations of Osage County in fulfillment of our duties under Section 29.230, RSMo. In addition, Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, has been engaged to audit the financial statements of Osage County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

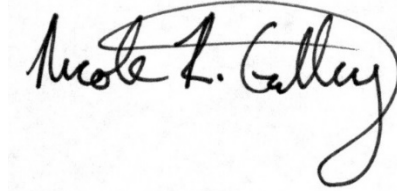
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Osage County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	James M. Applegate, MBA
Audit Staff:	Terese Summers, MSAS, CPA
	Michaela N. Horstman

Osage County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office processed receipts for bonds, civil paper service, prisoner board, and other miscellaneous receipts totaling approximately \$73,000 through the fee account and inmate receipts totaling approximately \$21,000 through the commissary account during the year ended December 31, 2017.

1.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory reviews of detailed accounting and bank records are performed.

The Office Administrator is responsible for receipting, recording, and depositing monies; making disbursements; and preparing the monthly bank reconciliations for both the fee and commissary accounts. Although the Sheriff reviews and signs monthly financial reports from the Office Administrator that include a list of receipts and disbursements for the fee account, a commissary inventory sales summary, and receipt documentation from the County Treasurer, he does not document his review of the bank statements and bank reconciliations for the accounts, account for the numerical sequence of receipt slips, and ensure monies received have been properly recorded, deposited, and disbursed to the appropriate parties.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, disbursing, and reconciling monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

1.2 Commissary receipts and deposits

Receipts are not properly reconciled to deposits. The Office Administrator does not reconcile the manual receipts slips issued to amounts deposited and does not produce receipt reports from the commissary system listing the receipts comprising each deposit.

Failure to implement adequate receipting, depositing, and reconciling procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

1.3 Commissary liabilities

The Sheriff's office does not prepare a monthly list of liabilities of inmate balances for the commissary account, and consequently, liabilities are not reconciled to the commissary's available cash balance. Upon our request, the Sheriff's office generated a list of inmate balances totaling \$1,013 as of February 28, 2018. The Sheriff's records indicate undistributed commissary net proceeds for February 2018 totaled \$2,034. The reconciled bank balance of \$4,473 at February 28, 2018, exceeded the liabilities and undistributed commissary net proceeds by \$1,426. The Office Administrator indicated this



Osage County Management Advisory Report - State Auditor's Findings

balance represents commissary net proceeds remaining in the account from the previous Sheriff that were retained in the account for cash flow purposes, however, no records were available to support this amount.

Regular identification and comparison of liabilities to the reconciled cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and monies are available to satisfy all liabilities. Differences must be adequately investigated and explained.

1.4 Bond forms

The Sheriff's office does not always retain bond forms or reconcile amounts per the forms to deposits. In addition, the forms are not prenumbered. During 2017, the Sheriff's office deposited bonds totaling approximately \$22,000.

We noted bond forms could not be located for 14 bonds totaling \$6,192 deposited during 2017. In January 2018, the Sheriff's office began recording bonds sequentially on a bond log and reconciling the log to bond forms.

To reduce the risk of loss, theft, or misuse of bond monies received, and to provide assurance bond monies are accounted for properly, prenumbered bond forms should be completed and retained for all bonds and the numerical sequence of bond forms should be accounted for properly. In addition, receipt amounts on the bond forms should be reconciled to the amounts deposited.

1.5 Deposits

The Sheriff's office does not always deposit receipts timely. During December 2017, deposits of receipts for both the fee account and commissary account occurred only once, at month end. Deposits of December receipts totaled approximately \$2,800 for the fee account and \$2,100 for the commissary account. The Office Administrator indicated she typically deposits approximately weekly.

To safeguard receipts and to reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are deposited timely.

Similar conditions previously reported

A similar condition to section 1.4 was noted in our prior audit report, and a similar condition to section 1.5 was noted in our prior 4 audit reports. In addition, Report No. 2015-034, *Follow-Up Report on Audit Findings - Osage County* (sections 4.1 and 4.2), issued in May 2015, reported the status as implemented for section 1.4 and not implemented for section 1.5.

Recommendations

The Sheriff:

- 1.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.



Osage County
Management Advisory Report - State Auditor's Findings

- 1.2 Reconcile manual receipt slips to amounts deposited and also produce a receipts report from the system that reconciles to deposits.
- 1.3 Prepare a monthly list of liabilities for the commissary account and reconcile it to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 1.4 Prepare and retain prenumbered bond forms for all bonds received and reconcile the amounts on the bond forms to the amounts deposited.
- 1.5 Ensure monies received are deposited timely.

Auditee's Response

- 1.1 *At this time, the Office Administrator is the only full-time civilian staff and is responsible for receipting, recording and depositing monies, disbursements, and monthly bank reconciliations. The Sheriff is currently reviewing bank statements and end of month reconciliations and has begun initialing the bank statements, and we have recently adopted additional procedures whereby the Sheriff or another staff member verifies all deposits of inmate/commissary monies collected at the jail and also verifies deposits to the Sheriff's fee account.*
- 1.2 *We have begun reconciling all inmate/commissary receipts with the deposits and have begun producing a receipts report from the system and including it in the reconciliation. Also, we have begun recording the sequence of receipt numbers on the deposits slips and check register.*
- 1.3 *We have begun printing an end-of-month listing of inmate balances and attaching it to the bank reconciliation report along with the commissary net proceeds report and reconciling it to the available cash balance. In November any unclaimed money will be sent to the State Treasurer's Office Unclaimed Property Division. At this time we have retained in the account a predetermined constant amount from commissary net proceeds to provide sufficient cash to make payments when needed for commissary items and inmate balances upon their release from custody.*
- 1.4 *We will consider utilizing prenumbered bond forms, and we have recently established procedures to better account for bond forms and to reconcile those bond forms to deposits.*
- 1.5 *The Office Administrator has begun making deposits on Tuesday and Friday of each week unless a holiday falls on one of those days, then*



Osage County
Management Advisory Report - State Auditor's Findings

the deposit will be made on either the day before or the following day. If she is out of the office, arrangements are being made to have another staff member make the deposits.

2. Reduction of Property Tax Levy

The county has not sufficiently reduced property tax levies to offset 50 percent of sales tax monies received by approximately \$95,000 during the 4 years ended December 31, 2017. County officials did not accurately calculate property tax reduction amounts for the 2 sales taxes requiring reduction. We reviewed the calculations for the 4 years ended December 31, 2017, and noted the County Clerk made various errors in calculating the property tax rate. For example, the tax rate ceiling used in the calculation for 2 years exceeded the actual tax rate ceiling. As a result, the property tax rate was not sufficiently reduced.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Osage County voters enacted 2 one-half of 1 percent general sales taxes with provisions to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet the 50 percent reduction requirement based on estimated sales tax collections of the current year, and in the following year calculate any excess property taxes collected based upon actual sales taxes collected.

Recommendation

The County Commission and the County Clerk properly calculate property tax rate reductions, adequately reduce property tax levies for 50 percent of sales tax revenue, and develop a plan to correct for the accumulation of prior years' over collection of property taxes.

Auditee's Response

We will calculate future reductions and levies properly and recoup the \$95,000 over collection of property taxes over the next 5 years.

3. Railroad and Utility Taxes

The County Clerk prepared 2017 property tax statements for the 15 railroads and utilities using an incorrect average school tax rate. The average school tax rate used for the tax statements was lower than the average of the actual rates set by the school districts by \$0.0068 per \$100 assessed valuation. The error resulted in property tax collections for schools totaling approximately \$2,100 less than what they should have been. The county's procedures for preparing tax rates and tax statements were insufficient to detect the error. During the year ended February 28, 2018, the county collected property taxes from railroads and utilities totaling approximately \$1.6 million.

Section 151.150, RSMo, requires the county commission establish the average rate of taxation for school purposes for railroads and Sections 151.170 and 151.190, RSMo, require the county clerk prepare the railroad tax books and statements. Additionally, Section 153.030, RSMo, requires the taxes for utilities be levied in the same manner as for railroads. Tax statements



Osage County
Management Advisory Report - State Auditor's Findings

should be prepared using proper tax rates to ensure tax statements for railroad and utilities are accurate and collections for schools and other political subdivisions are proper.

Recommendation

The County Clerk and County Commission establish procedures to ensure the average of the school rates for railroads and utilities are proper.

Auditee's Response

We will establish procedures to ensure average school rates on future railroad and utilities taxes are proper.

4. Public Administrator's Annual Settlements

The Public Administrator does not always file annual settlements timely in compliance with state law. In addition, the Circuit Court, Probate Division, does not follow up with the Public Administrator when annual settlements are not filed by their due date. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division, and was responsible for the financial activity of 19 individuals as of December 31, 2017.

Timely filing

The Public Administrator does not always file annual settlements timely. For each ward or estate, the Public Administrator is required to file an annual settlement with the Circuit Court, Probate Division, on the anniversary date of the date of letters reflecting a detailed list of assets held, as well as financial activity for the previous year. We reviewed filing dates for the annual settlements due during 2017 for the 19 ward or estates and determined the Public Administrator filed 7 annual settlements after the due date, including one annual settlement filed approximately 6 months late. In addition, he filed settlements on 2 cases for a 16-month period, which exceeded the required 12-month period.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that loss, theft, or misuse of funds will occur and go undetected.

Probate Division review

The Circuit Court, Probate Division, does not have a system in place to monitor and ensure timely filing of annual settlements, and does not always submit timely notices of settlements due or follow up on annual settlements not filed by the required date.

Failure to ensure annual settlements are filed timely increases the risk that loss, theft, or misuse of funds could go undetected. Sections 473.557 and 475.280, RSMo, require the clerk of the court to notify the conservator or guardian (Public Administrator) of the deadline for the annual settlement; however, failure to receive the notice does not excuse the conservator or guardian from filing the settlements as required by law.



Osage County
Management Advisory Report - State Auditor's Findings

Recommendation

The Public Administrator ensure annual settlements are filed timely. In addition, the Circuit Court, Probate Division, should notify the Public Administrator of annual settlement deadlines timely, and follow up on settlements not filed by the required date.

Auditee's Response

The Public Administrator provided the following response:

I will work directly with my attorney and the Probate Clerk to ensure that annual settlements will be filed on time and in an accurate manner.

The Circuit Court, Probate Division, provided the following response:

We will establish procedures to make more timely notification of annual settlements that are due and follow up on annual settlements not filed by the due date.

5. Passwords

The Recorder of Deeds and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the office of the Recorder of Deeds are not required to change passwords periodically to help ensure passwords remain known only to the assigned user. In addition, passwords for employees in the offices of the Recorder of Deeds and Sheriff are not required to have a minimum number of characters.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed or contain a minimum number of characters in certain offices, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential, contain a minimum number of characters, and be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission work with other county officials to require employees maintain confidential passwords with a minimum number of characters that must be periodically changed.

Auditee's Response

We will reevaluate and upgrade our policies and work with other officials to ensure better password controls are in place.

Osage County

Organization and Statistical Information

Osage County is a county-organized, third-class county. The county seat is Linn.

Osage County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 47 full-time employees and 13 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Dave Dudenhoeffer, Presiding Commissioner	\$	29,390
John Glavin, Associate Commissioner		27,390
Larry Kliethermes, Associate Commissioner		27,390
Cindy Hoffman, Recorder of Deeds		41,500
Patrick Steele, County Clerk		41,500
Amanda L. Grellner, Prosecuting Attorney		51,000
Michael C. Bonham, Sheriff		46,000
Tim G. Neuner, County Treasurer		41,500
Lois Jaegers, County Coroner		14,000
Paul G. Stratman, Public Administrator		25,000
Doris J. Keilholz, County Collector (1), year ended February 28,	43,000	
Ross Seals, County Assessor, year ended August 31,		41,500
Timothy Hamburg, County Surveyor (2)		

(1) Includes \$1,500 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.



Office of Missouri State Auditor
Nicole Galloway, CPA

Supplemental Nutrition Assistance Program
(SNAP) Data Analytics Program



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Supplemental Nutrition Assistance Program (SNAP) Data Analytics Program

Program Data	<p>The Department of Social Services (DSS) needs to strengthen efforts for managing Supplemental Nutrition Assistance Program (SNAP) related data. Without complete and accurate data, it is more difficult to use data analytics to detect trends or transaction patterns indicative of potential SNAP abuse or misuse.</p>
Alerts and Reports	<p>The DSS uses some data analytic techniques to identify potentially suspicious SNAP transactions. However, the current process does not always detect transactions or recipient benefit usage patterns that may be indicative of program abuse or misuse. We noted several concerns with system alerts and reports provided to the DSS by the department's contractor and with the department's utilization of the information.</p> <p>For example, DSS investigators do not always review and investigate many of the suspicious activities identified by system alerts and reports. Of the 5,705 investigations opened by DSS investigators during the 2-year audit period, only 5 were identified as being opened because of an alert or a report. In addition, the criteria used to create alerts and reports may not be effective in generating targeted investigatory leads to identify fraud, waste, and abuse occurring in the program.</p> <p>Federal regulations require that a household reside in the state in which it has applied for SNAP benefits. However, we found recipients spent more than \$16 million using their EBT cards exclusively outside the state for 90 days or longer. Consistent or exclusive purchase patterns outside the state may be indicative of program abuse or misuse. Frequent even-dollar transactions made by a recipient can be considered a warning sign for trafficking of SNAP benefits. We found the even-dollar alert was not working as designed. As a result, the DSS was alerted to only approximately one-fifth of the transactions that met the even-dollar alert criteria, and therefore, may have failed to identify a significant amount of inappropriate activity. The DSS needs to more effectively identify potentially high risk SNAP recipients that use their EBT cards multiple times in short periods of time.</p>
Data Matches	<p>The DSS needs to more effectively utilize data matches to identify potentially improper benefits issued to recipients. Due to weaknesses in data match procedures, households involving recipients who had died or were incarcerated continued to receive and spend SNAP benefits. Without effective controls to detect benefits issued to deceased or incarcerated recipients, the DSS is at increased risk of allowing ineligible persons to receive benefits resulting in abuse and misuse of the SNAP.</p>

Vendor Contract

The DSS has not ensured services obtained from a key contract provide sufficient benefits to justify the amount paid for the services.

In the areas audited, the overall performance of this entity was Fair .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

SNAP Data Analytics Program

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Dr. Steve Corsi, Psy.D., Director
Department of Social Services
Jefferson City, Missouri

We have audited certain operations of the Department of Social Services, Supplemental Nutrition Assistance Program (SNAP). This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objective of our audit was to evaluate the use and effectiveness of data analytic techniques for preventing and detecting potential program abuse or misuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the area audited, we identified the need for improvement of data analytic techniques utilized by the department to prevent and detect potential program abuse or misuse within the SNAP program.

The accompanying Management Advisory Report presents our findings arising from our audit of the SNAP Data Analytics program.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
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In-Charge Auditor:	Patrick M. Pullins, M.Acct., CISA
Data Support:	Jeffrey Roberts, CISA
Audit Staff:	Kent Aaron Dauderman, M.Acct.

SNAP Data Analytics Program

Introduction

Background

On August 31, 1964, the United States Congress passed the Food Stamp Act of 1964 "to safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households."¹ The Food Stamp Program, later renamed the Supplemental Nutrition Assistance Program (SNAP), allows eligible households within each state to receive an allotment of funds each month to "purchase food from retail food stores which have been approved for participation in [SNAP]."²

In Missouri, the Department of Social Services (DSS) Family Support Division (FSD) administers the SNAP program. In calendar years 2015 and 2016, the state provided more than \$2.4 billion in benefits to Missouri residents through the SNAP program. The potential for abuse and fraud may be greater in such a large program unless appropriate agency controls are in place to help minimize these risks. The federal Office of Management and Budget has designated the U.S. Department of Agriculture (USDA) SNAP program as a high-error program due to the estimated dollar amount of improper payments for federal fiscal year 2016.³

Federal program officials have had long-standing concerns that some recipients provide false information to improperly receive benefits, or misuse benefits to obtain non-food goods, services, and cash, according to the U. S. Government Accountability Office (GAO). Advances in technology have provided new opportunities to commit as well as to combat such abuse and fraud. For example, social media websites have emerged as new venues for trafficking benefits while monitoring recipient transaction data may provide insight and clues for identifying potential SNAP abuse and fraud.

Both the state and federal government share responsibility for addressing SNAP recipient fraud. The DSS is responsible for detecting, investigating, and prosecuting recipient fraud, while the USDA's Food and Nutrition Service (FNS) has traditionally focused on pursuing retailer fraud. The FNS is also responsible for guiding and monitoring state activity.

According to the GAO, reducing improper payments, including those that are the result of fraud, is critical to safeguarding funds and helping to achieve potential cost savings. As a result, leading practices highlighted by the GAO⁴ have increasingly focused on the need for program officials to take a strategic approach to managing improper payments and risks that include abuse and

¹ 7 United State Code (USC) Section 2011

² 7 USC Section 2013(a)

³ This estimated amount of improper payments represents benefits distributed in error due to administrative as well as recipient errors, not all of which can be attributed to fraud.

⁴ Report GAO-17-339SP, *Data Analytics to Address Fraud and Improper Payments*, March 2017, is available at < <https://www.gao.gov/assets/690/683859.pdf> >.



SNAP Data Analytics Program Introduction

fraud. These leading practices can provide a guide for program managers to use when developing or enhancing efforts to combat fraud in a strategic, risk-based manner.

A critical strategic approach component involves implementing preventive and detective controls, including data analytics. Data analytics is a rapidly evolving field of information science that involves a variety of techniques to examine, analyze, and interpret large volumes of data, according to the GAO and other leading practitioners. Data analytics helps facilitate decision making by identifying patterns or trends, determining whether problems are widespread and systemic in nature, and evaluating program performance and outcomes.

Recent trends in data development and advanced analysis are creating innovation possibilities that carry the promise of far-reaching economic and societal benefits, according to the GAO. Areas such as health care and public benefit systems, may be improved or even transformed by innovations derived from new data analytics. Advanced analytics includes new tools for examining large amounts of data to uncover subtle or hidden patterns, correlations, and other insights, such as anomalies, trends, or potential abuse. The use of analytic results to improve actions or decisions is being transformed - improving decisions or actions and thereby extracting new economic and societal benefits, according to the GAO.

Eligibility

Initial eligibility and periodic recertifications are regulated by a number of complex factors that are beyond the scope of our audit. However, certain basic factors facilitate understanding the topics discussed in this report.

After a recipient (or household⁵) is approved for benefits, he/she is generally required to complete a 6- or 12-month review (recertification) to determine continued eligibility for benefits. In general, an interview, conducted in person or by phone, must be completed for an initial application or for a recertification. An initial or recertification applicant must meet certain criteria including, among others, having a household gross income under 130 percent of the federal poverty level and be a Missouri resident.

Changes may occur in household circumstances during the certification period. Under the state's simplified reporting rules, households are generally only required to report when the household's gross monthly income begins to exceed 130 percent of the federal poverty level. Other changes, such as a

⁵ 7 USC Section 2012(m) states a "household" consists of the number of people (related and unrelated) that generally prepare and share food together. The income of all eligible participants in the household is counted for income determination.



SNAP Data Analytics Program Introduction

change in the state of residence, are generally not required to be reported until the recertification process.

Participation

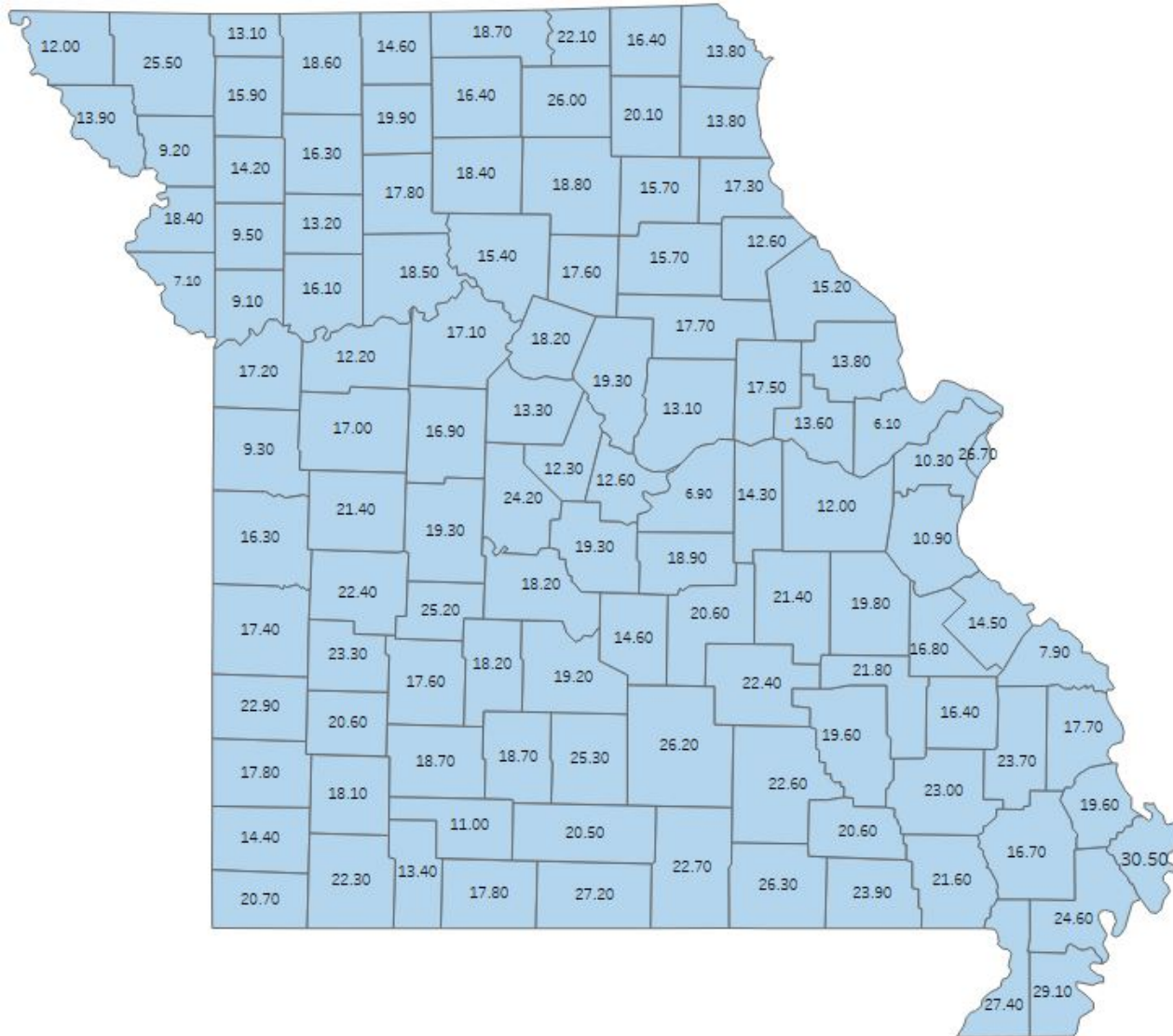
Under federal rules, to be eligible for SNAP benefits, a household's income and resources must meet certain tests. Most households must meet both the gross and net monthly income test. Gross monthly income is a household's total income before any of the program's deductions have been applied. Net income is gross income less allowable program deductions. In general, a household's gross monthly income must be at or below 130 percent of the poverty line and net income must be at or below the poverty line.



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In Missouri, 15.3 percent of individuals lived below the poverty line in 2016 according to the 2012-2016 American Community Survey 5-Year Estimates from the U.S. Census Bureau. The map below presents the percent of people, by county, living below the poverty level in 2016.⁶

Figure 1: Missouri Poverty Rates by County in 2016



Source: State Auditor's Office (SAO) Analysis of U. S. Census data

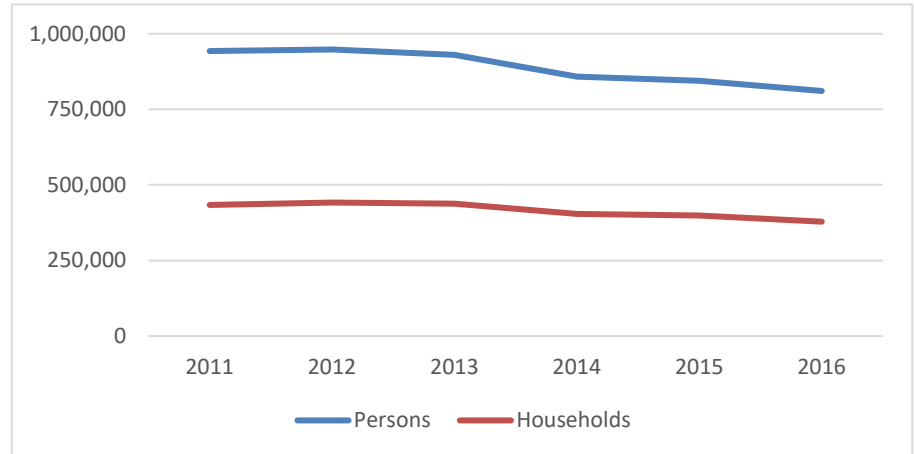
⁶ United State Census Bureau American FactFinder, 2012-2016 American Community Survey 5-Year Estimates, is available at https://factfinder.census.gov/bkmk/table/1.0/en/ACS/16_5YR/GCT1701.ST05/0400000US29, accessed January 10, 2018.



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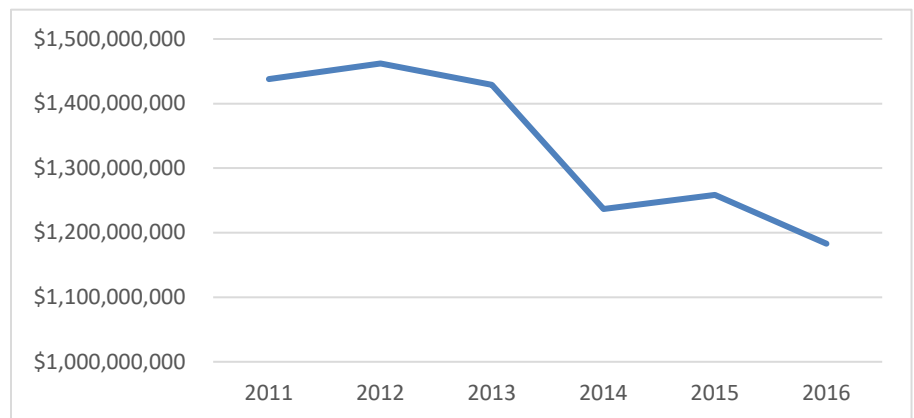
As shown in Figures 2 and 3, approximately 378,000 Missouri households, with 810,000 persons, participated in the SNAP program during federal fiscal year 2016, spending \$1.18 billion in benefits.

Figure 2: Missouri SNAP Recipients



Source: SAO Analysis of USDA State Activity Reports

Figure 3: Missouri SNAP Benefit Issuance



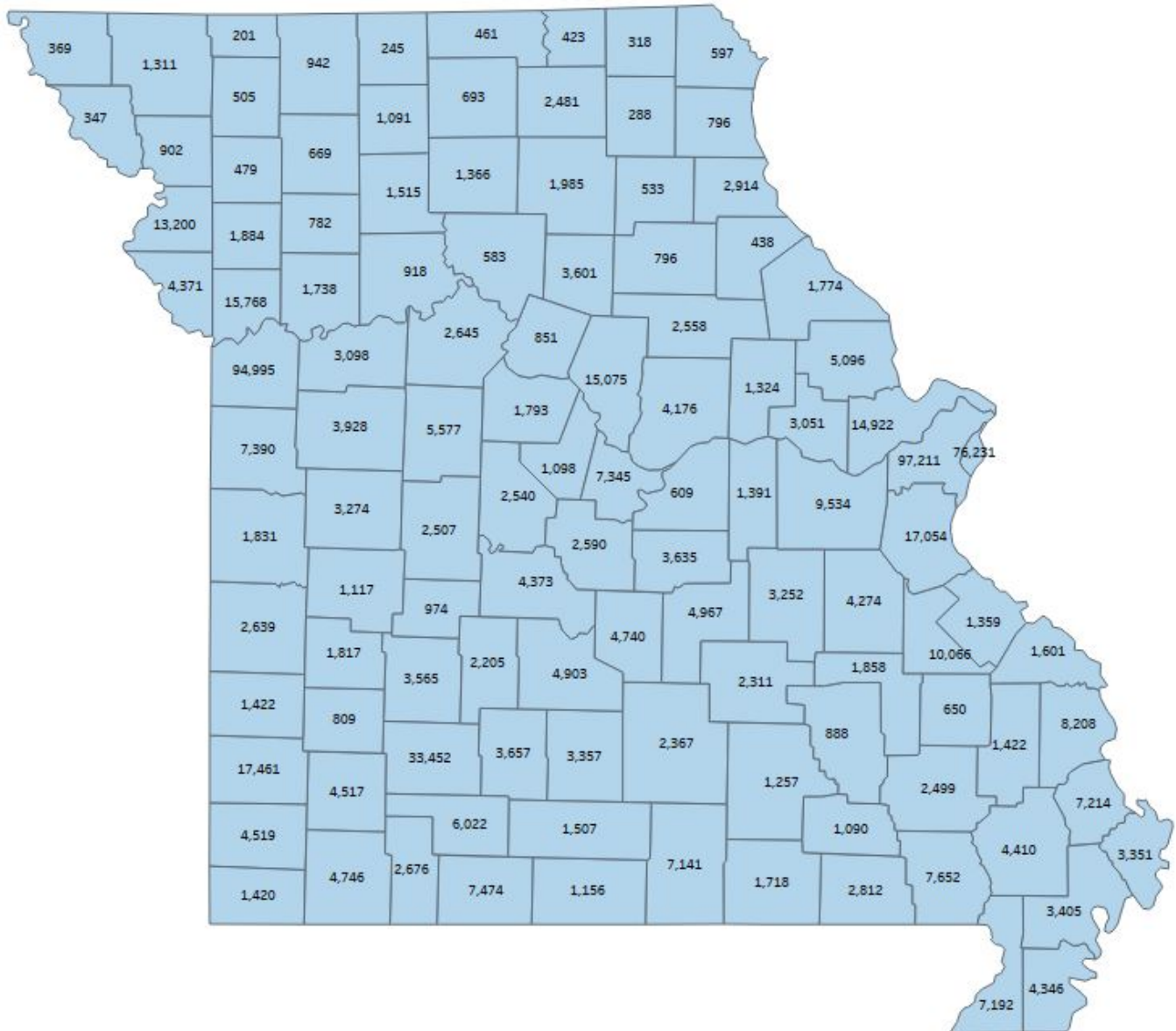
Source: SAO Analysis of USDA State Activity Reports



SNAP Data Analytics Program Introduction

The number of SNAP recipients per Missouri county in 2015/2016⁷ is shown in Figure 4.

Figure 4: Missouri SNAP recipients by county in 2015/2016



Source: SAO Analysis of SNAP Recipient Data

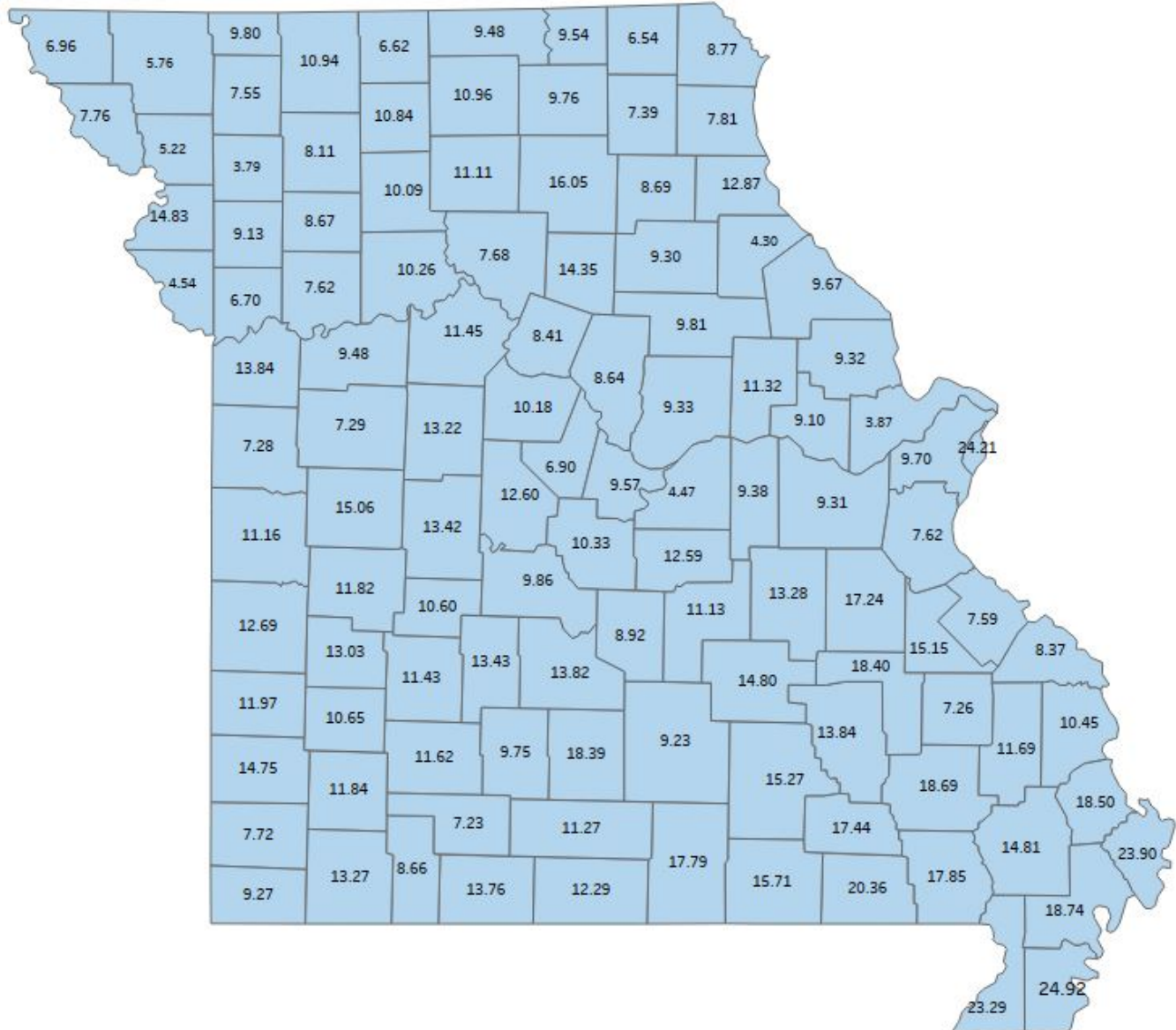
⁷ The recipient numbers and participation rates are a compilation of recipients who participated in SNAP at any time during all or part of 2015 and 2016.



SNAP Data Analytics Program Introduction

In 2016, about 13.3 percent of Missouri residents participated in the SNAP program. Figure 5 presents the percent of SNAP recipients, by county, for 2015/2016.

Figure 5: Missouri SNAP Participation Rates by County in 2015/2016



Source: SAO Analysis of SNAP recipient data and U.S. Census data



SNAP Data Analytics Program Introduction

The average benefit per Missouri recipient and household each year between 2011 and 2016 is shown in Table 1.

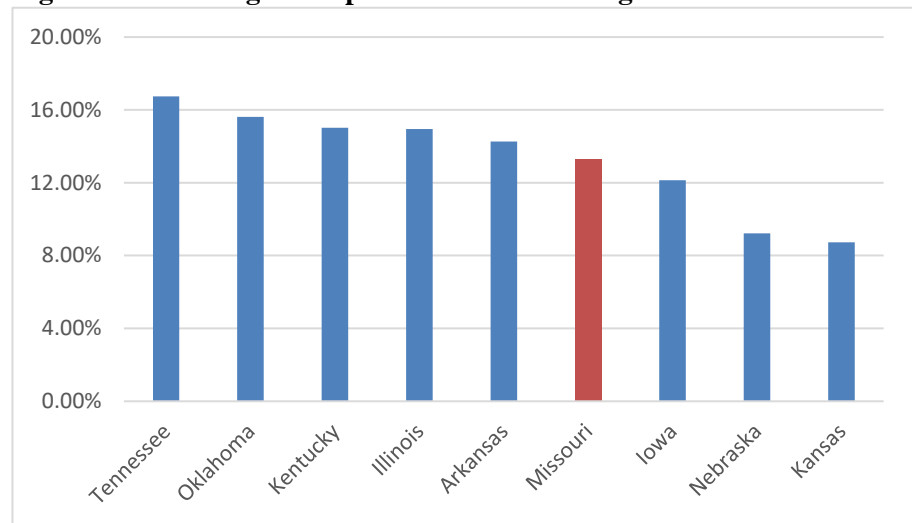
Table 1: Missouri SNAP Average Monthly Benefits

Year	Average Monthly Benefit per Recipient	Average Monthly Benefit per Household
2011	\$ 127.05	276.16
2012	128.54	275.89
2013	128.04	272.20
2014	120.03	255.10
2015	124.18	263.07
2016	121.60	260.54

Source: SAO Analysis of USDA State Activity Reports

As shown in Figure 6, Missouri had a smaller percentage of residents receiving SNAP benefits in 2016 than 5 of the 8 surrounding border states.

Figure 6: Percentage of Population in SNAP Program in 2016



Source: SAO Analysis of USDA State Activity Reports

Investigations

The DSS Division of Legal Services (DLS) Welfare Investigation Unit (WIU) investigates fraud and abuse committed by public assistance recipients. The WIU consists of approximately 18 investigators tasked with investigating alleged program violations for all welfare programs, including potential SNAP benefit fraud, waste, and abuse. After investigation, claims can be established against the recipients involved. Claims are categorized into one of three categories:



SNAP Data Analytics Program Introduction

- **Intentional Program Violation (IPV):** intentionally having "[m]ade a false or misleading statement, or misrepresented, concealed or withheld facts" or "committed any act that constitutes a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any state statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of coupons, authorization cards or reusable documents used as part of an automated benefit delivery system (access device)." ⁸
- **Inadvertent Household Error (IHE):** "any claim for an overpayment resulting from a misunderstanding or unintended error on the part of the household." ⁹
- **Agency Error (AE):** any claim for an overpayment caused by an action or failure to take action by the state agency. ¹⁰

According to DSS Division of Legal Services investigators, it is common during the process of an investigation for claims to be reclassified to a different category. For example, Missouri opens many investigations as IHE claims, and then reclassifies the cases to IPV claims once an investigation establishes the suspected violation was intentional. The values for Missouri reported in Figures 7 and 8 and Tables 2 and 3 present claims as initially reported to the USDA as of a point in time, and not necessarily the final classification of the claim. The DSS reclassified some of the 2016 claims presented in Tables 2 and 3, and as of April 2018, the DSS considers 861 claims to be IPV, 381 claims to be IHE, and 379 claims to be AE.

⁸ 7 Code of Federal Regulations (CFR) Section 273.16(c)

⁹ 7 CFR Section 273.18(b)(2)

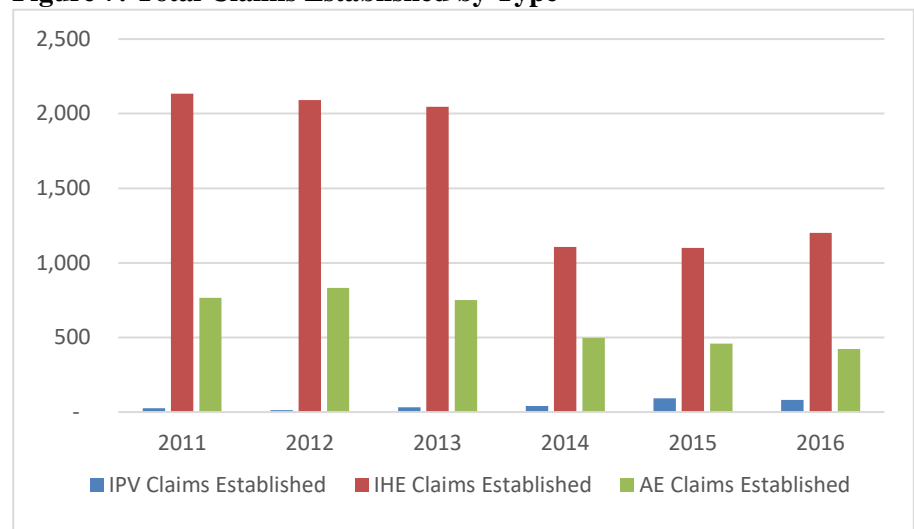
¹⁰ 7 CFR Section 273.18(b)(3)



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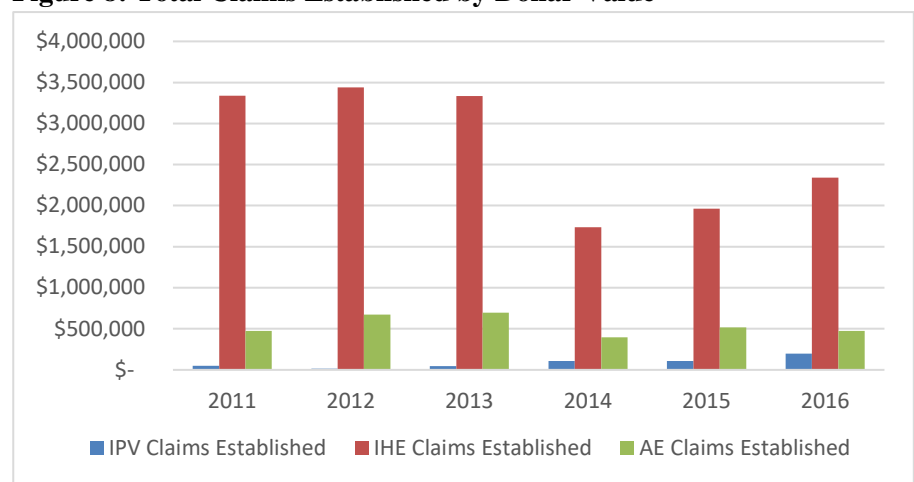
Federal regulation¹¹ allows the state to retain 35 percent of the amount collected on IPV claims and 20 percent of the amount collected on IHE claims. The DSS established almost \$20 million in claims, collected about \$18.3 million, and retained about \$4.2 million from 2011 through 2016. The number of claims established each year between 2011 and 2016, and the dollar values of those claims, is presented in Figures 7 and 8.

Figure 7: Total Claims Established by Type



Source: SAO Analysis of USDA State Activity Reports

Figure 8: Total Claims Established by Dollar Value



Source: SAO Analysis of USDA State Activity Reports

¹¹ 7 CFR Section 273.18(k)(1)



SNAP Data Analytics Program Introduction

The number and dollar value of claims established by Missouri and the eight surrounding border states during 2016 is presented in Tables 2 and 3.

Table 2: Total Claims Established by Type

State	Intentional Program Violation Claims	Inadvertent Household Error Claims	Agency Error Claims	Total Claims Established
Arkansas	320	443	197	960
Illinois	182	35,987	3,525	39,694
Iowa	18	955	180	1,153
Kansas	60	1,391	1,239	2,690
Kentucky	860	9,433	8,414	18,707
Missouri	81	1,202	422	1,705
Nebraska	0	1,081	1,480	2,561
Oklahoma	371	662	442	1,475
Tennessee	224	4,955	646	5,825

Source: SAO Analysis of USDA State Activity Reports

Table 3: Total Claims Established by Dollar Value

State	Intentional Program Violation Claims	Inadvertent Household Error Claims	Agency Error Claims	Total Claims Established
Arkansas	\$ 733,329	1,067,262	117,737	\$ 1,918,328
Illinois	56,578	46,279,503	2,801,311	49,137,392
Iowa	108,198	2,397,534	69,432	2,575,164
Kansas	101,764	2,256,721	289,226	2,647,711
Kentucky	1,071,093	7,044,989	3,750,238	11,866,320
Missouri	199,208	2,339,619	476,199	3,015,026
Nebraska	0	1,343,866	681,256	2,025,122
Oklahoma	833,143	838,002	378,037	2,049,182
Tennessee	922,498	10,824,943	686,495	12,433,936

Source: SAO Analysis of USDA State Activity Reports

Since federal fiscal year 2011, the DSS has initially classified most of its established overpayments as either IHE or AE.



SNAP Data Analytics Program Introduction

Scope and Methodology

The scope of our audit included DSS management's approach to data analytics for preventing and detecting potential SNAP abuse, policies and procedures, and other management functions and compliance issues in place during the period January 2015 to December 2016.

Our methodology included reviewing written policies and procedures, and interviewing various DSS personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit objective and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained data files containing SNAP transactions and recipient records¹² for the period January 2015 through December 2016 from the Office of Administration - Information Technology Services Division (ITSD) (the division that maintains archive copies of the data). While the DSS owns this data, it is collected and managed by the contractor who operates the SNAP program for the state and provides the archived copies to the ITSD. To determine the reliability of the SNAP data, we evaluated the significance of the data to our audit objective and assessed the data by various means, including (1) interviewing knowledgeable DSS officials, (2) reviewing existing information about the data and the system that produced them, (3) performing certain analytic techniques, and (4) reviewing internal controls. The results of our testing showed the archived version of the data does not contain all data fields included in the vendor's production system and some data fields contained missing or inaccurate data (see Management Advisory Report finding number 1.1). However, through a combination of methods and because we were able to use other data fields to accomplish audit objectives, we concluded the data were sufficiently reliable for the purposes of our audit work.

We obtained a listing of deaths recorded in the state for the period 2010 to 2016 from the Missouri Department of Health and Senior Services (DHSS). We matched these records to SNAP recipient records to determine if any deceased recipient cases continued to receive and spend program benefits

¹² The recipient records include records for Electronic Benefits Transfer (EBT) cardholders and does not include records for household members who do not have an EBT card.



SNAP Data Analytics Program Introduction

after the recipient's death.¹³ Although we used computer-processed data from the DHSS for our audit work, we did not rely on the results of any processes performed by the DHSS system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objective.

We obtained a listing of individuals incarcerated by the state during the period January 2015 through December 2016 from the Missouri Department of Corrections (DOC). We matched these records to SNAP recipient records to determine if incarcerated recipient cases continued to receive and spend benefits during the recipient's incarceration. Although we used computer-processed data from the DOC for our audit work, we did not rely on the results of any processes performed by the DOC system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objective.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- National Institute of Standards and Technology (NIST)
- U. S. Government Accountability Office (GAO)
- ISACA (previously known as the Information Systems Audit and Control Association)

¹³ Acknowledgement: The data used in this document/presentation was acquired from the Missouri DHSS. The contents of this document including data analysis, interpretation or conclusions are solely the responsibility of the authors and do not represent the official views of DHSS.

SNAP Data Analytics Program

Management Advisory Report

State Auditor's Findings

1. Program Data

The Department of Social Services (DSS) needs to strengthen efforts for managing Supplemental Nutrition Assistance Program (SNAP) related data. We found the program data maintained on behalf of the DSS contained incomplete and invalid data that did not contain standardized values between fields. In addition, not all fields maintained in the vendor's system were included in the archived version of the data provided to the DSS. Without complete and accurate data, it is more difficult to use data analytics to detect trends or transaction patterns indicative of potential SNAP abuse or misuse.

The DSS contracts with an outside vendor to administer the Electronic Benefits Transfer (EBT) program. Recipients are provided EBT cards that, in conjunction with a security Personal Identification Number (PIN), allow access to benefits authorized for their cases. The EBT card can be used to access benefits including SNAP and Temporary Assistance for Needy Families (TANF). SNAP benefits can only be used at food retailers for food purchases, while TANF benefits can be used at a variety of retailers or withdrawn as cash at an ATM.

The DSS determines the amount of benefits to be authorized and loaded onto each recipient's EBT card. The contractor is responsible for making the benefits available, for processing transactions, and for tracking recipient balances, among other related duties.

Program data maintained by the contractor and program data provided to the state for archiving do not contain the same data fields and are not always complete or accurate. To improve the completeness and accuracy of archived SNAP data, DSS officials should develop and implement a process to regularly assess the consistency of information provided by the contractor.

As part of its transaction processing duties, the contractor maintains a website where recipients can login to review their transaction data. This data is also available to DSS program administrators and investigators for their research and investigation purposes through a related website. In addition, the contractor provides the state Office of Administration (OA) - Information Technology Services Division (ITSD) with a daily copy of transaction data. This record is combined into monthly files, which are retained by the ITSD.

We found not all fields in the contractor's system are included in the version provided to the ITSD for archiving and certain fields contained different values. For example, the field indicating if a transaction was completed with the EBT card present (swiped) or not (manual) is not included in the data provided to the ITSD. This field is often an indicator to alert for potential trafficking of EBT cards, and therefore important for any DSS analysis efforts.



SNAP Data Analytics Program Management Advisory Report - State Auditor's Findings

We also found data quality issues with the archived transaction data. Some of these issues may have been caused by differing versions of the data. However, we identified other data quality or completeness issues with the archived version including:

- The "Clerk ID" field, used by investigators to help determine if a store employee is participating in fraudulent transactions, was blank for 82.1 million of the 89.4 million transactions occurring over the 2 year audit period.
- The "Terminal ID" field, used similarly to the Clerk ID field, is assigned by a retailer and/or the Point of Sale System vendor and is encouraged (but not required) to be a unique identifier for each terminal. The Terminal ID field is also a key field for certain system reports. We found more than 108,000 transaction records where this field was blank or contained the values "00000000", "00000001", or "00000002."

Other fields that did not agree between the two data sets include timestamps and retailer information, including name and address. According to DSS officials, the contractor indicated the reason for the timestamp difference is due to two different timestamps being recorded in transactions; the date and time when a transaction processed is maintained in the archived data while the date and time a transaction occurred is maintained in the production data available to the DSS. The archived data did not contain a value for the "Store Name" field for 82.1 million of the 89.4 million transactions during the audit period, whereas the contractors version was mostly complete. Transaction records pertaining to a single merchant location could contain several different values in the Store's Address field, for example "123 Main Street," "Acme Grocers," and "Acme Store #456." DSS officials could not identify why the retailer information was different. DSS officials said they were unaware of the issues between the production data and the archived data since the production environment provides the primary source for their data analysis efforts.

Managing data and obtaining useful information can be a challenge. As a result, it is important to work with standardized rules to ensure data is managed in a consistent, meaningful way. According to accepted standards, organizations should define and implement procedures to ensure the integrity and consistency of all information stored in electronic form such as databases, data warehouses, and data archives.

Maintaining and archiving complete, accurate, and valid data is essential for ensuring the results of any analytic technique provide useful information for making informed decisions and realizing the potential benefits of data analytics to detect fraud, waste, and abuse.



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Recommendation

The DSS should strengthen efforts to improve data quality and accuracy within the SNAP system and related data archives to help improve fraud, waste, and abuse detection capabilities. Additionally, the DSS should ensure data provided by the contractor is accurate and reflective of what is recorded in the production system and includes all necessary data fields maintained by the contractor.

Auditee's Response

The DSS is in the process of developing a Request for Proposal (RFP) to be issued in 2020 that will include data improvements. In the interim, the DSS has recently developed in-house data analytic queries and processes designed to capture EBT transaction patterns indicative of retailer trafficking. The DSS continues to review processes and institute appropriate program improvements.

The "Clerk ID" and "Terminal ID" fields are retailer information which is controlled by FNS. Neither the DSS nor the contractor are able to alter this data.

2. Alerts and Reports

The DSS uses some data analytic techniques to identify potentially suspicious SNAP transactions. However, the current process does not always detect transactions or recipient benefit usage patterns that may be indicative of program abuse or misuse. While the DSS receives various alerts and reports from the contractor, these alerts and reports are not always configured correctly. In addition, the alerts are not always reviewed by staff and the DSS does not consistently investigate potentially high risk recipient behavior. As a result, high risk transactions indicative of recipients participating in inappropriate activity may not be detected timely, and the effectiveness of data analytics for preventing and detecting potential program abuse is diminished.

Using accurately configured and user-friendly data analytics and other advanced analysis techniques could allow the DSS to proactively identify potential SNAP abuse or misuse. Data analytics can provide high rates of return, allowing the DSS to use data for making informed decisions and for allocating scarce resources in a timely fashion.

We noted several concerns with system alerts and reports provided to the DSS by the contractor and with the department's utilization of the information.

2.1 Unreliable data

The *Multiple Withdrawals Same Day* report generated by the contractor's system is intended to "help [investigators] in fraud detection since it identifies households with an abnormally high number of withdrawals at a particular store on a given day," according to system documentation. However, the documentation also states for transactions to be identified on this report, they must have occurred at the same terminal (register) within the store. This contradictory flaw in the report's methodology results in two problems:



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- Transactions occurring at multiple terminals in a single store may not be detected by the reporting methodology. As a result, the report may not include all suspicious activity that should be reviewed for possible fraud, waste, or abuse.
- If the Terminal ID field is unreliable (which appears likely given that more than 59,000 transactions had a value of "00000001" and 33,000 transactions had a value of "00000000"), there is a risk that transactions within the same store but at different terminals (with duplicated Terminal IDs) are improperly being summarized based on the erroneous Terminal ID.

In the first instance, potentially improper transactions could escape detection by the methodology and thus, not be reviewed. In the second instance, transactions that occur across different terminals could improperly be flagged as occurring at a single terminal. In either case, activity on the report for the review of investigative staff would not be accurate and could lead to inefficient use of investigative resources.

Organizations should align information technology enabled services with needs and expectations, including identification of service levels and performance indicators, according to accepted standards. Such work includes ensuring the availability of reliable and useful information for decision making.

2.2 Usage of alerts and reports

DSS investigators do not always review and investigate many of the suspicious activities identified by system alerts and reports. During the 2-year audit period, DSS investigators opened 5,705 investigations. Of these, only 5 were identified as being opened because of an alert or a report. Most investigations were opened as the result of a hotline call or a referral from another source.

The alert system only maintains alert data for a rolling 2-year period. As such, we could only obtain alert data for approximately 18 months of the audit period, June 14, 2015, through December 31, 2016. During this period, the contractor's system recorded 51,238 alerts. DSS staff stated that some of these alerts are reviewed, but due to a shortage of resources most are not reviewed. Additionally, they told us the alerts are not in an easy-to-use format and require significant manual processing to review. DSS officials indicated an investigator reviews alerts when time is available, but no documentation is retained to indicate which alerts were reviewed, the outcome of the reviews, or other factors considered when reviewing the alerts. As such, the DSS has no assurance that alerts are being effectively reviewed to detect and eliminate fraud, waste, and abuse.



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The out-of-state alert is designed to identify recipients who transact exclusively out-of-state for an extended period of time, which can be indicative of a recipient who has moved out-of-state and should no longer be receiving Missouri SNAP benefits. We judgmentally selected 15 (of about 51,000) out-of-state alerts generated by the system for testing. We reviewed transactions, the alerts generated, and the case notes in each recipient's file. For 14 of the 15 alerts tested, it is likely the recipient was not a Missouri resident and should not be receiving Missouri SNAP benefits. Questionable transactions related to these 14 cases totaled \$49,845 as of December 31, 2016.

In one case, a recipient spent \$13,026 using his/her EBT card exclusively outside the state during 2015 and 2016. An alert was generated for this recipient indicating excessive out-of-state usage in July 2016. Case notes indicate the recipient called DSS staff in March 2016 stating he/she was about to move out-of-state. However the case was not closed until July 2017, when an investigation found the recipient was not living in Missouri. Through December 31, 2016, the recipient spent \$4,409 out-of-state after informing the DSS about moving, of which \$3,784 occurred after the alert in July 2016.

In another case, the recipient submitted an out-of-state driver's license to the DSS in July 2015, according to documentation in the case file. However the recipient continued to use his/her EBT card and spent an additional \$4,883 outside the state, including \$2,133 after an alert was triggered. DSS staff reviewed the case in May 2017, the recipient failed to respond to inquiries, and the department closed the case in July 2017.

Not complying with
state law

We found the DSS is not complying with state laws¹⁴ requiring the department to temporarily suspend (pending a department investigation of the recipient's residency status) the account of any recipient who does not make a transaction in-state at least once every 90 days, and send a warning to any recipient who has gone 60 days without making an in-state transaction about possible suspension of benefits. DSS officials indicated this law conflicts with federal regulations, which do not allow for the suspension of benefits to a participant without first following a specified process, including providing the participant notification of the proposed adverse action and an opportunity to provide additional information to prevent or file an appeal to overturn the action. By requiring the temporary suspension of benefits after 90 days of out-of-state activity, versus only requiring an investigation or a redetermination of benefits (including eligibility), the state law conflicts with federal regulations.

¹⁴ Sections 208.024.3 and 208.024.4, RSMo, established during the 2014 legislative session.



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We contacted program officials with the USDA who confirmed the explanation provided by DSS officials. They also indicated another state had previously established a similar law, but stopped enforcing it when informed it violated federal regulations.

Conclusion

Without effectively reviewing alerts and reports,¹⁵ the DSS is at significant risk that improper transactions that have been detected could continue to occur for a significant period of time, constituting a waste or abuse of program funds.

2.3 Effective use of criteria

The criteria used to create alerts and reports may not be effective in generating targeted investigatory leads to identify fraud, waste, and abuse occurring in the program.

Alert information provided by the system contractor does not include any method to identify the recipient who triggered the alert. Instead, each alert must be manually researched by DSS staff to identify the recipient whose activity triggered the alert. The staff indicated that because of these limitations, which have been a problem since the system's implementation, they cannot determine how many recipients were detected by alerts without manually reviewing each alert, and cannot readily target those individuals who triggered alerts most often or by the largest amount. Further, they indicated if a recipient has been investigated and a valid reason for the suspicious activity determined, they cannot exclude that recipient from the applicable alert, increasing the risk that an additional, unnecessary investigation could be opened. As a result, the DSS is unable to efficiently use investigative resources to identify and pursue potential suspicious activity.

According to DSS management, enhancements to the alert and reporting process have been requested but are included with a long list of other outstanding requests to the contractor.

2.4 Out-of-State alerts

Federal regulations require that a household reside in the state in which it has applied for SNAP benefits.¹⁶ Out-of-state alerts are designed to identify recipients who transact excessively outside the state of Missouri, which could be an indicator the recipient is not a resident. We found recipients spent more than \$16 million using their EBT cards exclusively outside the state for 90 days or longer. Consistent or exclusive purchase patterns outside the state may be indicative of program abuse or misuse. Analytic efforts should focus on identifying SNAP recipients who incorrectly claim to be state residents to take advantage of SNAP benefits.

¹⁵ Alerts and reports are discussed in sections 2.3 through 2.6.

¹⁶ 7 CFR Section 273.3(a)



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DSS officials indicated there are various reasons why a recipient may be transacting out-of-state for an extended time period and still claim Missouri residency. For example, a recipient may be serving in the military or be caring for ill family members in another state. Additionally, they indicated under "simplified reporting" rules, recipients are not required to inform the state if they move out-of-state until their next scheduled case eligibility redetermination.

The out-of-state alert rules triggered 50,950 of the 51,238 alerts received from the contractor during the period June 14, 2015 through December 31, 2016. Two versions of this rule were in place during the audit period. The first version alerted when a recipient completed 20 or more transactions outside the state (excluding border states) in a single 5-day period. The alert also had a component when a recipient transacted exclusively outside the state for at least 90 consecutive days; however, it was overridden by the 5-day criteria. This alert triggered 2,934 times between June 2015 and August 2016. The second version alerted when a recipient transacted outside the state (including border states) for at least 90 consecutive days without any in-state activity and was triggered 48,016 times between August and December 2016.

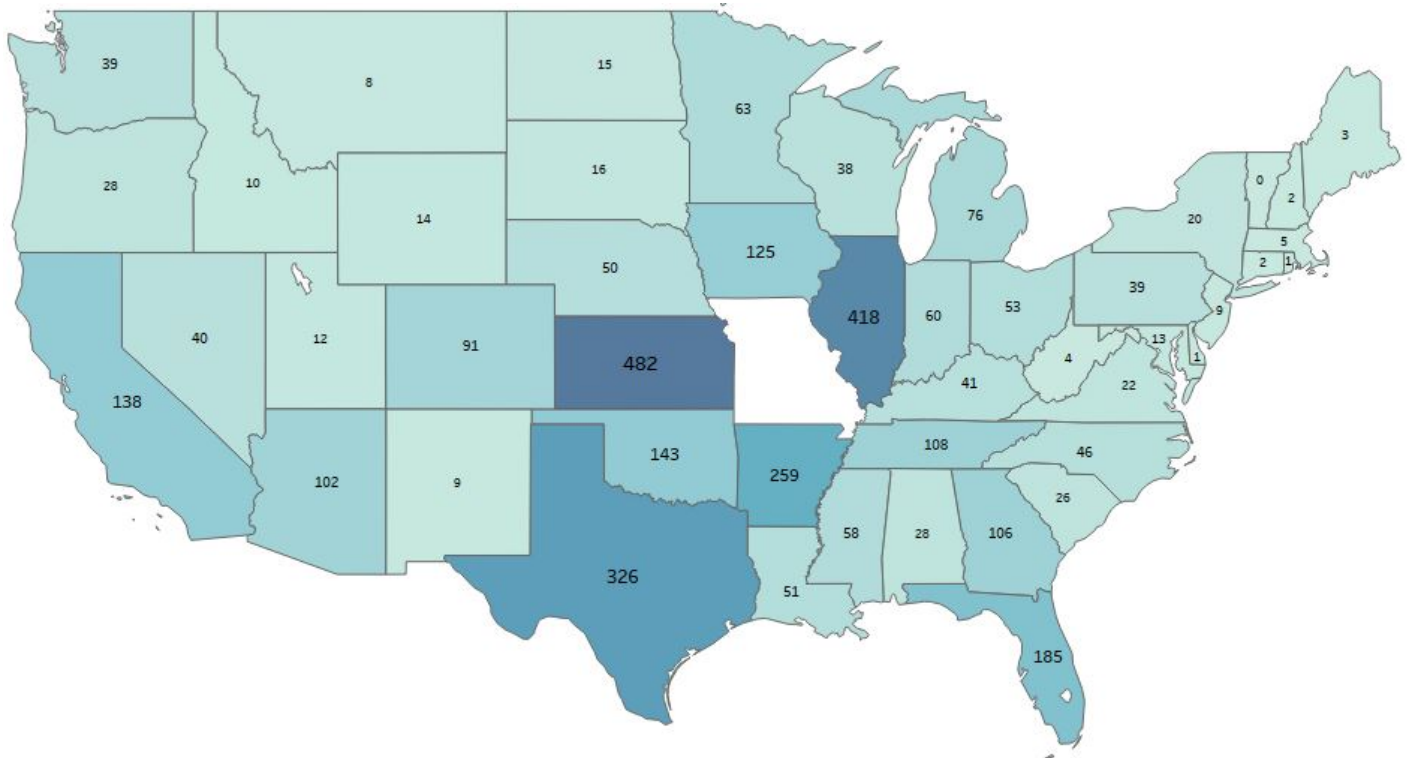
As previously noted, state law requires the DSS to temporarily suspend a recipient's participation in the SNAP program if the recipient spends SNAP benefits exclusively outside the state for a period of 90 consecutive days. We reviewed all recipient transaction records for the audit period and found 12,672 recipients who, at some point during the audit period, transacted exclusively outside the state for a period of more than 90 consecutive days.



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SNAP recipients in 3,837 cases used their EBT cards exclusively outside the state during the entire 2-year audit period. Figure 9 shows the states where these SNAP recipients exclusively used their cards. (Not shown in Figure 9 are 5 recipients in Alaska, 2 in Hawaii, and 1 in the Virgin Islands.)

Figure 9: States Where SNAP Recipients Made Purchases Exclusively Outside of Missouri



Source: SAO Analysis of SNAP Transaction Data

Of these 3,837 recipient cases, 3,393 recipients used their EBT cards exclusively in one other state outside Missouri. Analysis of this information provides a strong indicator that recipients in these 3,393 cases likely reside in the state they exclusively had transactions in for at least the 2-year period. The other 444 recipients who used their cards exclusively outside of Missouri made purchases in more than one other state, with one recipient transacting in 13 different states over a 13 month period but never in Missouri. That case closed in January 2016.

While federal regulations allow SNAP recipients to use their EBT cards out-of-state, recipients must live within the state in which they apply for benefits. The DSS currently relies on reactive controls, such as returned mail, to identify recipients who have moved out-of-state because the alerts result in too many recipients to evaluate. Using data analytics to detect exclusive purchase patterns outside of Missouri will enable the DSS to proactively identify and investigate potential benefit abuse and misuse.



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We also identified 39 recipients who spent SNAP benefits exclusively outside the state for 700 or more consecutive days. The longest of these consecutive streaks was 729 days (out-of-state transactions totaling \$617 from January 1, 2015, to December 30, 2016, all in the state of Minnesota). Table 4 shows these 39 recipients, who claim Missouri residency, but used their EBT cards exclusively outside the state for 700 or more days.

Table 4: Activity of recipients out-of-state for 700+ days

Recipient	Days Out-of-State	\$ of Out-of-State Transactions	Count of Out-of-State Transactions
01	729	\$ 617	62
02	728	2,453	87
03	728	4,451	112
04	726	619	154
05	725	4,720	98
06	724	7,630	183
07	724	4,672	114
08	720	13,026	305
09	720	2,406	107
10	719	4,402	97
11	719	4,372	65
12	714	5,118	54
13	714	8,243	185
14	713	1,934	60
15	713	1,880	18
16	712	3,450	100
17	712	1,982	125
18	712	8,077	101
19	712	4,062	94
20	712	10,205	210
21	711	2,008	48
22	711	4,026	79
23	710	2,879	100
24	708	3,991	73
25	707	938	22
26	707	3,021	115
27	706	2,429	168
28	706	1,199	19
29	706	2,148	61
30	705	2,664	30
31	705	4,660	107
32	705	4,571	156
33	704	815	23
34	702	4,332	64



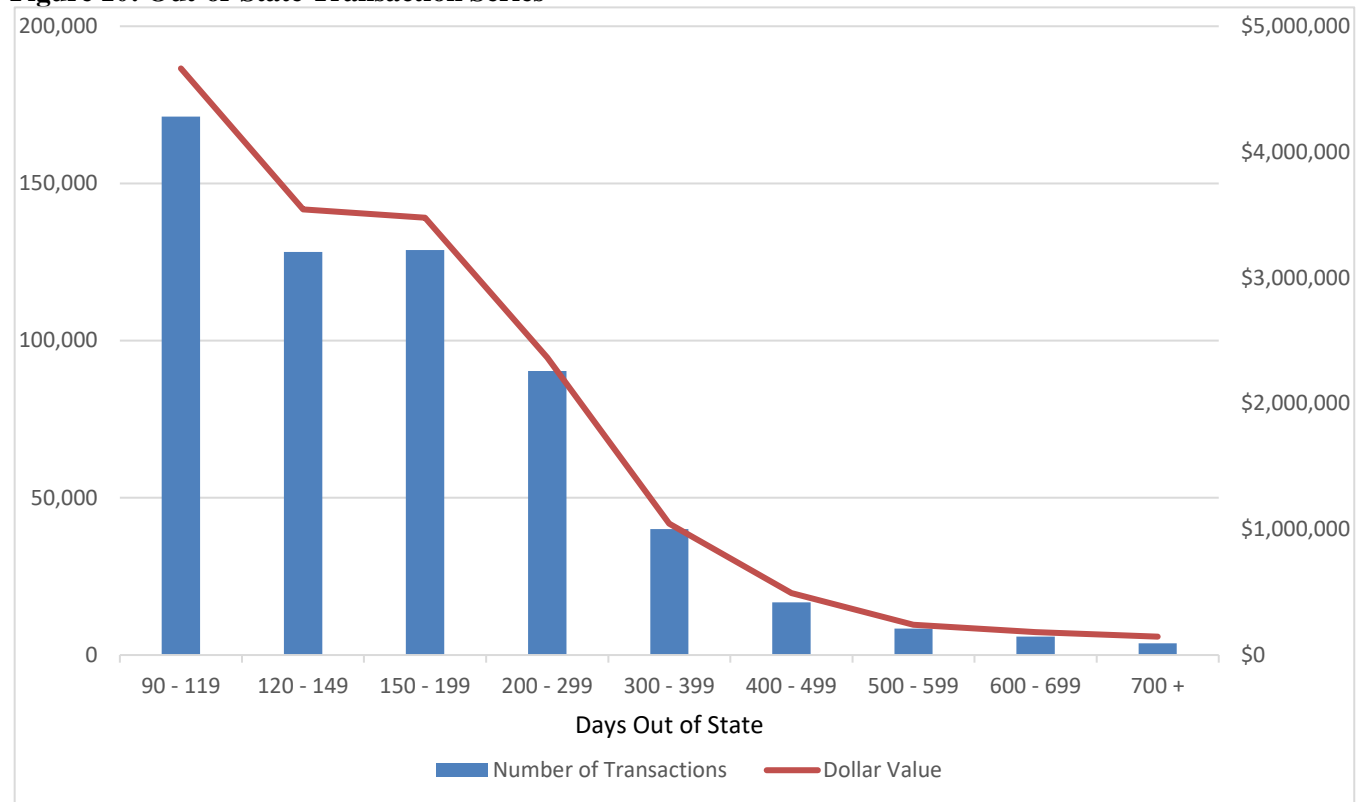
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Recipient	Days Out-of-State	\$ of Out-of-State Transactions	Count of Out-of-State Transactions
35	701	1,852	65
36	700	2,001	50
37	700	413	35
38	700	3,841	149
39	700	4,179	41
Totals		\$ 146,286	3,736

Source: SAO Analysis of SNAP Transaction Data

Figure 10 shows the number and dollar value of transactions for groupings of out-of-state transactions. We identified more than 170,000 transactions where a single recipient transacted solely out-of-state for a period of 90 to 119 days, spending a total of \$4.6 million in benefits, while the 39 recipients who transacted out-of-state for 700 or more days expended approximately \$146,000 in benefits.

Figure 10: Out-of-State Transaction Series



Source: SAO Analysis of SNAP Transaction Data



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Federal regulations allow SNAP recipients to use their EBT cards out of state; however, program recipients must live in the state in which they apply for benefits. Intentionally making "a false or misleading statement" or intentionally misrepresenting, concealing, or withholding facts constitutes an Intentional Program Violation (IPV)¹⁷ punishable by increasingly severe suspensions from the SNAP program.¹⁸

To help prevent SNAP abuse and misuse and to target cases to review, the DSS should ensure the effective use of data analytics for identifying cases where SNAP recipients make the majority of their purchases outside the state to ensure recipients are not falsifying their state of residency.

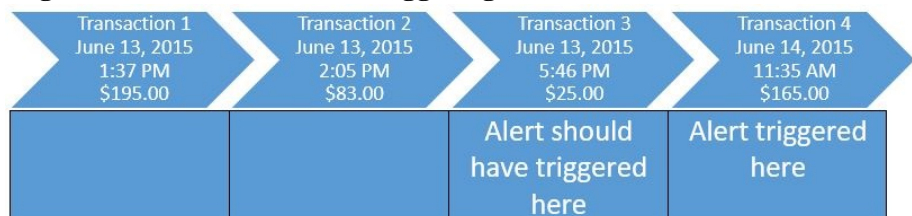
2.5 Even-Dollar alerts

The even-dollar rule triggered 246 of the 51,238 alerts received from the contractor during the period June 14, 2015, through December 31, 2016.

Frequent even-dollar transactions made by a recipient can be considered a warning sign for trafficking of SNAP benefits. An example would be a recipient allowing a merchant to charge his/her SNAP account for \$100 of groceries, but instead of receiving groceries, accepting \$50 cash, with the merchant keeping the remaining \$50. Such activity is considered to be trafficking ("The buying, selling, stealing, or otherwise effecting an exchange of SNAP benefits [...] for cash or consideration other than eligible food") under SNAP regulations.¹⁹

The Missouri alert is designed to trigger when a recipient completes three or more transactions, each for an even-dollar amount, totaling \$200 or more within a 24-hour period. However, audit testing found this alert was not actually being triggered until the 4th transaction occurred. DSS management was not aware this alert was not functioning properly until we discussed this issue with them. Figure 11 provides an example showing the alert did not trigger as designed.

Figure 11: Even-dollar alert triggering late



Source: SAO analysis of SNAP Transaction Data

¹⁷ 7 CFR Section 273.16(c)

¹⁸ 7 CFR Section 273.16(b)(1)

¹⁹ 7 CFR Section 271.2



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We reviewed SNAP transaction records for the 2-year audit period and determined this alert should have triggered at least 1,267 times. The majority of these appear to be instances where the series of transactions in the 24-hour period ended at three, but failed to be detected because the alert erroneously did not start flagging transactions until the count equaled or exceeded 4 in a 24-hour period.

Because the alert was not working as designed, the DSS was alerted to only approximately one-fifth of the transactions that met the criteria, and therefore, may have failed to identify a significant amount of inappropriate activity. The DSS could potentially improve the detection of SNAP abuse or misuse by ensuring the alert criteria for even-dollar transactions operates correctly and by prioritizing suspicious transactions to investigate.

2.6 Successive transactions

The DSS needs to more effectively identify potentially high risk SNAP recipients that use their EBT cards multiple times in short periods of time. A real-time alert to detect successive transactions has not been established. While the DSS receives a report showing suspicious successive activities, the DSS could not provide any documentation to show the report is actually reviewed and acted upon. Additionally, this report is the same report referenced in section 2.1,²⁰ which is not always accurate due to design flaws.

For our data analytic purposes, we defined successive transactions as multiple transactions within a 5-minute period. Our research indicates this type of transaction activity could be indicative of recipients trying to manipulate spending patterns and could be used in an attempt to conceal inappropriate transactions. For example, a recipient makes a legitimate purchase and then completes a second transaction for the purpose of illegitimately obtaining cash. Successive transactions could also indicate a recipient purchasing merchandise on behalf of a second party. This type of activity is also against program regulations, which state "Program benefits may be used only by the household, or other persons the household selects, to purchase eligible food for the household."²¹

²⁰ The Multiple Withdrawals Same Day report is intended to identify households with an abnormally high number of withdrawals at a particular store on a given day.

²¹ 7 CFR Section 274.7(a)



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We analyzed SNAP transaction data from 2015 and 2016 and found approximately 2.1 million successive transactions completed by approximately 466,000 recipients occurring within 5 minutes, as defined by the sequence rules indicated in Table 5.

Table 5: Successive Transactions

Transactions in Sequence	Number of Cases	Number of Recipients
2	2,047,086	404,154
3	75,113	54,246
4	6,815	5,889
5	1,523	1,345
6 - 10	945	868
11 - 20	75	70
21 +	8	8
Total	<u>2,131,565</u>	<u>466,580</u>

Source: SAO Analysis of SNAP Transaction Data

Without sufficiently identifying high risk SNAP recipients that use their EBT cards multiple times in short time periods, the DSS does not have the information needed to detect trends that may be an indication of potential benefits abuse. To help prevent SNAP abuse and misuse, the DSS should use data analytics to detect successive transactions that may be indicative of abuse and use this analysis, in conjunction with other risks, when prioritizing cases to investigate.

Conclusion

We identified certain areas where the DSS needs to strengthen efforts in the processes for proactively identifying, reviewing, and prioritizing potential SNAP abuse and misuse. The current processes do not always detect SNAP transactions or recipient benefit usage patterns that may be indicative of program abuse or misuse. As a result, potentially ineligible recipients continue receiving benefits.

Using accurately configured and more user-friendly data analytics and other advanced analysis techniques should help the DSS to more effectively identify potential SNAP abuse or misuse. Focusing data analytic efforts on specific purchase patterns and behavior trends indicative of a higher likelihood of program abuse or misuse, allows decision-makers to more effectively allocate scarce investigative resources in a timely fashion.

Data analytics can provide high rates of return, offering potential for significant return on investment of resources needed to establish and maintain such a program. To facilitate improvements, DSS officials should inventory their current resources, including analytic technology, techniques, data, and



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staff, and look for opportunities to leverage existing capabilities and to develop new methodologies.

The SNAP program cannot effectively achieve its goal of assisting eligible recipients without maintaining strong program integrity. An increased emphasis on the data analytics program will help demonstrate management's commitment to program integrity and will also help ensure that SNAP benefits are used by eligible individuals for intended purposes.

Recommendations

The DSS:

- 2.1 Ensure transaction data is captured and accurately reflected in the alert reports.
- 2.2 Strengthen data analytic processes to help ensure high-risk transactions and recipient behavior are identified and reviewed. Additionally, work with the General Assembly to revise Section 208.024, RSMo, to accomplish the intent of the law while complying with federal regulations.
- 2.3 Strengthen data analytic processes by providing a more user friendly structure for reviewing and prioritizing cases for investigation and establish a process to ensure that alerts are being effectively reviewed to detect SNAP abuse and misuse.
- 2.4 Investigate cases identified as making purchases exclusively outside the state to determine if the recipients remain eligible for benefits. The DSS should also strengthen data analytic processes to more effectively identify and review recipients who spend the majority of their SNAP benefits exclusively outside the state to ensure appropriate use of SNAP benefits.
- 2.5 Strengthen data analytic processes to ensure even-dollar alert criteria functions as intended.
- 2.6 Strengthen data analytic processes to more effectively identify and review recipients who use their EBT cards multiple times in short periods of time.

Auditee's Response

2.1, 2.3,
2.5, &

2.6 *The DSS continues to review processes and institute appropriate program improvements. The DSS has recently developed in-house data analytic queries and processes designed to capture EBT transaction patterns indicative of retailer trafficking.*



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2.2 *The DSS continues to review processes and institute appropriate program improvements. The DSS has recently developed in-house data analytic queries and processes designed to capture EBT transaction patterns indicative of retailer trafficking.*

In addition, DSS will work to propose a statutory revision that will comply with federal regulations.

2.4 *The DSS continues to review processes and institute appropriate program improvements. The DSS will implement a process for identifying and taking action on cases with exclusive usage out of state by sending the recipient a request for contact and will take action to either close or verify the recipient is still residing within the state of Missouri. FNS guidance states frequent use of benefits out of state would be a reason to request additional information about the household's residency via a Request for Contact (RFC). If the household does not respond to the RFC or responds but refuses to provide sufficient information to clarify its circumstances the State agency must issue a notice of adverse action as described in 273.12(c)(3)(i)(B). If the household responds to the RFC with sufficient information the State agency must act on the changes in accordance with 273.12(c)(1) and 273.12(c)(2). The state may not suspend or terminate benefits due to out of state transactions without following this procedure.*

3. Data Matches

The DSS needs to more effectively utilize data matches to identify potentially improper benefits issued to recipients. Due to weaknesses in data match procedures, households involving recipients who had died or were incarcerated continued to receive and spend SNAP benefits. Using data matches and subsequent analysis, we identified at least \$29,987 in SNAP benefits used by potentially unauthorized individuals. Additionally, the DSS is not in full compliance with federal regulations requiring data matches.

Data matching is the process of matching information about applicants and recipients against various data sources. Data matching can be used to determine initial and continued eligibility for SNAP benefits.

As discussed in the report's background section, recipients are authorized to receive SNAP benefits based on income and resource guidelines. After eligibility is established, recipients are certified to receive SNAP for periods ranging from 1 to 24 months depending on household circumstances and other policy options. At initial eligibility determination and generally monthly thereafter, the system loads authorized benefits to recipients' EBT cards. However, there is generally a delay ranging from several days up to a month between when the benefits are authorized to the time the benefits are actually available for use.



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Death matches

DSS officials need to increase efforts to suspend benefits issued to recipients who have died.

We compared records of recipients receiving SNAP benefits to records of death certificates filed with the Missouri Department of Health and Senior Services (DHSS). We found 3,668 cases where a recipient's SNAP benefits were used 30 or more days after the recipient's date of death recorded on the DHSS records.²² We judgmentally selected 30 of these cases for a detailed review and identified \$7,403 of potentially improper transactions related to 9 cases as shown in Table 6 below.

Table 6: Transactions after date of death

Recipient	Date of Death	Date of Last Transaction During Audit Period ¹	Amount of Transactions After Death
01	April 13, 2015	October 20, 2016	\$ 262
02	July 31, 2014	January 22, 2016	366
03	October 1, 2016	December 21, 2016	193
04	June 10, 2016	December 30, 2016	2,448
05	February 7, 2016	May 7, 2016	1,310
06	August 18, 2016	October 6, 2016	745
07	November 1, 2014	May 7, 2016	388
08	December 10, 2011	August 25, 2015	203
09	February 15, 2016	August 31, 2016	<u>1,488</u>
	Total		\$ <u>7,403</u>

Source: SAO Analysis of SNAP Transaction Data

¹ According to the vendor's system, transactions for some of these clients continued into 2017.

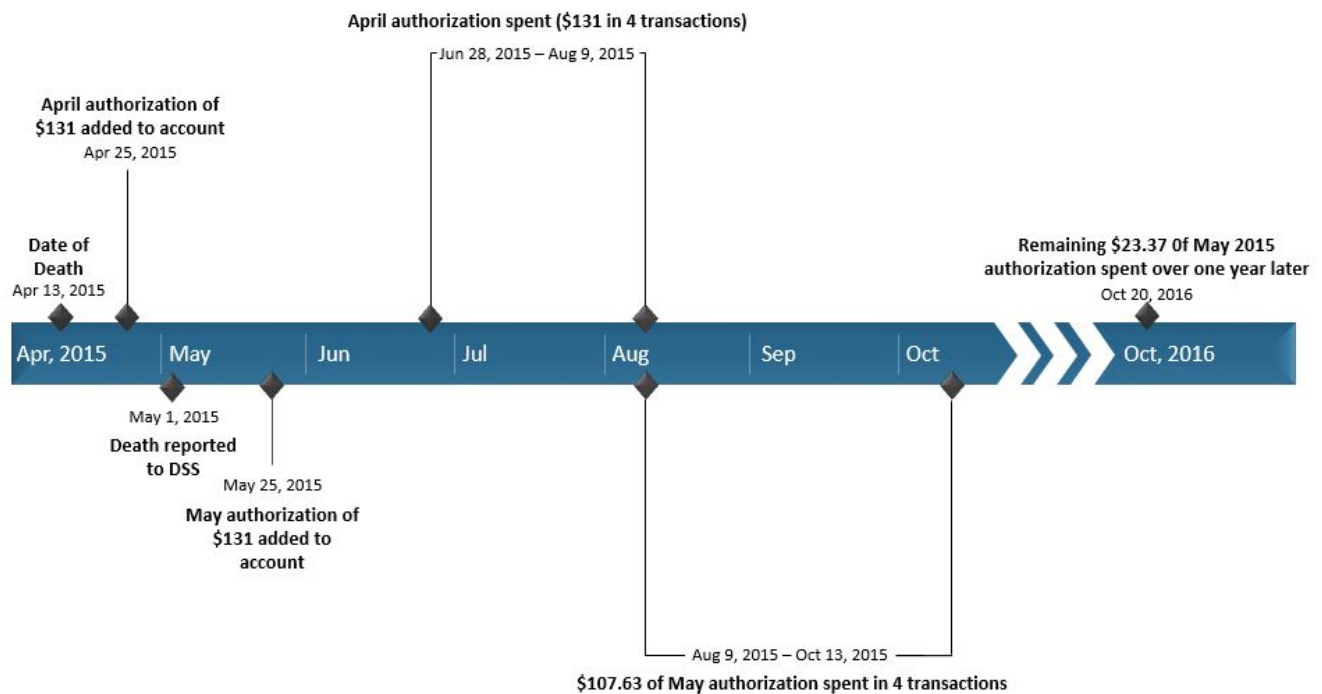
²² Acknowledgement: The data used in this document/presentation was acquired from the Missouri DHSS. The contents of this document including data analysis, interpretation or conclusions are solely the responsibility of the authors and do not represent the official views of DHSS.



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Figure 12 shows an example case where recipient benefits were used after the date of death. The recipient died on April 13, 2015, and the death was reported to the DSS on May 1, 2015. The case received two additional benefit authorizations for \$131 each, effective on April 25 and May 25. The April authorization was spent between June 28, 2015, and August 9, 2015, and the May authorization was spent between August 9, 2015, and October 13, 2015, except for the final \$23.37 which was not spent until October 20, 2016. If the DSS had canceled the authorizations effective on April 25 and May 25 after being notified of the death on May 1 and prior to the authorizations first being used on June 28, the DSS could have prevented the expenditure of \$262 in benefits.

Figure 12: Example of SNAP case with benefit authorization and usage (purchases) after date of death



Source: SAO Analysis of SNAP transaction data



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Table 7 shows a second example of a recipient whose case continued to receive SNAP authorizations and use benefits after the date of death. In this case, although the recipient died June 10, 2016, the DSS did not learn of the death until November 1. During that period, monthly benefits in the amount of \$511 were made available to the recipient's case on the 22nd day of June, July, August, September, October, and November. The first transaction against any of these 6 authorizations did not occur until October 29, two days before the DSS became aware of the death. Table 7 shows the transaction dates and number of transactions for each month's authorization. As of December 31, 2016, the recipient's EBT card still held \$107 of the October authorization and the entire \$511 November authorization. Activity on this card continued through February 2017, when benefits of less than \$1 remained available. As of January 2018, the card still remained active.

Table 7: Example of SNAP case with transactions after death

Date	Event	Transaction Dates	Number of Transactions	Dollar Value of Transactions
June 10, 2016	Recipient's Death			
June 22, 2016	June Authorization	October 29 - November 15	21	\$ 511
July 22, 2016	July Authorization	November 15 - November 30	17	511
August 22, 2016	August Authorization	November 30 - December 7	5	511
September 22, 2016	September Authorization	December 7 - December 19	13	511
October 22, 2016	October Authorization	December 19 - December 30	13	404 ¹
November 1, 2016	DSS Learns of Death			
November 22, 2016	November Authorization		0	\$ 0 ²

Source: SAO Analysis of SNAP transaction data

¹ \$107 of the authorization remained available on the EBT card as of December 31, 2016.

² \$511 of the authorization remained available on the EBT card as of December 31, 2016.

For the other 21 cases tested, information in the system generally supported that household members likely used the benefits after the recipient's death until the death was recorded in state systems or until a recertification was necessary. Upon closing a case due to a recipient's death, new cases were generally opened for the remaining household members. As a result, current processes functioned properly in many cases. The authorization of benefits after the date of death cannot be readily prevented until a death certificate is filed, which can be some time after death. However, improper use of benefits can be reduced by immediately expunging benefits added to an EBT card or by performing a case redetermination when notification is received of a recipient's death.



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The DSS received a waiver in November 2016, from the USDA allowing the department to expunge benefits belonging to a deceased, single member household when the death is verified. Current program regulations do not require benefits to be expunged until after 365 days of inactivity.²³ As of April 2018, the functionality to expunge benefits has not been implemented in the system by the contractor because the contract amendment is still being drafted.

Incarceration matches

The DSS is not performing effective incarceration matches, or the results are not being used effectively, to identify persons ineligible to receive SNAP benefits. DSS officials could not provide us documentation to support the procedures for incarceration matches, including the data source or how often such matches are performed.

We compared records of recipients receiving SNAP benefits to records of individuals in custody of the Missouri Department of Corrections (DOC). We found 62 individuals who received SNAP benefits but were incarcerated during the entire January 2015 to December 2016 period. An additional 2,358 SNAP recipients, who were incarcerated during some portion of the audit period, were also identified.

EBT cards issued to the 62 individuals incarcerated during the entire audit period were used to make over \$50,000 in purchases from January 2015 to December 2016. We judgmentally selected 9 of these cases for a detailed review. As shown in Table 8, we identified \$22,584 of potentially improper transactions related to 8 cases. According to DSS officials, investigations had not been opened for any of these 8 cases.

Table 8: Benefits used while incarcerated

Case	Date of Incarceration	Amount of Transactions During 2015-2016
1	April 20, 2011	\$ 1,744
2	November 4, 2014	3,855
3	December 23, 2014	970
4	November 18, 2014	7,334
5	June 4, 2014	2,713
6	September 3, 2014	2,825
7	December 23, 2014	307
8	October 7, 2014	<u>2,836</u>
	Total	\$ <u>22,584</u>

Source: SAO Analysis of SNAP Transaction Data

²³ 7 CFR Section 274.2(h)



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Case 4 in Table 8 pertains to a recipient incarcerated beginning in November 2014. SNAP records indicate this recipient's case continued to receive benefits of \$357 each month from February 2015 through October 2016, at which time the monthly benefit was reduced to \$194 before being canceled entirely prior to the November 2016 authorization. Notes in the case file explain the reduction in benefits was due to a child in the household reaching 18 years of age and thus becoming ineligible for benefits. Benefits of \$7,334 were used by the recipient's case during the period February 2015 through October 2016. At the time of our review in November 2017, the EBT card was still active and also showed available benefits from another assistance program, which had not been used in more than one year. The DSS official assisting us in evaluating these cases immediately disabled the card due to inactivity, preventing those benefits from being used.

Our review of DSS case notes provided sufficient information that when combined with the incarceration match data, warrants questioning whether a recipient was eligible for benefits or whether benefits should have been stopped or reduced. For example, we found a case where the recipient was incarcerated at the time he/she applied for benefits and a case where the recipient completed a recertification interview by phone with a DSS caseworker while incarcerated. Also noted was an instance where a complainant notified the DSS in August 2014 that the card of an incarcerated recipient had been reported stolen by an acquaintance of the recipient (presumably to obtain a replacement card), yet the DSS continued to issue benefits for the period November 2014 (issued retroactively in January 2015) through March 2016. In this instance, \$2,836 of potentially improper transactions occurred while the recipient was incarcerated.

Federal match requirements

While the DSS is performing data matches, the department is not in compliance with federal regulations requiring agencies to match records with the Death Master File maintained by the SSA.²⁴ For death matches, DSS officials indicated department staff match benefit recipients to a database maintained by the Missouri DHSS, Bureau of Vital Statistics. DSS officials said they thought the DHSS and SSA databases contained the same records. However, the DHSS database only contains records of Missouri death certificates, so death records for any recipient who dies outside the state would not be included.

DSS officials indicated the department is in compliance with federal regulations requiring agencies to match records with the SSA Prisoner Verification System.²⁵ This regulation requires the DSS to establish a system to prevent persons incarcerated for longer than 30 days from receiving

²⁴ 7 CFR Section 272.14(b)

²⁵ 7 CFR Section 272.13



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benefits. This match is supposed to occur at the initial application for benefits and again at each recertification, typically every 6 months. DSS officials indicated they perform these matches, but noted the match information is not always accurate so they may need to contact the DOC to verify if the individual is still incarcerated. However, as noted above, recipients applied for and received benefits and completed recertification interviews while incarcerated without detection.

Additional state law

During the 2016 legislative session, the General Assembly established Section 208.065, RSMo, which requires the DSS to establish a contract with a vendor to provide verification of initial and ongoing eligibility data for SNAP benefits and other assistance programs under the DSS. This statute, which requires a contract be in place no later than January 1, 2017, states the vendor shall perform data matches to verify eligibility data. Income, resources, and assets of each applicant and recipient shall be evaluated at least quarterly. On a monthly basis, any SNAP participants who have died, moved out-of-state, or have been incarcerated longer than 90 days shall be identified. Upon completing the data matches and verifications, the contractor is to notify the DSS. DSS personnel are then required to make an eligibility determination within 20 business days.

As of January 2018, a contract for these data matches has not been established. The state's Office of Administration, on behalf of the DSS, issued a request for proposal in January 2016, but determined the only vendor price proposal was too high and should be rebid. A contract was initially awarded in December 2016, but was canceled after a losing bidder challenged the bidding process. According to a DSS official, a request for proposal was issued in December 2017 with vendor responses due in May 2018.

Conclusion

Audit results indicate data matches performed by the DSS could be more effective at detecting deceased or incarcerated recipients timely. Establishing processes for more timely data matches would help the DSS stop benefit authorizations to recipients who are no longer eligible. Without effective controls to detect benefits issued to deceased or incarcerated recipients, the DSS is at increased risk of allowing ineligible persons to receive benefits resulting in abuse and misuse of the SNAP.

Recommendation

The DSS should strengthen efforts for effectively utilizing data matches to prevent fraud, waste, and abuse of SNAP benefits. In addition, the DSS should establish procedures to comply with federal regulations requiring the use of the SSA Death Master File to identify deceased individuals.

Auditee's Response

The DSS will develop and implement a process to receive the SSA Death Master File and use it to identify deceased individuals. When a match with an active SNAP participant is determined, the DSS will send the recipient a request for contact to give the opportunity to respond to the match prior to



SNAP Data Analytics Program Management Advisory Report - State Auditor's Findings

an adverse action to deny, reduce or terminate benefits as required in 7 CFR 272.14(b). The DSS will have to ensure that the SSA computer matching agreement allows for this and if it does not, the agreement will have to be amended, as required by 42 U.S.C 405(r)(3).

The DSS completes an incarceration report quarterly. When a match occurs, a letter is sent to DOC for confirmation, and then returned to the county office where the information is processed. On a daily basis for new applicants or re-certifications, a request is submitted on IIVE (SSA) with a real time interface that alerts the DSS if the individual is showing as incarcerated. Because the information on active recipients is only quarterly the DSS is unable to close/remove a person retroactively. When someone is identified in this process a claim is filed. The DSS policies and processes are in compliance with FNS rules and regulations. The DSS continues to review processes and institute appropriate program improvements.

4. Vendor Contract

The DSS has not ensured services obtained from a key contract provide sufficient benefits to justify the amount paid for the services.

The DSS entered into a contract with a third-party provider in June 2011 to administer the SNAP program for the state. The vendor's responsibilities include producing and distributing EBT cards, processing (adding) benefit authorizations to the cards, reimbursing retailers for benefits redeemed upon completion of transactions, and providing related support.

During the 2013 legislative session, the General Assembly passed Senate Bill 251 establishing Section 208.024, RSMo. This section specifies that SNAP benefits cannot be used in certain prohibited stores (including, for example, liquor stores, casinos, or gaming establishments) or in any place for the purchase of alcoholic beverages, lottery tickets, or tobacco products or for any item the DSS determines is not in the best interests of the household. To implement the statute requirements, the DSS amended its contract with the vendor to add an additional system that allows prohibited purchases to be blocked.

In addition to blocking purchases at certain locations, the system allowed the DSS to add functionality capable of notifying DSS investigators of potentially suspicious benefit usage activity. Each time a specific activity pattern is detected, the system generates an "alert" that is sent to DSS investigators for determination if the activity might indicate SNAP abuse or fraud, requiring additional investigation.

According to the January 2014 contract amendment adding this additional functionality, the DSS pays the contractor \$0.001 (one-tenth of one cent) per transaction processed in the system, plus an additional charge ranging from \$1.00 to \$5.00 per "alert" generated (varies based on the criteria the alert



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triggered on). The DSS also agreed to a minimum charge, regardless of actual activity, of \$10,000 each month for these services. The state averages approximately 4.5 million SNAP transactions, or \$4,500, per month in per-transaction fees against this \$10,000 minimum payment. The remaining \$5,500 is available to pay the per-alert charges or other associated costs of the contract amendment.

DSS officials could not quantify or provide support indicating what benefits the DSS receives for the contracted services. They did not provide documentation reflecting the actual amount of services received, including the number of monthly transactions assessed the per-transaction charge or the number and dollar value of the per-alert charges. According to a DSS official, the contractor invoices the DSS \$10,000 a month for the contracted services but the official could not provide any documentation to support benefits or services received. DSS staff indicated the contractor has never billed the DSS an amount greater than \$10,000. As a result, the DSS has not used the full allotment of services for which it is paying. The contract, as amended, was renewed in its entirety without changes to this service in May 2016 and June 2017.

Without actively monitoring the contract terms to verify usage and benefits received, the DSS is at risk of contracting for more services than needed and not using taxpayer dollars in an effective manner.

Recommendation

The DSS should formally evaluate the contract terms for system services to ensure the costs are appropriate for the benefits received.

Auditee's Response

The DSS is in the process of developing an RFP to be issued in 2020 that will include data improvements. The DSS continues to review processes and institute appropriate program improvements.



Office of Missouri State Auditor
Nicole Galloway, CPA

Village of Centertown



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Village of Centertown

Accounting Controls and Procedures	The former Village/Waterworks Clerk did not perform bank reconciliations for any of the village's 6 bank accounts for the year ended May 31, 2017. The Board of Trustees could not provide a budget for the year ended May 31, 2017, and there was no documentation to indicate the Board had approved a budget. The village did not publish financial statements as required until the semiannual financial statement for the 6 months ended November 30, 2017, was published in the December 6, 2017, newspaper. The former clerk did not maintain a capital asset list or perform a periodic inventory of capital assets. The current clerk does not restrictively endorse checks or money orders until a deposit is prepared.
Payroll Controls and Procedures	The village did not ensure payroll records were accurate. The village did not have an ordinance indicating the pay rate for the former clerk.
Utilities	The village does not periodically reconcile customer refundable water security deposit balances reported in the utility system to the security deposit bank account. Penalties were incorrectly assessed twice during one month for 3 of the 60 delinquent water accounts tested.
Sunshine Law Compliance	The former clerk did not prepare minutes for all Board meetings. The village's closed meeting procedures did not always comply with the Sunshine Law.
Data Backup	Data backups are not stored at an offsite location, and village officials do not periodically test backup data.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Village of Centertown

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Chairman
and
Members of the Board of Trustees
Village of Centertown, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Centertown. We have audited certain operations of the village in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended May 31, 2017. The objectives of our audit were to:

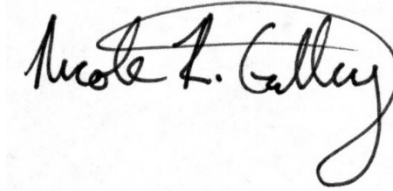
1. Evaluate the village's internal controls over significant management and financial functions.
2. Evaluate the village's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Centertown.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Michelle Pummill, CFE
Audit Staff:	Hunter O'Donnell, M.Acct.

Village of Centertown

Management Advisory Report

State Auditor's Findings

1. Accounting Controls and Procedures

Numerous weaknesses exist with the village's accounting controls and procedures. During the year ended May 31, 2017, village receipts totaled \$136,478 for all funds.

1.1 Bank reconciliations

The former Village/Waterworks Clerk (clerk) did not perform bank reconciliations for any of the village's 6 bank accounts for the year ended May 31, 2017. The current clerk began performing bank reconciliations for the August 2017 bank statements.

Monthly bank reconciliations help ensure bank and book balances are in agreement and errors are detected and corrected timely.

1.2 Budgets

The Board of Trustees could not provide a budget for the year ended May 31, 2017, and there was no documentation to indicate the Board had approved a budget. However, there is an approved budget for the year ended May 31, 2018.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and outlines the various information be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of village operations. It also assists in setting the tax levy, utility rates, and informing the public about village operations and current finances. Once the village prepares an adequate budget annually, ongoing monitoring of budget-to-actual receipts and disbursements is necessary for the budget to be an effective management tool.

1.3 Published financial statements

The village did not publish financial statements as required until the semi-annual financial statement for the 6 months ended November 30, 2017, was published in the December 6, 2017, newspaper. The village now publishes the financial statements in local newspapers semiannually. Without publishing the financial statements, information regarding the village's financial activity and condition was not available to citizens.

Section 80.210, RSMo, requires the Board prepare and publish semiannual financial statements in a local newspaper, or if no local newspaper, to post semiannual financial statements in at least six of the most public places in the village.

1.4 Capital assets

The former clerk did not maintain a capital asset list or perform a periodic inventory of capital assets. The current clerk began creating a capital asset list in May 2017; however, this list does not include all necessary information for each item, such as the original cost or value of the item.



Village of Centertown
Management Advisory Report - State Auditor's Findings

Adequate property records and performance of annual physical inventories are necessary to secure better internal control over village property and provide a basis for determining proper insurance coverage.

1.5 Restrictive endorsement The current clerk does not restrictively endorse checks or money orders until a deposit is prepared. All 23 checks received totaling \$1,182, counted during a cash count on February 1, 2018, had not been restrictively endorsed.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.

Recommendations

The Board of Trustees:

- 1.1 Ensure monthly bank reconciliations continue to be prepared for all bank accounts.
- 1.2 Prepare annual budgets that contain all information required by state law and ensure the Board's approval of the budgets are documented in the Board minutes.
- 1.3 Publish semiannual financial statements as required by state law.
- 1.4 Maintain an inventory list and indicate all applicable information, conduct a physical inventory count on a periodic basis, and reconcile the inventory on hand to the inventory records.
- 1.5 Restrictively endorse checks and money orders immediately upon receipt.

Auditee's Response

- 1.1 *As noted in your report, the current clerk started providing the Board bank reconciliations in August 2017. These reconciliations are also provided to the public in attendance at Board meetings and are posted to the village's website.*
- 1.2 *As noted in your report, the Board approved a budget for the year ended May 31, 2018. This budget was reviewed and adjusted in November 2017. The budget for the year ending May 31, 2019, was approved on April 24, 2018. Ordinance 169, Village Budget, and Ordinance 170, Waterworks Budget, were published and have been posted to the village's website.*
- 1.3 *The Board will continue to publish semiannual financial statements in the Jefferson City News Tribune and the California Democrat. Statements will also be posted to Centertown's post office, the village hall's bulletin board and the village's website. The next semiannual*



Village of Centertown
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financial statement will be published no later than June 10, 2018, for the period December 1, 2017, through May 31, 2018.

- 1.4 *The capital asset list created by the current clerk will be updated for the missing information, such as current values of items, at the next annual inventory, to take place within the next month.*
- 1.5 *The current clerk endorses checks and money orders "For Deposit Only" immediately upon receipt since February 1, 2018, following recommendation from the auditor during the cash count.*

2. Payroll Controls and Procedures

Improvement over payroll controls and procedures is needed. The village paid payroll expenses of approximately \$40,000 for the year ended May 31, 2017.

2.1 Time records

The village did not ensure payroll records were accurate. During our review of 8 payroll records, we noted the following problems.

- The village did not maintain a timesheet or other documentation for hours worked for 2 records tested.
- Timesheets or other documentation for hours worked were not signed by the individual being paid for 3 records tested.
- One paycheck was approved by the former clerk and a Board member instead of the required 2 Board members.

To adequately account for all payroll expenses and ensure the accuracy of hours worked, village employees should prepare and sign timesheets, and timesheets should contain documented supervisory or independent reviews and be approved by the Board. In addition, the Fair Labor Standards Act requires records of actual time worked by employees be maintained.

2.2 Rate of pay

The village did not have an ordinance indicating the pay rate for the former clerk. The former clerk was paid \$5 more per hour than the \$15 pay rate approved in ordinances for other clerks. The former clerk was paid \$17,430 during the year ended May 31, 2017. This amount was \$4,357.50 more than what other clerks would have been paid.

To ensure amounts paid to employees are accurate, the employee's authorized pay rate, and any subsequent changes, should be documented and approved by the Board. Without documentation of approved pay rates, there is less assurance payments to employees are properly authorized.



Village of Centertown
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Trustees:

- 2.1 Maintain documentation for time worked that is prepared and signed by employees and reviewed and approved by the Board.
- 2.2 Ensure employees are paid at an approved rate.

Auditee's Response

- 2.1 *Since May 2017, 3 of the 4 village employees prepare their own timesheets for Board review prior to issuance of payroll checks. The fourth employee's timesheet is prepared by his supervisor. Following a recommendation from the auditor during payroll review, this employee is also signing his timesheet since March 2018.*
- 2.2 *During the January 30, 2018, Board meeting, a pay scale was approved for all employees.*

3. Utilities

Accounting for water customer deposits and penalty assessments need improvement.

3.1 Water deposits

The village does not periodically reconcile customer refundable water security deposit balances reported in the utility system to the security deposit bank account. New customers are required to pay a \$100 refundable security deposit before receiving water service. The current clerk has tried to identify the water security deposits in the bank account, but these deposits are not included in the utility system for all customers. While reviewing the report of security deposits, she has noted balances for individuals who are no longer customers and is taking steps to refund money owed. She created a report of customer security water deposits totaling \$5,875 held as of January 31, 2018. The report included \$5,425 for active accounts and \$450 for inactive accounts. The report could not be reconciled to the security deposit book balance of \$12,674 at January 31, 2018, indicating an unidentified amount of \$6,799 in the security deposit bank account.

Refundable water security deposit monies are restricted funds held for customers. The Board should review water customer security deposit records to ensure all customer security deposits are accounted for properly. In addition, the clerk should maintain an accurate listing of all water security deposits held and reconcile the list monthly to monies held in the security deposit bank account.

3.2 Water account penalties

Penalties were incorrectly assessed twice during one month for 3 of the 60 delinquent water accounts tested.

Village policy as printed on each customer's monthly statement requires a 10 percent penalty be added to delinquent accounts.



Village of Centertown
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Trustees:

- 3.1 Ensure an accurate list of water security deposits is prepared and reconciled to monies in the security deposit bank account. Any discrepancies should be investigated and resolved.
- 3.2 Assess penalties on delinquent water accounts in accordance with village policy.

Auditee's Response

- 3.1 *We agree with the recommendation and are evaluating how to properly address the issue.*
- 3.2 *During the audit process it was discovered that the penalty assessed on October 17, 2016, was doubled. This affected 26 customers. The current clerk will provide a letter of explanation to each customer as well as a credit toward their June bill. We will add an additional review step during the billing phase to ensure any further duplication is corrected prior to customers receiving their bill.*

4. Sunshine Law Compliance

The village did not always ensure compliance with the Sunshine Law.

4.1 Meeting minutes

The former clerk did not prepare minutes for all Board meetings. Minutes were not prepared for meetings on September 6, 2016, October 11, 2016, January 10, 2017, March 28, 2017, and April 25, 2017. The current clerk has prepared minutes for all meetings since she was hired in May 2017.

Section 610.020.7, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of Board actions and decisions. Meeting minutes should include the date, time, place, members present, members absent, and a record of votes taken.

4.2 Closed meetings

The village's closed meeting procedures did not always comply with the Sunshine Law. The Board went into a closed session 5 times during the year ended May 31, 2017. We noted the following problems with closed Board meetings and minutes.

- The open meeting agenda for a May 2017 meeting did not indicate the Board would be going into a closed meeting.
- We identified discussions in 3 closed meetings that are not allowed by law. The closed meeting minutes indicated discussions occurred regarding position descriptions, election of the chairman and pro-tem, the sewer system, the water tower, bank signature card changes, insurance services, road work to be completed, the need for a village clerk, notes to be added to the water bill, and the resignation letters of Board members.



Village of Centertown
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Section 610.020.2, RSMo, requires posting notice of meetings at least 24 hours prior to the meeting. Section 610.022, RSMo, indicates the notice shall indicate the potential for a closed meeting and limits discussions in closed meetings to only those reasons referenced by a specific section of law permitting closure in the vote to close the meeting.

Recommendations

The Board of Trustees:

- 4.1 Maintain complete and accurate minutes for all meetings.
- 4.2 Ensure notices for all meetings are posted and topics discussed in closed meetings are allowed by law.

Auditee's Response

- 4.1 *As noted in your report, the current clerk has been preparing minutes for all meetings since she was hired in May 2017. The minutes are also posted to the village's website as well as the village hall's bulletin board.*
- 4.2 *Meeting notices are posted at village hall, Centertown's post office, and 4 local businesses at least 24 hours prior to all meetings. Notices are also posted to the village's website. We will ensure agendas include the potential reason for going into closed session and the discussions during the closed meetings stay on the approved topics. Board members are highly encouraged to attend training on the Missouri Sunshine Law by the Missouri Municipal League and Missouri Rural Water Association to alleviate any further issues.*

5. Data Backups

Data backups are not stored at an offsite location. In addition, village officials do not periodically test backup data. Failure to store backup data at a secure offsite location results in the data being susceptible to the same damage as the data on the computer.

To help prevent loss of information and ensure essential information and computer systems can be recovered, backups should be stored at a secure offsite location and tested on a periodic basis.

Recommendation

The Board of Trustees ensure data backups are stored in a secure offsite location and tested on a regular, predefined basis.

Auditee's Response

The current clerk is maintaining data backups onsite; however, it was recommended during the audit to maintain a second set offsite. On January 12, 2018, a second set was created and stored in the current clerk's home safe. On March 5, 2018, the village acquired a safety deposit box and is storing the second data backup disc at the bank. Backups are created quarterly. The current backup was tested on May 9, 2018. Future backups will be tested prior to storage.

Village of Centertown

Organization and Statistical Information

The Village of Centertown is located in Cole County. The village was incorporated in 1901. The village employed 4 part-time employees on May 31, 2017.

Village operations include water utilities and street maintenance.

Chairman and Board of Trustees

The village government consists of a five-member board of trustees. The members are elected for 2-year terms. The chairman, who is a member of the board, is elected for a 1-year term and presides over the board of trustees. The Board of Trustees at May 31, 2017, are identified below. The Board of Trustees are paid \$10 per hour.

Lucas Welch, Chairman¹
Jesse Corona
John Doyle
Heather Hunger¹
Celine Whitaker¹

¹ Lucas Welch, Heather Hunger, and Celine Whitaker took office on May 2, 2017, replacing Susan Gilliam, Nelda Hutinger, and Darron Jones.

Financial Activity

A summary of the village's financial activity for the year ended May 31, 2017, follows:

Village of Centertown
Schedule of Receipts, Disbursements, and Changes in Cash
Year Ended May 31, 2017

	General Fund	Waterworks Fund	Investment Funds (1)	Security Deposit Fund	Total
RECEIPTS					
Property tax	\$ 30,570	0	0	0	30,570
Sales tax	23,592	0	0	0	23,592
Motor fuel tax	11,112	0	0	0	11,112
Franchise tax	17,092	0	0	0	17,092
Reimbursements	2,780	0	0	0	2,780
Water sales	0	43,979	0	0	43,979
Reconnect fees	0	109	0	0	109
Collections fees	0	504	0	0	504
Interest earned	4,520	903	150	0	5,573
Miscellaneous	0	0	67	0	67
Security deposit	0	100	0	1,000	1,100
Total Receipts	89,666	45,595	217	1,000	136,478
DISBURSEMENTS					
Central administration	45,328	28,936	0	0	74,264
Water supply system	0	8,568	0	0	8,568
Highway and streets	2,440	0	0	0	2,440
Deposit refunds	0	0	0	75	75
Total Disbursements	47,768	37,504	0	75	85,347
RECEIPTS OVER (UNDER) DISBURSEMENTS	41,898	8,091	217	925	51,131
TRANSFERS					
TRANSFERS IN					
Investment Funds	0	0	(459,969)	0	(459,969)
TRANSFERS OUT					
General Fund	386,333	0	0	0	386,333
Waterworks Fund	0	13,000	0	0	13,000
Investment Funds	0	0	60,636	0	60,636
Total Transfers	386,333	13,000	(399,333)	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	(344,435)	(4,909)	399,550	925	51,131
CASH BALANCE, JUNE 1, 2016	445,734	92,458	85,617	10,672	634,481
CASH BALANCE, MAY 31, 2017	\$ 101,299	87,549	485,167	11,597	685,612

(1) The village used 3 different investment funds. All activity was consolidated when reporting the financial statements.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
April 2018**

Monthly Report on Political Subdivision Filings

April 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 49 political subdivisions required to file a financial report by April 30, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in April 2018, after their filing deadline. The filing status for these 12 entities is presented in summary on page 3 and by individual entity in Appendix B-F.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

April 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 49 political subdivisions, other than cities, towns, and villages, with a fiscal year end of October 31, 2017. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 49 political subdivisions, 36 filed an annual financial report by April 30, 2018.

This report also includes the filing status for 12 political subdivisions, other than cities, towns, and villages, that filed their financial report in April 2018, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due April 30, 2018

Fiscal Year Ended October 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	PWSD 1 Adair County	Yes	March 29, 2018
Atchison	Corning Levee District 2	Yes	December 8, 2017
	Fairfax Drainage District	Yes	March 29, 2018
Buchanan	DeKalb FPD	Yes	April 18, 2018
Cape Girardeau	Little River Drainage District	No	
Carroll	Baltimore Bend Levee District	No	
Cass	58 Hwy Regional Market Center CID	Yes	January 11, 2018
	Belton/Raymore Interchange TDD	Yes	April 9, 2018
	Foxridge CID	Yes	April 9, 2018
	Foxwood Village Shops CID	Yes	April 9, 2018
	Highway 58 & Dean Avenue CID	Yes	April 30, 2018
	Hubach Hill Rd/North Cass Parkway TDD	Yes	April 13, 2018
	Hubach Hill Rd/North Cass Parkway CID	Yes	April 9, 2018
	Jeter Farm CID	No	
	Raymore Galleria CID	Yes	April 9, 2018
Cole	Capital Mall CID	Yes	April 26, 2018
Dade	Dade County R-IV Rural FPD	Yes	December 13, 2017
Gentry	Grand River Regional AD	Yes	March 15, 2018
Jackson	Ditzler CID	Yes	November 29, 2017
	Highway 350 CID	Yes	April 30, 2018
	PWSD 1 Jackson County	Yes	April 20, 2018
	Raytown Crossing CID	No	
	Raytown Highway 350 TDD	Yes	April 9, 2018
	Raytown Square CID	No	
Jasper	1717 Market Place TDD	No	
	Centennial Railroad TDD	Yes	April 9, 2018
	Joplin Public Library District	No	
	Northpark Lane CID	Yes	February 28, 2018
Jefferson	Highway 21 TDD	Yes	February 8, 2018
	North Jefferson Ambulance District	Yes	December 12, 2017
	Valle Ambulance District	Yes	February 15, 2018
Knox	PWSD 1 Knox County	Yes	February 21, 2018
Lafayette	PWSD 1 Lafayette County	Yes	January 18, 2018
	Wellington-Napoleon FPD	Yes	February 21, 2018
Lewis	Gregory Levee District	Yes	January 18, 2018
	Lewis County NHD	No	
Macon	Callao Town & Country Volunteer FPD	Yes	March 27, 2018
Montgomery	PWSD 1 Montgomery County	Yes	February 27, 2018
New Madrid	Drainage District 18 New Madrid County	No	
	St. John's Bayou Basin DD	Yes	November 7, 2017
Newton	Hope Valley CID	No	
Platte	Platte City Market Center CID	Yes	April 18, 2018
	PWSD 3 Platte County	No	
Ray	Ray County Memorial Hospital	Yes	February 16, 2018
Ste. Genevieve	Ste. Genevieve Ambulance District	Yes	January 30, 2018
Sullivan	Sullivan County Memorial Hospital	Yes	March 9, 2018
Warren	Warrenton FPD	Yes	January 3, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due April 30, 2018

Fiscal Year Ended October 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Wayne	Clearwater Ambulance District	No	
	East Wayne Ambulance District	No	
Total Filed		36	
Total Not Filed		13	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
DD	Drainage District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
TDD	Transportation Development District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due September 30, 2017
 Filed in April 2018

Fiscal Year Ended March 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Pettis	Galaxy West CID	Yes	April 19, 2018
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due October 31, 2017
 Filed in April 2018

Fiscal Year Ended April 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	River Market CID	Yes	April 24, 2018
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2017
 Filed in April 2018

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Raintree 150 Center CID	Yes	April 27, 2018
Pemiscot	Hayti-Ventures CID	Yes	April 23, 2018
St. Charles	Consolidated North County LD	Yes	April 6, 2018
Total Filed		3	

Acronyms:

CID Community Improvement District
 LD Library District

Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due February 28, 2018
Filed in April 2018

Fiscal Year Ended August 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Twin Pines Adult Care Center	Yes	April 18, 2018
Ripley	Ripley County Memorial Hospital	Yes	April 12, 2018
St. Louis	Richardson Crossing CID	Yes	April 5, 2018
Stoddard	PWSD 2 Stoddard County	Yes	April 3, 2018
Total Filed		4	

Acronyms:

CID Community Improvement District
PWSD Public Water Supply District

Appendix F
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2018
Filed in April 2018

Fiscal Year Ended September 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Sunrise Farms CID	Yes	April 20, 2018
Monroe	Monroe City Ambulance District	Yes	April 25, 2018
Washington	PWSD 2 Washington County	Yes	April 16, 2018
Total Filed		3	

Acronyms:

CID Community Improvement District
PWSD Public Water Supply District



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
April 2018**

Monthly Report on Municipal Court and Revenue Filings

April 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the cities required to file a financial report by April 30, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the 14 cities is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for cities, towns, and villages that filed at least one of the items (financial report, addendum, or certification) in April 2018, after their filing deadline. The filing status for these 37 cities, 1 town, and 3 villages is presented in summary on pages 3-4 and by individual entity in Appendixes B to E.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

April 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 14 cities with a fiscal year end of October 31, 2017, whose financial report was due by April 30, 2018. Of these entities, 10 filed their financial report timely. There were 9 entities required to file an addendum, of which 6 were filed. There were 8 entities required to file a certification, of which 7 were filed.

This report includes the filing status for 37 cities, 1 town, and 3 villages that filed at least one of the items (financial report, addendum, or certification) in



Monthly Report on Municipal Court and Revenue Filings
April 2018
Executive Summary

April 2018, after their filing deadline. Of these entities, 12 filed an annual financial report, 11 filed an addendum, 28 filed a certification for the full fiscal year, and 1 filed a certification for only a partial fiscal year.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2018

Fiscal Year Ended October 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	City of Raymore	Yes	February 28, 2018	Yes	Yes
Clay	City of Smithville	Yes	April 26, 2018	Yes	Yes
Cole	City of Jefferson City	Yes	April 24, 2018	Yes	Yes
Holt	City of Maitland	Yes	April 6, 2018	n/a	n/a
Holt	City of Oregon	No		n/a	n/a
Jackson	City of Raytown	No		Yes	Yes
Jasper	City of Asbury	Yes	March 27, 2018	n/a	n/a
Jasper	City of Cartersville	No		No	No
Jasper	City of Joplin	No		Yes	Yes
Jasper	City of Webb City	Yes	April 30, 2018	Yes	Yes
Jefferson	City of De Soto	Yes	January 19, 2018	No	Yes
Laclede	City of Conway	Yes	February 27, 2018	n/a	n/a
Linn	City of Marceline	Yes	April 19, 2018	No	n/a
Platte	City of Platte City	Yes	April 10, 2018	n/a	n/a
Total Filed		10		6	7
Total Not Filed		4		3	1
Total n/a		0		5	6

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2017
Filed in April 2018

Fiscal Year Ended April 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Beverly Hills	**	October 31, 2017	**	Yes
Total Filed		0		0	1

** Filed by October 31, 2017.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in April 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	City of Garden City	***	January 24, 2018	Yes	Yes
Christian	City of Clever	**	October 18, 2017	No	Yes
	City of Sparta	**	October 25, 2017	No	Yes
Clinton	City of Gower	***	January 19, 2018	Yes	Yes
Dallas	City of Urbana	**	December 27, 2017	***	Yes
Dunklin	City of Arbyrd	**	September 1, 2017	No	Yes
	City of Clarkton	***	January 22, 2018	No	Yes
	City of Kennett	***	January 23, 2018	Yes	***
Gasconade	City of Gasconade	Yes	April 5, 2018	No	No
	City of Rosebud	***	January 22, 2018	Yes	Yes
Greene	City of Battlefield	**	December 6, 2017	Yes	Yes
Howell	City of Mountain View	***	January 17, 2018	Yes	Yes
Jefferson	City of Hillsboro	**	November 6, 2017	No	Yes
Lafayette	Village of Aullville	Yes	April 17, 2018	n/a	n/a
New Madrid	City of Gideon	***	February 2, 2018	Yes	Yes
	City of Lilbourn	Yes	April 6, 2018	n/a	n/a
Oregon	City of Thayer	***	January 12, 2018	No	Yes
Phelps	City of Doolittle	Yes	April 20, 2018	n/a	n/a
Ray	City of Wood Heights	**	December 6, 2017	No	Yes
St. Louis	City of Black Jack	**	October 25, 2017	**	Yes
	City of Clarkson Valley	**	August 22, 2017	**	Yes
	City of Pine Lawn	**	December 29, 2017	No	Yes
	City of Wellston	***	March 28, 2018	No	Partial
	City of Woodson Terrace	**	October 23, 2017	**	Yes
	Town of Grantwood Village	***	February 3, 2018	***	Yes
Stoddard	City of Bloomfield	***	February 6, 2018	No	Yes
Taney	City of Rockaway Beach	**	December 28, 2017	Yes	Yes
Texas	City of Summersville	***	January 19, 2018	**	Yes
Wright	City of Hartville	**	July 12, 2017	**	Yes
Total Filed		4		8	23
Total Partially Filed		0		0	1

** Filed by December 31, 2017.

*** Filed after December 31, 2017, but before April 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 28, 2018
Filed in April 2018

Fiscal Year Ended August 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Bates	Village of Merwin	Yes	April 2, 2018	n/a	n/a
Scott	City of Miner	Yes	April 10, 2018	***	**
St. Louis	Village of Pasadena Park	**	February 26, 2018	Yes	***
Total Filed		2		1	0

** Filed by February 28, 2018.

*** Filed after February 28, 2018, but before April 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2018
Filed in April 2018

Fiscal Year Ended September 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Jackson	City of Sugar Creek	Yes	April 10, 2018	No	**
Monroe	City of Monroe City	Yes	April 16, 2018	No	n/a
Platte	City of Platte Woods	Yes	April 5, 2018	Yes	Yes
Pulaski	City of Dixon	No		No	Yes
Ray	City of Richmond	**	February 14, 2018	**	Yes
St. Francois	City of Bonne Terre	Yes	April 16, 2018	No	**
	City of Park Hills	Yes	April 16, 2018	Yes	Yes
St. Louis	City of Cool Valley	Yes	April 12, 2018	No	**
Total Filed		6		2	4

** Filed by March 31, 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Office of Missouri State Auditor
Nicole Galloway, CPA

Thirty-Seventh Judicial Circuit
City of Winona
Municipal Division



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Thirty-Seventh Judicial Circuit - City of Winona Municipal Division

Accounting Controls and Procedures	The municipal division has not adequately segregated accounting and record-keeping duties, and neither the Municipal Judge nor city personnel performed supervisory or independent reviews of accounting and bank records. The municipal division does not have adequate receipting, recording, and depositing procedures in place. The police department has not established adequate transmitting procedures. The city and municipal division's procedures regarding bank reconciliations and liabilities need improvement. Police department personnel issue generic unnumbered bond forms, do not maintain a log of bonds received, and do not always issue prenumbered receipt slips for bonds received. The municipal division and the city have little assurance that certain court surcharges were properly used in compliance with state law. The Court Clerk does not periodically review accrued costs owed to the municipal division. The municipal division change fund is not maintained at a constant amount.
Municipal Division Procedures	The Municipal Judge does not always approve the final disposition of cases brought before the court or the fines handled through the Violation Bureau. Controls over the Municipal Judge's signature stamp are not sufficient. Municipal division case records are not maintained in an accurate and complete manner. The police department and the municipal division do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. Adequate notice is not provided to defendants prior to bond forfeiture hearings as required by state law. The municipal division has not reviewed and determined how to disburse Court Automation Fund fees that were collected until late February 2017, when collection of the fee was determined to be inappropriate and discontinued. The Municipal Judge has not issued a court order for the schedule of fines and court costs to be collected on tickets paid through the Violation Bureau.
Excess Revenues	The city does not have adequate support for its 2016 excess revenues calculation resulting in no excess revenues owed to the Department of Revenue. However, our calculations resulted in excess revenues of at least \$21,987 owed to the Department of Revenue.
Electronic Data Security	Controls over municipal division computers are not sufficient.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Thirty-Seventh Judicial Circuit

City of Winona Municipal Division

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Thirty-Seventh Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Winona, Missouri

We have audited certain operations of the City of Winona Municipal Division of the Thirty-Seventh Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2016. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

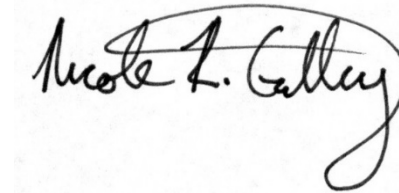
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) noncompliance with court rules, and (4) noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Winona Municipal Division of the Thirty-Seventh Judicial Circuit.

A petition audit of the City of Winona, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Pamela Allison, CPA
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City of Winona Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Significant weaknesses exist with accounting controls and procedures. During the year ended December 31, 2016, the municipal division collected \$151,645 in fines, court costs, and bonds.

Terri Denton served as the City Clerk and the Court Clerk until her termination in September 2017. A new City Clerk was hired in October 2017, and a new Court Clerk was hired in November 2017. In addition, the city opened a new municipal division bank account and a bond bank account in October 2017. We refer to Terri Denton as the Court Clerk throughout the report.

1.1 Segregation of duties and oversight

The municipal division has not adequately segregated accounting and record-keeping duties, and neither the Municipal Judge nor city personnel performed supervisory or independent reviews of accounting and bank records.

The Court Clerk was primarily responsible for duties related to collecting court monies, recording and posting these monies in the case management system, preparing deposits for the city's municipal division bank account, preparing and issuing checks, and reconciling the bank account.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by implementing documented supervisory or independent reviews of accounting and bank records.

1.2 Receipting, recording, depositing, and transmitting

The municipal division does not have adequate receipting, recording, and depositing procedures in place. In addition, the police department has not established adequate transmitting procedures.

- The Court Clerk and Assistant Court Clerk did not issue manual receipt slips for all monies received, and as a result, a complete record of monies received is not maintained. For example, during our review of deposits made between December 8, 2016, and March 28, 2017, monies totaling \$3,587 were deposited into the city's municipal division bank account, but were not issued manual receipt slips. These monies represented \$1,827 in bonds received for other counties and \$1,760 in board bills received. Some of these monies were also not recorded in the case management system that related to case activity and should have been recorded.
- The Court Clerk does not account for the numerical sequence of manual receipt slips and does not reconcile manual receipt slips issued to receipts recorded in the case management system to ensure all monies are accounted for properly. For example, a manual receipt slip was issued on April 19, 2016, for \$265 and the monies were subsequently deposited on



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April 21, 2016; however, the receipt was not recorded in the case management system until January 30, 2017.

- The Court Clerk does not deposit receipts timely. Deposits are made approximately once a week regardless of the amount of monies collected. For example, during our review of deposits made from December 2016 to March 2017, deposits were made almost weekly and ranged from \$586 to \$4,316, with most deposits being made for more than \$1,000.
- Transmittals from the police department to the municipal division are not documented, and a reconciliation of receipt slips issued by the police department to monies transmitted to the municipal division is not performed. As a result, there is no assurance all monies collected by the police department are properly accounted for by the municipal division. The police department collects monies for bonds, accident reports, towing fees, and other various miscellaneous fees. Monies collected are periodically transmitted to the municipal division.

Failure to implement adequate receipting, recording, depositing, and transmitting procedures increases the risk that loss, theft, or misuse of monies will go undetected.

1.3 Bank reconciliations and liabilities

The city and municipal division's procedures regarding bank reconciliations and liabilities need improvement.

New bank account

The current City Clerk does not prepare accurate bank reconciliations and does not work with the current Court Clerk to prepare a list of liabilities for comparison to the reconciled bank balance for the new municipal division bank account.

Deposits in transit are not included in the bank reconciliations of the new municipal division bank account, and as a result, the reconciled bank balances are inaccurate. For example, deposits in transits totaling \$1,581 were not included in the December 31, 2017, bank reconciliation. These deposits in transit were from online payments that were recorded as received in the case management system, but were not recorded as received in the computerized accounting system. In addition, we prepared a list of liabilities for this account as of December 31, 2017. The list totaled \$14,333, while the reconciled bank balance was \$11,527, resulting in a difference of \$2,806. The difference was caused by various accounting errors totaling \$184, and receipts totaling \$2,622 that were deposited into the old municipal division bank account prior to the opening of the new bank account and were not transferred to the new bank account, where the related disbursements were made.

Old bank account

The current City Clerk discontinued depositing court collections into the old municipal division bank account in October 2017. However, the old account



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remains open and had a reconciled bank balance at December 31, 2017, of \$5,249. We prepared a list of liabilities as of December 31, 2017, and the list totaled \$2,622 (amount owed to the new municipal division bank account), resulting in \$2,627 in the account that remains unidentified.

Missouri Supreme Court Operating Rule No. 4.59 requires reconciling all bank balances and open items (liabilities) records at least monthly. Adequate and accurate bank reconciliations and reconciling liabilities to the reconciled bank balance are necessary to ensure all accounting records balance, transactions have been properly recorded, open cases are properly accounted for, monies held in trust are sufficient to meet liabilities, and errors or discrepancies are detected and corrected timely. Additionally, maintaining an old bank account increases the risk of misuse of funds. To ensure funds are disposed of properly, the city and municipal division should attempt to identify and distribute the funds held in the old bank account, dispose of any unclaimed or unidentified funds in accordance with state law, and close the account.

1.4 Bonds

Police department personnel issue generic unnumbered bond forms, do not maintain a log of bonds received, and do not always issue prenumbered receipt slips for bonds received. As a result, neither the Court Clerk nor the City Clerk can account for all bonds received and ensure bonds are handled properly and transmitted to the municipal division timely.

To reduce the risk of loss, theft, or misuse of bond monies received, and to provide assurance all bond monies are accounted for properly, official prenumbered bond forms should be issued for all bonds received and all bonds collected should be recorded on a bond log and transmitted to the municipal division timely.

1.5 Restricted funds

The municipal division and the city have little assurance that certain court surcharges were properly used in compliance with state law. The city did not establish a separate fund and/or accounting for monies collected for the biometric verification surcharge or the law enforcement training surcharge. In addition, the city is not accounting for the monies collected and disbursed for these surcharges, does not know what has been spent or the remaining balance, and cannot demonstrate these monies were used for statutorily intended purposes.

Biometric verification surcharge

For the year ended December 31, 2016, the municipal division deposited biometric verification surcharge monies totaling \$1,394 into the city's municipal division bank account. The city passed an ordinance to begin assessing the \$2 surcharge on new cases filed starting after April 5, 2015. The city has not established a separate fund for these monies as required by statute.



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Section 488.5026.3, RSMo, requires establishment of an Inmate Prisoner Detainee Security Fund and provides requirements concerning the usage of biometric verification surcharge funds. Allowable uses include acquisition and development of a biometric verification system; maintenance, repair, and replacement of the information sharing or biometric verification system; and any expenses related to detention, custody, and housing and other expenses for inmates, prisoners, and detainees.

Law enforcement training
surcharge

For the year ended December 31, 2016, the municipal division deposited law enforcement training (LET) surcharge monies totaling \$1,519 into the city's municipal division bank account. The city passed an ordinance to assess the \$2 surcharge in November 1980. Section 488.5336.2, RSMo, requires LET surcharge funds be used only for the training of law enforcement officers.

Conclusion

To ensure compliance with applicable state laws, separate funds and/or accounting of receipts and related disbursements associated with specific activities or restricted usage should be maintained.

1.6 Accrued costs

The Court Clerk does not periodically review accrued costs owed to the municipal division. The case management system tracks accrued costs and can produce a report of balances due; however, the Court Clerk does not print and review this report to identify cases needing additional collection efforts or are potentially uncollectible. As of November 8, 2017, accrued costs recorded in the case management system totaled \$38,653. However, based on a comparison performed between manual case records and the accrued costs report, the accuracy and completeness of the report is questionable. For example, 2 cases were dismissed by the Municipal Judge in January 2017, but the accrued costs report indicated a \$100 balance was due for each case.

Proper and timely monitoring of receivables is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. In addition, proper monitoring is necessary to provide information to the Municipal Judge and to determine appropriate handling when amounts are deemed uncollectible.

1.7 Change fund

The municipal division change fund is not maintained at a constant amount. The Court Clerk was unable to tell us how much should be on hand and no records were maintained.

To safeguard against possible loss, theft, or misuse of funds, change funds should be maintained at a constant amount and the funds should be periodically counted and reconciled to the authorized balance.



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Recommendations

The City of Winona Municipal Division:

- 1.1 Segregate accounting duties or ensure documented independent or supervisory reviews of municipal division accounting and bank records are periodically performed.
- 1.2 Ensure receipt slips are issued for all monies received, account for the numerical sequence of receipt slips, reconcile manual receipt slips issued to the case management system, and deposit receipts timely. The Municipal Division should also work with the police department to document the transmittal of receipts to the municipal division and reconcile police department receipt slips to the transmittals.
- 1.3 Work with the city to prepare complete and accurate bank reconciliations, prepare and reconcile lists of liabilities monthly to the reconciled bank balances, and promptly investigate any differences. The Municipal Division should also work with the city to investigate unidentified balances in the old bank account, dispose of unclaimed and unidentified monies in accordance with state law, and close the account.
- 1.4 Work with the police department to ensure official prenumbered bond forms are issued, the numerical sequence of all bond forms is accounted for, a bond log is maintained to record all bonds received, and bond receipts are recorded and transmitted timely to the municipal division.
- 1.5 Work with the city to ensure surcharges collected for restricted purposes are adequately tracked or deposited into separate bank accounts and used for statutorily allowed purposes.
- 1.6 Establish procedures to routinely generate and review the accrued costs list, ensure proper follow up on amounts due, and provide information to, and work with, the Municipal Judge regarding amounts deemed uncollectible.
- 1.7 Maintain the change fund at a constant amount and periodically count and reconcile the monies on hand to the authorized balance.

Auditee's Response

The City of Winona Municipal Division provided the following responses:

- 1.1 *The City of Winona has terminated the former Court Clerk, the same individual that had also served as the City Clerk, and hired 2 separate individuals to serve as City Clerk and Court Clerk. The Court Clerk shall transfer all monies received by her to the City Clerk on a daily basis and each shall agree as to the amounts transferred*



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from the municipal division to the city. The City Clerk, as opposed to the Court Clerk, shall be responsible for disbursing fines, court costs, and other monies due to other individuals, including but not limited to restitution, recoupment, jail fees, etc., to those organizations or individuals to whom the amounts are owed. The municipal division has instituted a policy wherein the Court Clerk shall, using the installed case management system, prepare monthly reports for review by both the City of Winona's Board of Aldermen and the Municipal Judge indicating cases filed, resolution of those cases and fines, court costs, and other fees received by the municipal division.

- 1.2 The Court Clerk will issue prenumbered manual receipt slips for all monies received and account for the numerical sequence of receipt slips. The Court Clerk will also reconcile the manual receipt slips to the receipts recorded in the case management system. The city has implemented procedures to deposit receipts daily. The municipal division plans to move to a fully electronic receipting system in the future.*
- 1.3 The City Clerk and Court Clerk have begun, and shall continue, to work together to accurately reconcile the bank account statements for the city's municipal division bank account. The City Clerk and Court Clerk will also prepare and reconcile a list of liabilities monthly to the reconciled bank balances and investigate any differences. In addition, the city and municipal division shall work together to determine the appropriate receipts of the funds remaining in the old bank account and shall proceed to process the monies to the State Treasurer or other legally qualified recipient.*
- 1.4 The municipal division agrees to work with the police department.*
- 1.5 The municipal division agrees to work with the city.*
- 1.6 The Court Clerk is working to review and compare all files in the case management system to all the manual court files to ensure there is no conflict between the balances shown. In addition, the municipal division has instituted a policy wherein the Court Clerk shall print monthly balance due reports and provide copies for review to the Municipal Judge, City Clerk, and Mayor. The Court Clerk and Municipal Judge will work together to take action regarding amounts deemed uncollectible.*
- 1.7 The municipal division shall maintain a change fund of \$200 and will reconcile the monies on hand to the authorized balance daily.*



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The Police Chief provided the following responses:

- 1.2 *The police department has since the beginning of the audit implemented a "Document Receipt" policy, which makes all departments accountable for documents, money, and information transmitted between departments.*
- 1.4 *The police department has purchased a manual receipt slip book to receipt bonds and will reconcile the bond forms issued to receipt slips to account for the numerical sequence of receipt slips and bond forms. In addition, the police officers will record the receipt number and the corresponding case number from Crimestar on top of the bond forms. The police department has implemented the use of a transmittal log to document all bonds received and transmitted to the municipal division and will ensure bonds are transmitted timely.*

The City of Winona Board of Aldermen provided the following response:

- 1.5 *We have authorized the opening of 2 bank accounts for the biometric verification surcharges and the law enforcement training surcharges. Monies received from the municipal division for these surcharges will be deposited into the appropriate account and the use of monies will be monitored to ensure they are used for allowed purposes.*

2. Municipal Division Procedures

Municipal division procedures need improvement.

2.1 Case dispositions

The Municipal Judge does not always approve the final disposition of cases brought before the court or the fines handled through the Violation Bureau (VB). Additionally, the Municipal Judge's approval of amended and dismissed tickets is not always properly documented.

The Court Clerk records the case activity and final disposition of each case on the official docket sheets maintained manually in the case files and in the case management system. Our review of 60 tickets noted 46 (77 percent) of the related case files did not contain a completed manual case docket sheet signed by the Municipal Judge. In addition, the Court Clerk does not print the final docket that documents the case activity recorded in the system for the Municipal Judge's review and approval.

In addition, 7 of 10 (70 percent) amended tickets reviewed were approved using the Municipal Judge's signature stamp without subsequent approval as noted in section 2.2. The ability of the court clerks to amend and dismiss tickets without a documented review is a significant control weakness, and



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increases the likelihood of tickets being handled improperly and the risk of loss, theft, or misuse of monies going undetected.

To ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the final docket of each case to indicate approval of the recorded disposition.

2.2 Signature stamp

Controls over the Municipal Judge's signature stamp are not sufficient. The Municipal Judge has authorized court clerks to apply his facsimile signature to warrants, summons notices, and agreements to amend or dismiss charges. Court clerks authorized to use the signature stamp do not initial to indicate use and there is no independent review of the documents stamped. As a result, the court clerks have the authority to process an entire case using the Municipal Judge's signature stamp without the Municipal Judge ever reviewing the case. During our review of various cases, we noted 22 cases had stamped documents and 19 (86 percent) of these cases did not have the user's initials documented or a subsequent documented approval of stamped documents.

To reduce the risk of misuse, access to the Municipal Judge's signature stamp should be limited and the use of the signature stamp on documents should be subsequently approved.

2.3 Municipal division records

Municipal division case records are not maintained in an accurate and complete manner. Case information is maintained for each defendant on docket sheets kept in manual case files as well as computerized docket sheets maintained in the case management system. The Judge records case activity and sentencing on the manual docket sheets for cases brought before the court and the Court Clerk enters the information into the case management system. We noted instances in which the information between the manual and electronic records did not always agree. In addition, the sentencing for each case is not always documented on the manual case docket sheet when multiple cases for a single defendant are brought before the court at the same time.

Supreme Court Operating Rule 4.08 requires municipal divisions to maintain a docket or backer sheet for each case. All information regarding the case should be documented including, but not limited to, a copy of the ticket, case number, defendant name, sentence, bond information, warrant information, and disposition of the case. Accurate recording of the case information is necessary to properly account for the municipal division's financial activity. Failure to implement adequate case entry procedures increases the risk that loss, theft, or misuse of funds will go undetected and that manual and/or electronic case files will contain errors.



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2.4 Ticket accountability

The police department and the municipal division do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

Police officers are responsible for signing out their ticket books, entering tickets issued into the police department's electronic record system, and transmitting issued tickets to the municipal division for processing. The Assistant Court Clerk maintains tickets received from the police department to be reviewed by the Prosecuting Attorney. After the Prosecuting Attorney signs the tickets, the Court Clerk enters the information into the municipal division's case management system for processing. However, there are no procedures to account for the numerical sequence of all tickets issued, ensure the transmittal of all issued tickets to the municipal division, or document each ticket's disposition.

Neither the police department nor municipal division employees could locate 22 of 25 (88 percent) tickets we selected for review. The Police Chief indicated he believed most of the tickets were voided and would have been shredded after 6 months. However, no formal listing of voided tickets was retained. In addition, according to the police department's records, a ticket was issued to a member of the Court Clerk's family; however, this ticket could not be located at the municipal division and there was no documentation showing the Court Clerk entered the ticket into the municipal division's case management system for processing.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the police department and municipal division cannot ensure all tickets are properly submitted for processing. A record should be maintained to account for the ultimate disposition of each ticket to decrease the risk of loss, theft, or misuse of funds.

2.5 Bond forfeitures

Adequate notice is not provided to defendants prior to bond forfeiture hearings as required by state law. The Municipal Judge orders bonds to be forfeited when a defendant fails to appear at a scheduled court date. However, the municipal division does not summon the defendant for a bond forfeiture hearing prior to executing the bond forfeiture order.

Section 544.640, RSMo, requires the court to enter an order of forfeiture if the defendant fails to appear in court as required. Supreme Court Operating Rule 37.26 requires the court to enter a judgment of default and execution if a forfeiture has been declared. The judgment of default and execution and notice of a scheduled hearing is required to be provided to each obligor by the clerk of the court.

2.6 Court automation fee

The municipal division has not reviewed and determined how to disburse Court Automation Fund (CAF) fees that were collected until late February



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2017, when collection of the fee was determined to be inappropriate and discontinued. The municipal division charged and collected court costs of \$7 for the CAF fee on all cases and deposited the fees into the city's bank accounts. The municipal division collected CAF fees totaling \$11,669 during the 3 years ended December 31, 2017. The municipal division had been collecting the CAF fee since at least 2013, when it implemented the case management system.

Since the municipal division cases were heard by a municipal judge and the municipal division had not implemented the statewide court automation system, the municipal division determined it should not be assessing this fee. The municipal division should determine the proper disposition of the CAF fees collected.

2.7 Violation Bureau schedule

The Municipal Judge has not issued a court order for the schedule of fines and court costs to be collected on tickets paid through the VB. We identified several different VB schedules with varying fines and court costs used by the municipal division and police department during the year ending December 31, 2016. Police officers typically provide a copy of the schedules of fines and court costs with the ticket issued to each defendant. Without court orders authorizing the schedules and no effective dates documented on the schedules, it was unclear when each schedule was in effect. In addition, the VB schedule used by the municipal division is not posted at the VB.

Supreme Court Rule No. 37.49(d), requires the Municipal Judge to establish a schedule of fines and court costs for each offense by court order and prominently post the established schedule at the VB.

Recommendations

The City of Winona Municipal Division:

- 2.1 Ensure the Municipal Judge signs all court dockets and reviews and approves all amended and dismissed tickets.
- 2.2 Establish procedures to adequately secure and control the use of the Municipal Judge's signature stamp, including requiring the user to initial the stamp and a subsequent review and approval of stamped documents.
- 2.3 Ensure the proper disposition of cases is documented in manual and electronic records and sufficient documentation is maintained to support all case actions.
- 2.4 Work with the police department to ensure the numerical sequence and ultimate disposition of all tickets (including voided tickets) are accounted for properly.



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- 2.5 Ensure bond forfeiture procedures are in accordance with state law and court operating rules.
- 2.6 Review the past handling of the CAF fees with the Office of State Courts Administrator and legal counsel to determine if any action should be taken.
- 2.7 Establish the Violation Bureau schedule by court order and prominently post the schedule at the Violation Bureau.

Auditee's Response

- 2.1 *The municipal division has instituted a policy wherein the Court Clerk shall keep separate those cases which are resolved through the municipal division's Violation Bureau to be reviewed and initialed by the Municipal Judge on a monthly basis. Additionally, any cases that are dismissed by the Prosecuting Attorney now, and shall continue to, have a dismissal document submitted by the Prosecuting Attorney filed in the case file. Further, any amendments made by the Prosecuting Attorney to charges filed with the municipal division shall be made by written amendment submitted by the Prosecuting Attorney. The Municipal Judge will sign dismissal and amendment documents and the written docket sheet. The written docket sheet accompanying the manual case file, and not the electronic docket, shall continue to be the official record of the municipal division.*
- 2.2 *Although the Municipal Judge does now, and has since October 2016, personally signed all general warrants, the municipal division has allowed the Court Clerk to maintain a copy of the Municipal Judge's signature stamp to execute specific warrants which are requested by the Prosecuting Attorney's office on a case by case occasion. The municipal division has implemented a policy that the Court Clerk is to place her initials beside the stamped signature when used and then present to the Municipal Judge for his review and initials on the following court date.*
- 2.3 *As provided in section 2.1 above, the written docket sheet shall be the official docket of the municipal division; however, the electronic docket in the case management system will be updated by the Court Clerk within 24 hours of a written docket entry to ensure both dockets agree. In addition, for instances in which a defendant has multiple cases and mirror docket entries are required for the cases, the Municipal Judge will ensure the mirror entries are recorded prior to his departure from court to ensure case activity is adequately recorded for each case.*
- 2.4 *The Prosecuting Attorney's office and the police department are currently implementing a policy wherein there will be an accounting*



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for all Uniform Traffic Tickets (UTT) from the issuance of said UTT books to the officers to the filing of the same with the municipal division and intervening voiding, non-filing, or dismissal that may occur prior to the filing of the UTT with the municipal division. The Prosecuting Attorney's office and the police department will each maintain logs to document the transmittal of tickets from one department to another and to document the reasoning for any voids, non-filings, or dismissals.

- 2.5 *It has been the position of the Municipal Judge that upon an individual posting a cash bond, as opposed to a third party surety bond, upon a warrant having been issued for the defendant's failure to appear at an arraignment when the individual had previously been personally summonsed by the court, and that the defendant had signed the bond paperwork acknowledging the bond hearing return date, time, and location and the possibility that the bond could be forfeited to the city upon his or her failure to appear and the defendant does indeed then fail to appear at the bond hearing, forfeiture of the bond to the city would be appropriate. However, per the Auditor's suggestions, the municipal division has implemented a policy that the individual shall be separately summonsed to the bond hearing prior to any forfeiture of a cash bond on a failure to appear at arraignment.*
- 2.6 *The municipal division and city are now seeking legal advice as to the proper disposition of the Court Automation Fees previously collected and anticipate the matter to be resolved by June 1, 2018.*
- 2.7 *The Municipal Judge had previously issued a General Order which had provided for a uniform VB schedule which had been delivered to the previous Court Clerk, but has not been able to be located within the offices of the municipal division. Therefore, the Municipal Judge shall execute a new General Order providing for the schedule of fines for purposes of the VB and ensure the General Order and schedule are prominently posted at the municipal division. The police department shall discontinue providing a schedule of the fines to individuals at the time a UTT is issued and instead shall inform the individuals that receive a UTT, which may be resolved through the VB, to contact the Court Clerk directly for the information. This will ensure the individual receives the most current information.*

3. Excess Revenues

The city does not have adequate support for its 2016 excess revenues calculation. The amounts reported by the city as general operating revenues were significantly overstated, resulting in no excess revenues owed to the Department of Revenue (DOR). However, our calculations resulted in excess revenues of at least \$21,987 owed to the DOR.



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The city's excess revenue calculation for the year ended December 31, 2016, indicated the city's 2016 revenues from traffic violations totaled \$71,472, while general operating revenues totaled \$2,275,468. Based on these amounts the percent of general operating revenues from traffic violation revenues was 3 percent, and no payment was necessary to the DOR for any excess revenues for the year ended December 31, 2016. However, our review of city accounting records indicated the total general operating revenue reported by the city for use in its excess revenue calculation was overstated by \$2,022,679. The city most likely included restricted revenues from utilities and law enforcement and capital improvement sales taxes in the general operating revenue amount reported. Restricted revenues should be excluded from general operating revenues used in the calculation of excess revenues. However, since the city did not maintain documentation of its calculation of the general operating revenue amount, we cannot determine the amounts included.

We determined total general operating revenues, using city accounting records, should have been \$252,789. In addition, a report from the case management system indicated court revenues for minor traffic violations totaled \$72,545. Based on these initial amounts, the percentage of general operating revenues from minor traffic violation revenues was 29 percent, which exceeds the 20 percent the city is allowed to retain. Based upon these initial amounts, the city should have remitted excess revenues totaling at least \$21,987 to the DOR for the year ended December 31, 2016. However, during our review of the minor traffic violation report used in the calculation above, we identified a large difference between total court revenues and court revenues from minor traffic violations. A significant amount of the difference could not readily be explained and some municipal ordinance violations were not included in the minor traffic violation report; therefore, the minor traffic violation report generated may not be accurate and complete. As a result, additional amounts may be owed to the DOR. The city performed a similar excess revenue calculation for the year ended December 31, 2015.

Effective January 1, 2016, Section 479.359, RSMo, requires cities to remit any revenues from fines, bond forfeitures, and court costs for minor traffic violations greater than 20 percent of general operating revenue to the Department of Revenue. Effective August 28, 2016, the calculation in Section 479.359, RSMo, was changed to also include fines, bond forfeitures, and court costs for municipal ordinance violations.

To ensure compliance with state law, city officials should determine if the amounts used in the calculations are accurate, recalculate the amount of excess revenues, and remit the proper amount to the state.



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Recommendation

The City of Winona Municipal Division ensure the minor traffic violation report includes municipal ordinance violations, work with the City of Winona Board of Aldermen to recalculate excess revenues for the year ended December 31, 2016, and make payment to the DOR. Adequate documentation of all calculations should be maintained.

Auditee's Response

The Municipal Division provided the following response:

We agree to work with the city.

The City of Winona Board of Aldermen provided the following response:

Due to the criminal investigation relating to the audit of the City of Winona, the City Prosecuting Attorney has determined the revenues owed for 2016 are still potentially subject to a criminal investigation. After the city audit report is received and the city is fully aware of the issues noted in the audit report, further actions will be taken to address the revenues owed for 2016. For 2017 and future calculations, the City Clerk will include all necessary requirements to accurately calculate excess revenues and maintain calculation documentation.

4. Electronic Data Security

Controls over municipal division computers are not sufficient. As a result, municipal division records are not adequately protected and are susceptible to unauthorized access or loss of data.

4.1 Passwords

The municipal division has not established adequate password controls to reduce the risk of unauthorized access to computers and data. The Court Clerk and the Assistant Court Clerk share the same user identification and password to access the municipal division software. In addition, the Court Clerk and Assistant Court Clerk are not required to change passwords periodically.

Passwords are necessary to authenticate access to computers. The security of computer user identification and passwords is dependent upon keeping them confidential and requiring users to enter their passwords when switching users. However, since passwords do not have to be periodically changed and are shared between employees, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique, confidential, contain a minimum number of characters, and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

4.2 Security controls

Security controls are not in place to lock computers after a specified number of incorrect logon attempts or after a certain period of inactivity.



Thirty-Seventh Judicial Circuit
City of Winona Municipal Division
Management Advisory Report - State Auditor's Findings

Logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The City of Winona Municipal Division:

- 4.1 Require employees to maintain confidential passwords that must be periodically changed.
- 4.2 Ensure municipal division computers have security controls in place to lock each computer after a specified number of incorrect logon attempts and after a certain period of inactivity.

Auditee's Response

- 4.1 *The city has implemented a policy where all the computers are password protected and changed periodically. Each authorized user of the court computer program has individual user names and passwords.*
- 4.2 *The city has implemented a policy where all computers, after a specified time of inactivity, will go to a lock screen and a password will have to be entered to access the computer. The city plans to implement controls to lock each computer after a specified number of incorrect logon attempts.*

Thirty-Seventh Judicial Circuit

City of Winona Municipal Division

Organization and Statistical Information

The City of Winona Municipal Division is in the Thirty-Seventh Judicial Circuit, which consists of Carter, Howell, Oregon, and Shannon Counties. The Honorable David Evans serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division does not utilize OSCA's statewide automated case management system known as JIS. Instead, the municipal division utilizes Summit, an automated case management system provided by Data Technologies, Inc., that has been approved for use in municipal divisions by the State Judicial Records Committee.

Personnel

At December 31, 2016, the municipal division employees were as follows:

Title	Name
Municipal Judge	William T. Hass
Court Clerk ¹	Terri Denton
Assistant Court Clerk	Elisha Pierce
Prosecuting Attorney	Jodie Brumble

¹ Terri Denton served as the Court Clerk until she was terminated in September 2017, and Tammy Kile was subsequently hired in November 2017.

Financial and Caseload Information

	Year Ended December 31, 2016
Receipts	\$151,645
Number of cases filed	873

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 12.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Sheriff's Retirement	3.00
Court Automation ¹	7.00
Inmate Security (Biometric Verification)	2.00

¹ The municipal division stopped assessing the court automation fees in late February 2017.



Office of Missouri State Auditor
Nicole Galloway, CPA

Dade County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Dade County

Sheriff's Inmate Monies and Commissary Controls and Procedures

Significant weaknesses in internal controls and recording-keeping procedures of the Sheriff's office allowed missing monies to occur and go undetected. Inmate monies totaling \$795.99 from 32 receipt slips were received and not deposited into the inmate bank account, and as a result, these monies are missing. The Sheriff has not adequately segregated accounting duties or performed adequate and timely supervisory reviews of detailed accounting and bank records. Procedures for receipting, recording, and depositing inmate monies need improvement. The Sheriff does not prepare timely monthly bank reconciliations and does not prepare a list of liabilities. The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. The Sheriff's office is collecting a \$10 drug testing fee that is not allowed by state law.

Sheriff's Controls and Procedures

The Sheriff has not adequately segregated accounting duties or performed adequate and timely supervisory reviews of detailed accounting and bank records. Bond monies and civil and criminal process fees are not deposited intact or timely and were not timely recorded in the computerized accounting system. The Sheriff does not disburse some civil and criminal process fees and bond monies timely. The Sheriff does not prepare accurate timely monthly bank reconciliations and does not prepare lists of liabilities. Access is not adequately restricted to seized cash.

County Collector-Treasurer's Controls and Procedures

The County Collector-Treasurer did not withhold amounts from tax collections for the Assessment Fund in compliance with state law. The County Collector-Treasurer did not properly review or calculate commissions taken on delinquent taxes, current railroad and utility taxes, and surtax. The County Collector-Treasurer's contracts with 5 cities to provide property tax billing and collection services have not been periodically updated and are not current.

Property Tax System

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector-Treasurer. The County Commission does not review and approve court orders for property tax additions and abatements. The County Clerk does not have procedures in place to ensure aggregate abstracts prepared are accurate.

Electronic Data Security

The County Collector-Treasurer and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Security controls are not in place to lock computers in the offices of the Recorder of Deeds and County Assessor after a specified number of incorrect logon attempts. The Recorder of Deeds and the Public Administrator do not store data backup files at an offsite location. In addition, backups are not tested periodically in the offices of the Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was Poor .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Dade County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Dade County

We have audited certain operations of Dade County in fulfillment of our duties under Section 29.230, RSMo. In addition, Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, was engaged to audit the financial statements of Dade County for the 2 years ended December 31, 2016. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2016. The objectives of our audit were to:

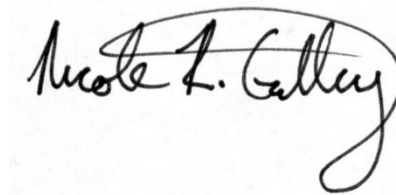
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Dade County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Pamela Allison, CPA
In-Charge Auditor:	Connie James
	Marian Rader, M.Acct., CPA, CFE
Audit Staff:	Leaoffia Hilton
	James C. Kayser
	Cory Lawson
	Joy Stevens, CFE

Dade County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Inmate Monies and Commissary Controls and Procedures

Inmate receipts totaling \$795.99 were received but not deposited into any of the 3 Sheriff's office bank accounts. Significant weaknesses in internal controls and recording-keeping procedures of the Sheriff's office as noted throughout this report, allowed the missing monies to occur and go undetected. The Sheriff collected approximately \$16,800 of inmate monies and commissary commissions during our review period of January 1, 2016, through August 31, 2017.

The Sheriff's office uses a computerized accounting system to track inmate monies and commissary sales. Computerized receipt slips are issued by jailers; however, some of these employees and the Administrative Assistant continue to issue manual receipt slips for inmate monies. A separate computerized accounting system is used by the Sheriff's Administrative Assistant to track other receipts, deposits, disbursements, and by the Sheriff to prepare bank reconciliations.

1.1 Missing monies

Inmate monies totaling \$795.99 from 32 receipt slips were received and not deposited into the inmate bank account, and as a result, these monies are missing. The monies were recorded by various jailers or the Administrative Assistant either on manual receipt slips or in the computerized accounting system used to track inmate monies.

- Inmate receipts (cash) totaling \$45, recorded on 4 manual receipt slips issued between February 16, 2016, and August 31, 2016, were not deposited.
- Inmate receipts totaling \$750.99, recorded on 28 electronic receipt slips in the computerized accounting system between January 1, 2016, and July 16, 2017, were not deposited.

The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Sheriff resulted in the missing monies being undetected. Our initial review of the Sheriff's accounting records, indicated inmate receipts totaling \$3,070.23, recorded on 60 receipt slips (manual and electronic) issued between January 1, 2016, and August 31, 2017, were not deposited. However, upon providing this list of receipt slips to the Sheriff, he was able to determine how some of these monies (28 of the 60 receipt slips) were handled; however, the accounting records were not corrected for the various issues (see sections 1.3 and 1.4). The Sheriff could not determine or explain the disposition of the remaining 32 receipt slips. The Supporting Documentation for Missing Inmate Receipts section provides details regarding the missing monies.

1.2 Segregation of duties and supervisory reviews

The Sheriff has not adequately segregated accounting duties or performed adequate and timely supervisory reviews of detailed accounting and bank records. The Administrative Assistant is responsible for receipting, recording, and depositing monies; and preparing checks. The Sheriff does not perform a



Dade County Management Advisory Report - State Auditor's Findings

timely review of the accounting and bank records to ensure monies received were properly recorded, deposited, and disbursed (see section 1.4).

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receipting, recording, and depositing, and disbursing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential.

1.3 Receipting, recording, and depositing

Procedures for receipting, recording, and depositing inmate monies need improvement.

- Manual receipt slips for inmate monies are not always issued in numerical sequence. Thirty-eight receipt slips of the 338 issued from January 2016 through August 2017 were not issued in numerical sequence.
- Some cash refunds totaling \$756 refunded to inmates when released from jail from January 2016 to August 2017 were not always recorded in the computerized accounting system, resulting in the overstatement of inmates' balances. Office procedure requires inmate monies over \$5 to be deposited and refunds be issued by check. In addition, during the period February 2017 through May 2017, the Sheriff made duplicate payments by refunding \$116 by check to inmates who had already received their refunds in cash.
- The Sheriff's office does not document the transmittal of monies from the jailers to the Administrative Assistant, and the Administrative Assistant does not reconcile the composition of the receipt slips issued to the monies transmitted and deposited.
- Inmate monies are not deposited intact or timely. For example, \$110 received on August 6 and 7, 2016, was held and not deposited until the August 16, 2016, deposit totaling \$337. This money was not deposited although other money receipted from July 27, 2016, to August 9, 2016, totaling \$449 was deposited on August 10, 2016. In addition, the Sheriff's Administrative Assistant held 68 percent of inmate money more than a week before depositing it.
- Checks received are not restrictively endorsed at the time of receipt and are only endorsed when deposits are prepared. For example, a check issued from another jail to an inmate was received on August 10, 2017, was endorsed by the inmate and was still on hand at the time of our cash count on August 31, 2017. The check could have been negotiated since the Sheriff's office had not applied a restrictive endorsement on the check.



Dade County
Management Advisory Report - State Auditor's Findings

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected.

1.4 Bank reconciliations and liabilities

The Sheriff does not prepare timely monthly bank reconciliations and does not prepare a list of liabilities. The Sheriff did not prepare monthly bank reconciliations for February 2016 through December 2016 until June 2017. In addition, accurate accounting records were not maintained, and errors were not corrected timely. As a result, reports generated from the computerized accounting systems used to track both inmate monies and commissary sales and receipts, deposits, and disbursements cannot be relied upon by the Sheriff to reconcile the inmate bank account.

For example, \$561 of seized cash was incorrectly recorded in the computerized accounting system on May 26, 2016, as inmate monies. These monies were placed into evidence and not deposited into the inmate bank account. The error was not corrected until July 31, 2017. Additionally, we identified \$167 owed and refunded to inmates by check from January 2016 to August 2017, that was not deposited. Also, during our review of the December 31, 2016, bank reconciliation prepared by the Sheriff, we identified 12 deposits in transit from August 18, 2015, to October 31, 2015, totaling \$1,971 and 3 outstanding checks totaling \$477 that had already cleared the bank.

A list of liabilities is also not prepared for the inmate account. The reconciled inmate bank account balance was \$6,405 as of December 31, 2016. While the computerized accounting system used to track inmate monies can produce a list of inmate monies on hand (liabilities), such a list was not generated as of December 31, 2016. Commissary net proceeds remain in the bank account and the Sheriff does not track net proceeds. Since a list of liabilities is not maintained and commissary net proceeds are not tracked, we cannot determine if there are unidentified monies or a shortage of monies in the bank account.

Performing monthly bank reconciliations timely and preparing monthly lists of liabilities helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Regular identification and comparison of liabilities to the reconciled cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities. Various statutory provisions provide for the disposition of unidentified monies.

1.5 Inmate Prisoner Detainee Security Fund

The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. All commissary net proceeds from the commissary sales, and commissions received from the commissary vendors for purchases made by the Sheriff are retained with the



Dade County Management Advisory Report - State Auditor's Findings

inmate monies and drug testing fees, in the inmate bank account. Any amount in the bank account exceeding the inmate monies and drug testing fees is considered commissary net proceeds.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) of the commissary account into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer. In addition, Section 488.5026.3, RSMo, mandates how the funds deposited in the Inmate Prisoner Detainee Security Fund shall be used.

1.6 Drug testing fees

The Sheriff's office is collecting a \$10 drug testing fee that is not allowed by state law. The drug testing fee is collected for all drug tests administered, including the general public, unless the fee is waived by the court. These fees are deposited into the inmate bank account. The Sheriff's office does not track and does not know the amount of drug testing fees being held in the account. There is no statutory authority allowing the Sheriff to charge and collect such a fee.

Recommendations

The Sheriff:

- 1.1 Investigate the missing inmate receipts. The Sheriff should also work with law enforcement officials regarding criminal prosecution.
- 1.2 Segregate accounting duties or ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.
- 1.3 Establish procedures to issue manual receipt slips in numerical sequence, only issue refunds to inmates by check, document the transmittal of inmate monies between office personnel and reconcile the composition of receipts to the composition of amounts transmitted, deposit monies intact and timely, and restrictively endorse checks at the time of receipt.
- 1.4 Ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled timely. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, if any monies remain unidentified, the monies should be disbursed in accordance with state law.
- 1.5 Ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to



Dade County
Management Advisory Report - State Auditor's Findings

the County Collector-Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.

1.6 Discontinue charging and collecting drug testing fees.

Auditee's Response

1.1 *I will investigate the allegations and contact an outside agency to investigate should I find reasonable belief that funds have been stolen.*

1.2 *Duties will be segregated to the extent they can. I will begin having the jailers issue receipt slips, the Jail Supervisor review receipt slips and prepare the deposits, and the Administrative Assistant perform a documented review and take the deposit to the bank. I will, or I will assign the task to another for an independent and timely review of bank records and proper disbursement of funds if appropriate.*

1.3 *I have discontinued using the manual receipt slips and all inmate monies are receipted in the computerized accounting system, which automatically assigns a receipt slip in numerical sequence. I will enforce the policy of no cash refunds over \$5 and all refunds over \$5 will be deposited and refunded by check. My office primarily receives cash, and any instances when any other form of payment is received the payment method will be documented in the accounting system. The computerized accounting system is capable of generating a cash closeout report. I will begin requiring this report to be generated and reconciled by composition and totaled to the monies on hand at the end of each shift. The cash closeout report will be reviewed and reconciled to the monies on hand by the Jail Supervisor. The Jail Supervisor will prepare the deposits, and the Administrative Assistant will perform a documented review of the deposit. Deposits will be prepared on a weekly basis to ensure all monies are deposited timely. All checks received will be endorsed immediately as the checks are received.*

1.4 *I will prepare bank reconciliations and lists of liabilities monthly and investigate any differences immediately. I will distribute any unidentified monies in accordance with state law. If I am unable to perform these duties in a timely manner, I will delegate these duties to ensure the bank accounts are reconciled in a timely manner.*

1.5 *I will turn over existing commissary net proceeds to the County Collector-Treasurer and turn over future commissary net proceeds to the County Collector-Treasurer on a monthly basis to be deposited into the Inmate Prisoner Detainee Security Fund.*



Dade County
Management Advisory Report - State Auditor's Findings

1.6 *I am taking the recommendation under consideration and will seek legal advice regarding the charging and collecting of the drug testing fees.*

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office collected approximately \$70,000 of civil and criminal process fees, bonds, and other miscellaneous fees during the year ended December 31, 2016.

2.1 Segregation of duties and supervisory reviews

The Sheriff has not adequately segregated accounting duties or performed adequate and timely supervisory reviews of detailed accounting and bank records. The Administrative Assistant is responsible for receipting, recording, and depositing monies; and preparing checks. While the Sheriff performs bank reconciliations and signs checks, he does not timely perform a review of the accounting records to ensure monies received were properly recorded, deposited, and disbursed.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receipting, recording, and depositing, and disbursing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential.

2.2 Depositing and recording

Bond monies and civil and criminal process fees are not deposited intact or timely and were not timely recorded in the computerized accounting system. For example, a \$5,000 cash bond received on January 12, 2016, was not recorded in the computerized accounting system until January 22, 2016, and not deposited until February 5, 2016. In another example, a \$30 civil process fee received on April 22, 2016, was held and not deposited until August 10, 2016. Civil and criminal process fees collected from January 19, 2017, through May 5, 2017, totaling \$1,256 were not deposited until May 11 through May 17, 2017. Civil and criminal process fees are typically not recorded into the computerized accounting system until the deposit is prepared.

Failure to implement adequate depositing and recording procedures increases the risk that loss, theft, or misuse of monies received will go undetected.

2.3 Disbursements

The Sheriff does not disburse some civil and criminal process fees and bond monies timely. Civil and criminal process fees collected from January to April 2016, totaling \$3,831, were not disbursed to the County Collector-Treasurer until October 2016, and civil and criminal process fees collected from May to December 2016, totaling \$5,573 were not disbursed to the County Collector-Treasurer until June 2017. Two bonds received on September 22, 2016, totaling \$400, had not been disbursed as of October 18, 2017.



Dade County
Management Advisory Report - State Auditor's Findings

Timely disbursement of monies collected is necessary to provide adequate controls over account balances and increase the likelihood discrepancies are promptly detected. In addition, Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such fees monthly to the County Treasurer. Additionally, pursuant to Section 50.380, RSMo, the Sheriff may be subject to penalties for failure to timely disburse monies.

2.4 Bank reconciliations and liabilities

The Sheriff does not prepare accurate timely monthly bank reconciliations and does not prepare lists of liabilities. For example, the January 2017 fee account bank reconciliation was not prepared until June 2017, and the February 2016 through December 2016 bond account bank reconciliations were not prepared until June 2017.

The reconciled fee account bank balance was \$5,573 as of December 31, 2016, and represented the civil and criminal process fees collected and not disbursed to the county from May 2016 to December 2016 (see section 2.3). During our review of the December 31, 2016, bond account bank reconciliation, we identified \$1,298 of deposits in transit that had either already cleared the bank or were accounting errors and 5 outstanding checks totaling \$1,300 that had been returned or voided and reissued. The adjusted reconciled bond account balance as of December 31, 2016, was \$1,253. We identified liabilities totaling \$1,205, leaving an unidentified balance of \$48.

Performing monthly bank reconciliations timely and preparing monthly lists of liabilities helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Regular identification and comparison of liabilities to the reconciled cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities. Various statutory provisions provide for the disposition of unidentified monies.

2.5 Seized property

Access is not adequately restricted to seized cash. Seized cash is stored in a lock box with other receipts collected in the Sheriff's office, and as a result, the Administrative Assistant has access to the seized cash. The Administrative Assistant should not have access to the seized cash because she does not have official duties or responsibility over seized property.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of seized property.

Similar conditions previously reported

A similar condition to section 2.1 was noted in our prior 2 audit reports. A similar condition to section 2.2 was noted in our prior 4 audit reports. A similar condition to section 2.4 was noted in our prior 3 audit reports. A similar condition to section 2.5 was noted in our prior audit report. In addition,



Dade County
Management Advisory Report - State Auditor's Findings

Report No. 2013-118, *Follow-Up Report on Audit Findings - Dade County* (sections 2.1, 2.3, 2.4, and 2.5), issued in November 2013, reported the status as implemented for sections 2.1 and 2.4, and in progress for sections 2.2 and 2.5.

Recommendations

The Sheriff:

- 2.1 Segregate accounting duties or ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.
- 2.2 Ensure monies received are deposited intact and are recorded and deposited timely.
- 2.3 Ensure receipts are disbursed timely.
- 2.4 Ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled timely. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, if any monies remain unidentified, the monies should be disbursed in accordance with state law.
- 2.5 Restrict access to all seized cash.

Auditee's Response

- 2.1 *I will perform timely reviews of the accounting and bank records and if I am unable to perform the reviews timely, I will delegate the duty to ensure a timely review of these records is performed.*
- 2.2 *I will require my Administrative Assistant to record and deposit monies intact weekly.*
- 2.3 *I will require my Administrative Assistant to prepare checks for me to sign on a weekly basis.*
- 2.4 *I will prepare bank reconciliations and lists of liabilities monthly and investigate any differences immediately. I will distribute any unidentified monies in accordance with state law. If I am unable to perform these duties in a timely manner, I will delegate these duties to ensure the bank accounts are reconciled in a timely manner.*
- 2.5 *I will work with the County Commission to determine a solution to adequately secure the seized cash.*



Dade County
Management Advisory Report - State Auditor's Findings

3. County Collector-Treasurer's Controls and Procedures

Controls and procedures in the County Collector-Treasurer's office need improvement. Property taxes and other monies collected by the County Collector-Treasurer totaled approximately \$6.6 million during the year ended February 28, 2017.

3.1 Assessment withholdings

The County Collector-Treasurer did not withhold amounts from tax collections for the Assessment Fund in compliance with state law. Assessment Fund withholdings were withheld at 1.25 percent instead of the 1.5 percent allowed, resulting in amounts being under withheld from various political subdivisions. For December 2016, \$12,672 (including \$300 related to city contracts, see section 3.3) was not withheld from various political subdivisions and disbursed to the Assessment Fund.

Section 137.720.1, RSMo, requires a one percent commission on ad valorem property tax collections allocable to each taxing authority be deducted from the collections of taxes each year and deposited into the assessment fund of the county. Section 137.720.3, RSMo, requires an additional one-half percent commission. Adequate monitoring and proper calculation of Assessment Fund withholdings is necessary to ensure compliance with statutory provisions.

3.2 Commissions

The County Collector-Treasurer did not properly review or calculate commissions taken on delinquent taxes, current railroad and utility taxes, and surtax. The County Collector-Treasurer incorrectly withheld 2 ½ percent on all delinquent taxes and surtax collected rather than the 3 percent required resulting in amounts being under withheld from various political subdivisions. These amounts are owed to the county's General Revenue Fund. For example, the County Collector-Treasurer under withheld \$6,059, in December 2016 and January 2017 from delinquent taxes, railroad and utility taxes, and surtax.

Section 54.320, RSMo, requires the collector-treasurer to collect a fee of 3 percent on all licenses, current railroad and utility taxes, surtax, back taxes, delinquent taxes and interest collected, to be deducted from the amounts collected.

3.3 Written contracts

The County Collector-Treasurer's contracts with 5 cities to provide property tax billing and collection services have not been periodically updated and are not current. The contracts were prepared in 2009. In addition, the contracts state assessment withholdings are withheld at 1.25 percent instead of 1.5 percent allowed in accordance with state law.

Section 50.332, RSMo, allows county officials, subject to the approval of the county commission, to perform tax collection services for cities they normally



Dade County
Management Advisory Report - State Auditor's Findings

provide to the county for additional compensation. Section 432.070, RSMo, requires all such contracts be in writing. Clear, detailed, and timely written contracts are necessary to ensure all parties are aware of the services to be performed and the compensation to be paid for the services.

Recommendations

The County Collector-Treasurer:

- 3.1 Review Assessment Fund withholdings for past years, calculate the amount owed by each taxing district, withhold amounts from future tax collections and disburse amounts under withheld to the Assessment Fund.
- 3.2 Recalculate tax commissions withheld from delinquent taxes, railroad and utility taxes, and surtax and correct distributions to the various political subdivisions and the General Revenue Fund. The County Collector-Treasurer should also ensure future commission calculations are accurate.
- 3.3 Work with the County Commission to obtain current written contracts with the cities for property tax collections that contain contract terms that are in accordance with state law.

Auditee's Response

- 3.1 &
- 3.2. *I have worked with the property tax computer programmer to correct future Assessment Fund withholdings and commissions, and I will work with the County Commission to consider withholding amounts and correcting distributions regarding past years.*
- 3.3 *I will work with the County Commission to prepare current written contracts and ensure the contract terms are in accordance with state law.*

4. Property Tax System

Controls and procedures over the property tax system need improvement.

4.1 Review of activity

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector-Treasurer. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. In addition, the County Clerk and the County Commission do not perform procedures to verify the accuracy and completeness of the County Collector-Treasurer's annual settlements. As a result, there is an increased risk of loss, theft, and misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate.



Dade County Management Advisory Report - State Auditor's Findings

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarizes all taxes charged to the County Collector-Treasurer, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector-Treasurer are complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector-Treasurer's annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

A similar condition was noted in our prior 2 audit reports.

4.2 Additions and abatements The County Commission does not review and approve court orders for property tax additions and abatements. During the year ended February 28, 2017, additions totaled approximately \$75,000 and abatements totaled approximately \$14,000.

The County Assessor and County Clerk process additions and abatements and print a court order; however, the court orders were not presented to the County Commission for review and approval.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, periodic reviews and timely approvals of additions and abatements, along with an independent reconciliation of approved additions and abatements to corrections made to the property tax system, would help ensure changes are proper.

4.3 Aggregate abstracts The County Clerk does not have procedures in place to ensure aggregate abstracts prepared are accurate. The County Clerk did not accurately prepare the 2016 and prior years back tax aggregate abstract. The back tax aggregate abstract filed in May 2017, did not report the 2015 and prior real estate and surtax back taxes totaling \$66,463, which were included on the delinquent property tax book generated by the County Collector-Treasurer's office. The County Clerk amended this back tax aggregate abstract in September 2017, after we brought the error to her attention.

Section 137.295, RSMo, requires the County Clerk to prepare these reports and forward them to the Department of Revenue and State Tax Commission upon completion of delinquent tax books. These reports should be reconciled to the delinquent tax books to ensure accuracy.



Dade County
Management Advisory Report - State Auditor's Findings

Recommendations

- 4.1 The County Clerk maintain an account book with the County Collector-Treasurer. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector-Treasurer's annual settlements.
- 4.2 The County Commission ensure property tax additions and abatements are properly reviewed and approved.
- 4.3 The County Clerk establish procedures to ensure back tax aggregate abstracts are prepared accurately.

Auditee's Response

The County Clerk provided the following responses:

- 4.1 *I began maintaining an account book in March 2018 for the 2018 tax year. I will use the account book to review and reconcile the annual settlement.*
- 4.3 *I will ensure the aggregate abstracts agree to the tax books and the annual settlement.*

The County Commission provided the following responses:

- 4.1 *We will use the account book prepared by the County Clerk to review and reconcile the annual settlement, and we will document our review of the annual settlement.*
- 4.2 *We will begin performing a documented review of the additions and abatements on a monthly basis.*

5. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

5.1 Passwords

The County Collector-Treasurer and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices share passwords and passwords are not kept confidential. Also, the County Collector-Treasurer does not change his password periodically.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords are shared and not confidential in these offices, and passwords are not periodically changed by the County Collector-Treasurer, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique, confidential, and changed



Dade County Management Advisory Report - State Auditor's Findings

periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

5.2 Security controls

Security controls are not in place to lock computers in the offices of the Recorder of Deeds and County Assessor after a specified number of incorrect logon attempts.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

5.3 Data backups

The Recorder of Deeds and the Public Administrator do not store data backup files at an offsite location. In addition, backups are not tested periodically in the offices of the Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

To help prevent loss of information and ensure essential information and computer systems can be recovered, computer data should be stored offsite and tested on a periodic basis.

Recommendations

The County Commission work with the other county officials to:

- 5.1 Require confidential passwords for each employee that are periodically changed to prevent unauthorized access to the county's computers and data.
- 5.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts.
- 5.3 Ensure backed-up computer data is stored in a secure offsite location and tested on a regular basis.

Auditee's Response

- 5.1 *We will work with the County Collector-Treasurer and Recorder of Deeds to establish unique confidential passwords, ensure passwords are not shared, and that passwords are periodically changed.*
- 5.2 *We will work with the Recorder of Deeds and County Assessor to ensure they implement security controls for their computers to lock after a number of incorrect logon attempts.*
- 5.3 *We will work with the Recorder of Deeds and Public Administrator to have their backups stored in a secure offsite location. We will work*



Dade County
Management Advisory Report - State Auditor's Findings

with the Recorder of Deeds, Public Administrator, and Prosecuting Attorney to ensure they test their backups on a regular basis.

Dade County

Organization and Statistical Information

Dade County was a township-organized, third-class county for the year ended December 31, 2016. As of April 4, 2017, Dade County voters approved the abolishment of the township form of government. The county seat is Greenfield.

Dade County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 25 full-time employees and 9 part-time employees on December 31, 2016. The townships maintained county roads until the abolishment of the townships. Responsibility for road maintenance is now with the county. As a result of the abolishment of the townships, township officials were required by law to turn over records and title to all property to the county. In addition, all outstanding township debt became liabilities of the county.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2017	2016
Randy Daniel, Presiding Commissioner	\$	27,080
David Rusch, Associate Commissioner		25,080
Dallas Maxwell, Associate Commissioner		25,080
Carolyn Kile, Recorder of Deeds		38,000
Melinda Wright, County Clerk		38,000
Gary Troxell, Prosecuting Attorney		45,000
Max Huffman, Sheriff		42,000
Gary Banta, County Coroner		11,000
Chrissy Welch, Public Administrator		20,000
Rod O'Connor, County Collector-Treasurer (1), year ended March 31,	42,595	
Annette Black, County Assessor, year ended August 31,		38,000

(1) Includes \$4,595 of commissions earned for collecting city property taxes.

Dade County
Supporting Documentation for Missing Inmate Receipts

Type of Receipt Slip	Date Received	Receipt Slip Number	Amount Received and Not Deposited
Manual	2/16/2016	1049	\$ 10.00
Manual	7/21/2016	1105	10.00
Manual	8/31/2016	1125*	5.00
Manual	8/31/2016	1126	20.00
Computerized	1/7/2016	94	10.00
Computerized	1/31/2016	100	10.00
Computerized	2/2/2016	101	20.00
Computerized	2/5/2016	102	10.00
Computerized	2/9/2016	104	20.00
Computerized	2/15/2016	105	10.00
Computerized	3/1/2016	108	10.00
Computerized	3/21/2016	125	10.00
Computerized	3/28/2016	132	10.00
Computerized	4/22/2016	138	1.56
Computerized	5/6/2016	144	0.80
Computerized	5/6/2016	146	2.72
Computerized	5/24/2016	157	10.00
Computerized	5/28/2016	161	1.75
Computerized	6/8/2016	167	20.00
Computerized	6/15/2016	169	20.00
Computerized	6/17/2016	170	20.00
Computerized	7/14/2016	184	15.00
Computerized	9/23/2016	2254**	10.00
Computerized	9/23/2016	2255	20.00
Computerized	10/18/2016	2275	2.50
Computerized	11/11/2016	2289	31.00
Computerized	3/17/2017	2380	10.14
Computerized	4/4/2017	2398	7.00
Computerized	4/10/2017	2407	441.00
Computerized	5/10/2017	2446	10.00
Computerized	6/28/2017	2496	2.52
Computerized	7/16/2017	2509	15.00
			<u>\$ 795.99</u>

* Receipt slip number 1125 was issued for \$55, but only \$50 was recorded in the computerized accounting system and deposited.

** A new receipt slip sequence was started on August 20, 2016, with receipt slip number 2228. The Sheriff indicated new sequences were started to ensure the same sequence of numbers were not used in different modules of the computerized accounting system used to track inmate monies.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

University of Missouri
System Administration

Report No. 2018-026

May 2018

auditor.mo.gov

University of Missouri System Administration

Follow-Up Report on Audit Findings

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Status of Findings*

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*Includes selected findings



NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Eric Greitens, Governor
and
Board of Curators of the University of Missouri
and
Dr. Mun Y. Choi, President
University of Missouri - System Administration
Columbia, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2017-012, *University of Missouri System Administration* (rated as Fair), issued in March 2017, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the administration of the University of Missouri System Administration about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by system administration and discussions with system administration to verify the status of implementation for the recommendations. Documentation provided by the system administration included payroll detail, new policies, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during February 2018.

Nicole R. Galloway, CPA
State Auditor

University of Missouri System Administration

Follow-Up Report on Audit Findings

Status of Findings

1.1 Incentive Payments

The Board of Curators or System President approved \$819,000 in incentive payments to top executives and administrators, including the chancellors of the 4 system campuses, for their performance during the years ended June 30, 2014 and 2015. An additional \$359,000 were paid in incentive payments for the fiscal year 2017. The incentive payments were made in accordance with Board of Curators approved Collected Rules and Regulations (CCR) 20.130, which allows the President to develop a pay system to facilitate recruitment, retention, and meaningful performance assessment of executive staff.

Incentive payments were made without a formalized and clearly defined process of how the additional compensation was to be earned, giving the appearance of year-end bonuses, which may violate the Missouri Constitution. The majority of these incentive payments were paid to administrators without formal approval by the Board of Curators of the individual amounts. Also, additional compensation is not included in the individual's published salaries, thereby reducing compensation transparency to the public. While the majority of the individuals participating in the incentive program are notified of their participation in the program through an offer letter or employment contract, no documentation was provided for two associate vice president-level employees to show they were clearly notified prior to the beginning of the year they were participating in the program.

Recommendation

Ensure the incentive pay program utilizes specific and objective measurement criteria to determine when incentive payments have been earned, and ensure all individuals participating in the program are clearly designated and notified. The Board of Curators should also ensure all incentive criteria have been met, approve all such payments, and ensure reported salaries include all compensation.

Status

Implemented

The incentive payment program has been eliminated as of March 10, 2017. In addition, incentive performance plans established through contracts for individuals reporting directly to the Board, including the System President, Board Secretary, and General Counsel, have been eliminated. No incentive payments have been issued since that date.

1.2 Chancellor Transition

With the approval of the then UM System President, the Columbia campus created a new position for the former Chancellor following his resignation in November 2015. The duties of the new position (Director of National Security Research Development) were not supported by the strategic plans of the UM System or the Columbia campus, the compensation for the position was significantly higher than other research administrators, and the Chancellor was allowed to keep additional compensation not required in his original contract.



University of Missouri System Administration
Follow-up Report on Audit Findings
Status of Findings

Recommendation

Ensure compensation terms for administrators are in the best interest of the UM System, the universities, and taxpayers.

Status

Implemented

The new position was eliminated and this individual is no longer working as an administrator at the university. The individual currently works as a professor at the Columbia campus as required by his original contract.

1.3 Vehicle Allowances

Vehicle allowances paid to UM System executives appeared excessive and resulted in a lack of transparency in executive compensation. The method to calculate the vehicle allowances did not approximate the actual expenses incurred by the employees on behalf of the system. Rather, vehicle allowance amounts paid by the UM System were calculated to be equivalent to the system providing a leased luxury vehicle to each participating executive, including insurance and fuel. Fifteen positions received vehicle allowances during the year ended June 30, 2016.

Recommendation

Ensure vehicle allowances are based on reasonable estimates of actual mileage, or reimburse executives based on actual miles traveled.

Status

Partially Implemented

The UM System has stopped paying vehicle allowances for 8 of the 15 administrators who received them during the audit period. In addition, the system is phasing out two additional administrators' vehicle allowances as their contracts come up for renewal during calendar year 2018. The vehicle allowances will continue for 5 positions (the Chief of Staff, System President, General Counsel, and 2 campus Chancellors) as a component of their compensation contracts. The vehicle allowances were determined during compensation negotiations and not based on reasonable estimates of actual mileage or on actual miles traveled as recommended. The table below shows the monthly average vehicle allowance for these 5 positions. Three of the 5 allowances will be less than the amounts paid during the audit period.

Monthly Average Vehicle Allowances by Position

Position	Fiscal Year 2018	Fiscal Year 2016
System President	\$ 1,463	1,310
General Counsel	1,323	1,307
Chancellor, Rolla Campus	1,081	1,234
Chancellor, Columbia Campus	1,075	1,300
Chief of Staff	501	1,254



Office of Missouri State Auditor
Nicole Galloway, CPA

Hazelwood School District



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Hazelwood School District

Cash Handling and Accounting Controls and Procedures	Significant improvements are needed in the district's cash handling internal controls and procedures. The district has a finance handbook that addresses cash receipting and depositing procedures. However, the guidance is limited and does not address some important procedures. The district has not or is unable to adequately segregate duties, and documented supervisory or independent reviews of the accounting records are not performed. Significant weaknesses exist in receipting, transmitting, and depositing monies received at some schools. The district does not have a list of approved change funds and the authorized balances or a written policy regarding change funds.
Central High School	Some monies received were not deposited and are missing, some district personnel did not follow Board policy regarding the theft, and the Board did not pursue resolution for the full amount missing. District personnel identified deposits with discrepancies made between August 2015 and October 2016. Improvements are needed in the handling of concession sales and inventory, and popcorn and summer snack sales, and there were unaccounted for differences between sales and amounts deposited.
Attendance Data and Procedures	The district improperly reported attendance resulting in receiving overpayments in state funding of approximately \$95,000. Student attendance is not always calculated accurately and, as a result, the district claimed student attendance hours when students were not present and received excess state monies. The district's attendance system does not limit the time period when changes can be made and there is no review by district officials to ensure changes made to current school year attendance records are appropriate.
Sunshine Law	The district did not always comply with the Sunshine Law and was not always consistent or transparent when notifying the public of board meetings. The public record request log documenting compliance with Sunshine Law requests was not complete. The Board discussed some topics in closed meetings that are not allowable by state law. The Board posted agendas for some "special Board retreat meetings" differently from other meetings and these meetings were not held on set dates or at set locations that would allow the public to otherwise be aware of the meetings.
Disbursements	District controls and procedures over disbursements need improvement. The district made disbursements that did not seem reasonable and/or provide a benefit to the school district. Disbursements were miscoded, invoices lacked proper approval, sales tax was paid on several purchases, and one employee's reimbursement was not accurate.
District Policies and Procedures	Various district policies and procedures need improvement. The district and school offices do not have security controls in place to lock computers after a certain period of inactivity. The district does not have controls and procedures in place to ensure salary schedules are accurate. The district did not solicit bids or proposals for several purchases of goods and services during the 2016-2017 school year.

Capital Assets and Fuel Usage	Controls and procedures over district property and fuel usage need improvement. The district does not always follow its policies and procedures for all capital assets. The district does not reconcile fuel logs to fuel billings.
Chromebook Laptop Computers	The district did not perform a comprehensive cost study for the 2015 Chromebook computer project and the purchase was not properly bid.
Vehicle Allowances	The district has not documented the basis for vehicle allowances, the allowance amounts, and the Associate Superintendent's mileage reimbursement.
Internal Audit Function	The district lacks an internal audit function that could have helped discover and/or resolve the weaknesses addressed in this report and noted by the district's financial auditors.
Board Oversight of District Resources	The Board did not always ensure the efficient use of district resources while the district faced a reduced fund balance.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Hazelwood School District

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Board of Education
Hazelwood School District

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Hazelwood School District. We have audited certain operations of the district in fulfillment of our duties. The district engaged Kerber, Eck & Braeckel, LLP, Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended June 30, 2017. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2017. The objectives of our audit were to:

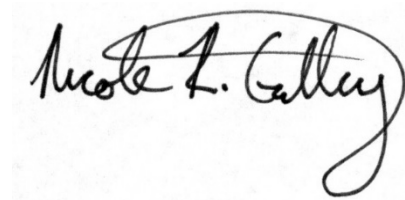
1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Hazelwood School District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Erin Dierksen
	Dacia Rush, M.Acct.
	Binju Gaire
	Thomas Garlick

Hazelwood School District

Management Advisory Report

State Auditor's Findings

1. Cash Handling and Accounting Controls and Procedures

Significant improvements are needed in the district's cash handling and accounting internal controls and procedures. District financial records show total student activity collections of over \$1.3 million for the 2016-2017 school year. These are comprised of various monies including student activity fees, athletic fees and event admissions, concession sales, and other monies. These types of receipts are at greater risk because there is a variety of handling and record-keeping methods throughout the schools. As a result of numerous control weaknesses, there is less assurance these monies have been handled and accounted for properly. We reviewed controls and procedures at Central, East, and West High Schools; Garrett Elementary School; Northwest and West Middle Schools; the Central Early Childhood Center; and the finance department.

School secretaries/cashiers are generally responsible for the receipting, recording, depositing, and reconciling of monies collected by teachers and organization sponsors and by school office personnel. Athletic event attendance and concession sales are generally handled by applicable school organizations and later transmitted to the school office. Administrators at each school provide minimal oversight of these functions and records. Further, the finance department performs minimal oversight of receipting and deposit transactions throughout the district.

1.1 Cash handling policies and procedures

The district has a finance handbook that addresses cash receipting and depositing procedures. However, the guidance is limited and does not address procedures for supervisory review of receipting and depositing, securing monies, counting and reconciling cash drawers, change funds, and record retention. The district also does not maintain an approved listing of employees with access to monies held in secure locations at all facilities. Our review determined cash handling procedures varied by location and identified several significant weaknesses. Sections 1.2, 1.3, and 1.4 discuss these weaknesses and the locations at which they were noted.

A lack of complete overall policies and procedures related to cash handling increases the risk of loss, theft, or misuse of district monies.

1.2 Segregation of duties and reviews

The district has not or is unable to adequately segregate duties, and documented supervisory or independent reviews of the accounting records are not performed. The school secretary/cashier (Garrett Elementary School, West Middle School, East High School, and the Central Early Childhood Center) receives and records monies and prepares deposits. At Central High School, one school secretary/cashier performs the duties of receiving, recording, and transmitting to the cashier monies collected for popcorn sales, summer snack sales, and transcripts in the registrar's office.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of



Hazelwood School District
Management Advisory Report - State Auditor's Findings

duties is not possible, periodic supervisory or independent reviews of the records should be performed and documented.

1.3 Receipts and deposits

Significant weaknesses exist in receipting, transmitting, and depositing monies received at some schools.

Receipt slips

Receipt slips are not consistently issued in accordance with district procedures and some receipt slips issued are not accurate or complete. In addition, supporting documentation is not always provided with monies transmitted to school secretaries/cashiers.

- Receipt slips are not issued at the Garrett Elementary School. In addition, receipt slips are not always issued at West and Northwest Middle Schools, and some receipt slips issued at Northwest Middle School are not accurate and complete. Also, Central High School personnel do not issue receipt slips for transcript fees received. As a result, deposits could not be reconciled to supporting documentation. In addition, although monies received at the finance department are entered on a receipt log, the date received is not documented.
- Receipts are sometimes received and transmitted to the secretary or cashier by several employees (teachers and activity sponsors) before deposit and there is not always adequate documentation provided (receipt slips or receipt log) to support the transmittal of monies from one employee to another. We identified this weakness at Central High School, West High School, East High School, Garrett Elementary School, and the finance department.

Depositing timely and intact Receipts are not always transmitted or deposited timely and intact.

- The Central Early Childhood Center did not timely transmit monies to Central High School secretaries for deposit. During our June 2017 cash count, we identified monies on hand totaling \$3,000 (\$1,400 in cash and \$1,600 in checks) that were held and not transmitted for more than 51 days. We also determined monies receipted during the month of July 2017 were held for up to 45 days before being transmitted.
- Monies are withheld by the Central High School athletic department from admission receipts and concession sales to establish change funds to be used for the next event (see section 1.4).
- Monies collected by teachers for student activities and by other office personnel for popcorn and snack sales may be held for extended periods of time prior to being transmitted to the school secretary/cashier for deposit. At Central High School, a former teacher held choir fundraising monies in her desk for an extended period of time before transmitting them to school administrators at their request in February 2016. The dates



Hazelwood School District
Management Advisory Report - State Auditor's Findings

recorded on the receipt slips totaling \$708 ranged from August 2015 to February 2016. The amount transmitted and deposited was only \$543. The difference of \$165 is unaccounted for. In addition, monies collected by Central High School office personnel for summer snack sales and popcorn sales are held and not deposited timely.

Reconciliation and oversight Detailed documentation to support deposits is not sent to the finance department as required by district procedures. Also, cash drawers are not always counted and reconciled daily.

School personnel are responsible for preparing deposits for periodic pick-up and delivery to the bank by an armored car service, and for providing details regarding types of monies collected and deposit information to the finance department for coding into the accounting system. Problems were identified with these processes, and with cash drawer and change fund cash count and reconciliation procedures.

- School secretaries/cashiers do not include documentation (a receipt log and/or copies of receipt slips or cash register summary tapes) in the information sent to the finance department to support deposits made by the schools. We reviewed documentation received by the finance department and noted this problem for all schools. As a result, finance department personnel cannot verify the composition of the receipt records or completeness of deposits. For example, Central High School athletic office personnel prepared 7 deposits that required a total of \$758 in corrections by the bank from August 2016 through October 2016 because the deposit slips did not agree to the total monies deposited. In addition, the finance department was unaware cash register tape receipt totals for several deposits prepared by Central High School's office personnel were changed to reduce the deposit amount to the amount of cash on hand, rather than the actual amount of monies collected. This allowed missing monies to go undetected for an extended period (see Management Advisory Report (MAR) finding number 2). District policy requires a copy of the deposit slip and a detailed receipt log (showing receipt slip numbers and receipt sources) be sent to the finance department.
- Cash drawers and change funds are not counted daily at the West High School, West Middle School, Garrett Elementary School, and the Central Early Childhood Center. District personnel indicated they are counted when deposits are prepared which is generally 2 or 3 times a week when the armored car is scheduled to pick up deposits. In addition, required cash count forms (provided by the district) were not used by personnel at West High School, West Middle School, Garrett Elementary School, and the Central Early Childhood Center; and a generic cash count form (not the district form) was used at Central and East High Schools when performing daily cash counts.



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Security of monies

Finance department personnel do not provide adequate physical security over monies on hand. For monies collected directly by the department, the key to the locked file cabinet where those monies are stored is located in an unlocked file cabinet. This key is accessible to numerous employees in the office who do not require access to the monies. In addition, monies transmitted to the school secretaries/cashiers for student activities, athletic events, and other sales are held in cash boxes that do not lock. Also, the district does not maintain a listing of employees at district facilities with access to locked areas where safes are located and who also know safe combinations.

Conclusion

To ensure all monies received are accounted for properly and reduce the risk of loss, theft, or misuse of funds, receipt slips should be issued for all monies received in accordance with district procedures and reconciled to the composition of receipts; and monies should be transmitted timely and intact, and properly secured.

1.4 Change funds

The district does not have a list of approved change funds and the authorized balances, or a written policy regarding change funds.

Change funds at Central High School are not maintained at a constant amount and no independent review is performed. The athletic department secretary indicated cash is retained from cash receipts for change funds and the amount varies. The secretary stated change fund amounts are determined based on the needs for upcoming events. For example, we noted change funds at a football game on October 29, 2016, were \$550, \$526, and \$300; and \$300 and \$350 for a football game on October 22, 2016. In addition, we identified, the change fund at the Central High School main office was \$21.64 above its established amount of \$200 in a April 20, 2017, cash count. The cashier stated the change fund continuously fluctuates.

To safeguard against possible loss, theft, or misuse of funds, procedures should be established to properly account for change funds.

Recommendations

The Board of Education:

- 1.1 Establish comprehensive policies and procedures that address all aspects of the cash receipting and depositing processes, and ensure district personnel perform continuous oversight and monitoring for compliance with policies and procedures.
- 1.2 Adequately segregate accounting duties or ensure documented supervisory or independent reviews of detailed accounting records are performed.
- 1.3 Ensure monies are properly receipted, transmitted, and deposited timely and intact; receipt slips indicate the method of payment; and receipts are reconciled to the composition of deposits. Also, the



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Board should ensure supporting documentation is submitted and reconciled to the transmittal or deposit information, cash drawers are counted daily, and monies are properly secured.

- 1.4 Develop written procedures for establishing and maintaining change funds that identify lists of established funds and authorized amounts, require maintenance of change funds at constant amounts, and address periodic counting and reconciliation procedures.

Auditee's Response

- 1.1 *The district agrees with the recommendation. The district will review and expand on current policies and procedures, including the finance handbook, in order to ensure that they address all aspects of the cash receipting and depositing processes and to ensure that district personnel perform continuous oversight and monitoring for compliance. The policies and procedures will provide a set of standardized accounting guidelines, procedures, and safeguards to reduce the risk of loss or theft. In addition, the policies and procedures will contain guidance on cash receipts, deposits, record retention/support, positions responsible at each site, segregation of duties and security of funds, internal review/reconciliation and oversight process, and required training for all staff responsible for cash handling prior to assuming duties.*
- 1.2 *The district agrees with the recommendation. In addition to the overall procedures noted in section 1.1, the district will review the segregation of duties at each site. Where staffing allows, financial duties will be segregated. Where it is not possible or financially reasonable, the district will initiate procedures that detail supervisory reviews of accounting records. The procedures will include the audit/review chain of the records as well as guidelines for the timely supervisory review of records.*
- 1.3 *The district agrees with the recommendation. As noted in MAR finding number 10, the district plans to restructure the finance department and specifically assign duties to an employee who is involved in the daily review of operations and activities including accounting guidelines, procedures and safeguards to reduce the risk of loss or theft, cash receipts, deposits, record retention/support, positions responsible at each site, segregation of duties and security of funds, internal review/reconciliation and oversight process, and required training for all staff responsible for cash handling prior to assuming duties. The staff member assigned will develop guidelines for training new staff as well as annual training and updates for all staff. The assigned staff member will also identify processes and procedures that require review and updates, periodically visit*



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buildings to ensure that procedures are being implemented, and be available for questions and retraining as necessary.

The district will review and update procedures which will provide a set of standardized accounting guidelines, procedures, and safeguards to ensure that monies are properly receipted, transmitted, and deposited timely and intact. The procedures will contain guidance on cash receipts, deposits, record retention/support, positions responsible at each site, segregation of duties and security of funds, internal review/reconciliation and oversight process, and required training for all staff responsible for cash handling.

The district will review and revise procedures to ensure that accurate receipt slips are consistently issued, that supporting documentation is provided, and that records support the transmittal of monies from one employee to another. In addition, district procedures will outline expectations for the depositing of monies in a timely manner.

The district will review procedures and provide training to ensure that detailed documentation to support deposits is sent to the finance department. These procedures will address the need to count cash drawers and reconcile them daily.

The district has already addressed the issue of the key in the unlocked file cabinet. The district will develop a list of employees at district facilities with access to locked areas where safes are located and who know safe combinations.

- 1.4 *The district agrees with the recommendation. The district will develop written procedures for establishing and maintaining change funds. The procedures will identify lists of established funds and authorized amounts, provide procedures for maintenance of change funds at constant amounts, and provide for periodic counting and reconciliation. In addition, the policies and procedures will contain guidance on cash receipts, deposits, record retention/support, positions responsible at each site, segregation of duties and security of funds, internal review/reconciliation and oversight process, and required training for all staff responsible for cash handling.*

2. Central High School

Some monies received were not deposited and are missing, some district personnel did not follow Board policy regarding the theft, and the Board did not pursue resolution for the full amount missing. In addition, monies collected for concession, popcorn, and snack sales were not properly secured and records indicate all sales proceeds may not have been deposited. Also, inventory procedures are not adequate.



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2.1 Undeposited cash receipts

District personnel identified deposits with discrepancies made between August 2015 and October 2016. The discrepancies totaled \$8,175. The former Central High School Principal admitted to taking an unspecified amount of monies and repaid \$3,080. The additional \$5,095 received and not deposited is also likely missing. The district did not pursue repayment for this additional amount.

We obtained documents related to the missing monies from the district's internal investigation (further details follow) and from other school personnel including receipt information and written statements provided to the district by various employees. Available cash register tape totals provided by Central High School employees and the Associate Superintendent of Human Resources showed the total amount receipted that should have been deposited. However, handwritten notations were made on the tapes to indicate the amount receipted should be reduced to the amount of monies actually on hand for deposit. The cashier and secretary indicated they manually adjusted the register totals to equal the actual amount deposited as directed by the former principal. The following chart shows cash receipts recorded in the school's cash register, amounts deposited, deposit shortages, and the amount repaid by the former principal.

Missing Monies

Date Received	Register Totals	Amount Deposited	Deposit Shortage
August 5, 2015	\$ 2,177	1,874	303
August 13, 2015	2,414	2,261	153
September 3, 2015	4,864	4,667	197
September 10, 2015	9,640	9,402	238
September 14, 2015	2,004	1,853	151
October 7, 2015	626	346	280
October 28, 2015	5,735	5,223	512
November 4, 2015	1,881	1,815	66
April 11, 2016	10,776	8,904	1,872
April 21, 2016	8,420	8,335	85
April 25, 2016	22,000	21,000	1,000
June 30, 2016	2,541	2,303	238
July 25, 2016	5,625	4,455	1,170*
July 26, 2016	3,865	3,585	280*
July 26, 2016	430	225	205*
July 27, 2016	5,570	5,150	420*
July 27, 2016	921	828	93*
July 28, 2016	1,138	618	520*
August 22, 2016	1,777	1,735	42*
September 16, 2016	2,432	2,332	100*
October 19, 2016	1,466	1,216	250*
Total	\$ 96,302	88,127	8,175

* The district obtained repayment for these amounts, totaling \$3,080, in November 2016.



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Internal investigation

In October 2016, the Associate Superintendent of Human Resources conducted an investigation into missing monies from receipts collected at the Central High School administration/cashier's office. The former cashier, school office secretary, and athletic director were interviewed and provided written statements and supporting documentation detailing several deposits with shortages. Employees provided statements to the Associate Superintendent of Human Resources that the former principal had access to the room where the safe holding the monies was located and had known the combination of the safe since March 2015. In addition, employees stated each time there was a shortage they informed the former principal. However, the shortages were never reported to security, district administrators, the Superintendent, or the Board as required by policy. Employees also stated the former principal told them district administration did not need to be informed.

During the investigation the former principal was found to be in violation of Board policies and placed on administrative leave. Shortly thereafter, the former principal admitted to taking monies and repaid the amount identified as missing from the period July 2016 through October 2016 (as shown in earlier table). She resigned effective October 27, 2016, and paid \$3,080 to the district in November 2016. The district did not attempt to collect additional missing monies from April 2015 through June 2016, totaling \$5,095. The Associate Superintendent of Human Resources indicated the district did not attempt to collect any of the additional missing monies from prior years from the former principal because district personnel did not believe they had sufficient evidence to prove she had taken those monies. In addition, the Board stated it agreed to this decision and discussed contacting law enforcement with district legal counsel and decided against it; however, there was no supporting documentation indicating these Board decisions.

Conclusion

Several weaknesses and lack of internal control policies and procedures (see MAR finding number 1) as well as a failure of personnel to follow existing policy for reporting suspected fraud created a situation that allowed theft to occur and remain undetected for a significant period of time. Further, both not pursuing full repayment of missing monies and not pursuing law enforcement involvement allowed the former principal to resign without penalty and remain potentially eligible for retirement.

Internal controls are necessary to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds. Board policy DA requires any person with reasonable cause to suspect fraud to report the suspicion to the superintendent immediately, and for the superintendent to investigate the suspected fraud and report the information to the Board if the allegations are substantiated. The policy also provides for the Board to contact law enforcement after consultation with the superintendent and legal counsel. Section 105.669, RSMo, provides that participants of any retirement plan established by the state or any political subdivision who are convicted of



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felony stealing related to duties directly related to employment of over \$5,000 in money, property, or services are ineligible to receive retirement benefits from the plan.

2.2 Concession sales and inventory

Improvements are needed in the handling of concession sales and inventory, and popcorn and summer snack sales. Monies are collected, counted by sponsors, students, or school employees and transmitted to a school cashier for receipting and preparing deposits.

Sales procedures and records

The school uses cash boxes that do not lock to store monies collected during concession, summer snack, and popcorn sales and no sales records are maintained to track receipts. As a result, cash receipts are not secure, personnel cannot reconcile receipts to transmittals or deposits, and there is no assurance all monies collected are deposited.

We reviewed popcorn and summer snack sales for the 2016-2017 school year and determined the amount transmitted was less than the estimated sales based on inventory used. Popcorn sales receipts deposited totaled \$1,752. Based on the amount of popcorn sold we estimate the profit should have been \$5,643,¹ \$3,891 more than deposited. Summer snack sales receipts deposited totaled approximately \$1,951. The school estimated the profit for the summer snacks purchased and sold to be \$2,456, \$505 more than deposited. School personnel responsible for the sale and monitoring of the monies collected could not account for these differences.

To ensure monies are accounted for properly and transmitted or deposited, receipts should be secured and sales records should be used and reconciled to monies collected.

Inventory

School and district personnel do not maintain perpetual inventories for concession, popcorn, or summer snack sales or reconcile inventories to purchases. District personnel only perform a weekly check to determine what merchandise is needed.

Loss, theft, or misuse of school inventory may go undetected without adequate inventory records and documented reconciliations. Effective inventory internal controls require maintaining perpetual records of all inventory items and performing a reconciliation of these records to the balances obtained during the physical inventory count.

¹ The estimated profit was calculated by determining the approximate number of bags of popcorn yielded from prepackaged popcorn, 6,192, and sold at \$1.00 dollar per bag, \$6,192, and deducting the actual cost of the product purchased, \$549, resulting in an estimated profit of \$5,643. According to district personnel there was no unpopped prepackaged popcorn remaining in inventory, so our calculations assume all was sold.



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Recommendations

The Board of Education:

- 2.1 Ensure any future incidents of missing monies are investigated including pursuing full repayment and law enforcement involvement as appropriate. The Board should also ensure compliance with policy regarding reporting of instances of suspected fraud.
- 2.2 Ensure monies are properly receipted and establish procedures to provide assurance all monies received from sales made at schools are transmitted for deposit intact. In addition, the Board should ensure school personnel maintain inventory records and inventory balances are reconciled to purchases and sales.

Auditee's Response

- 2.1 *In relation to the incident noted in the report, district central office personnel did follow existing Board policy. In addition, personnel who failed to follow Board policy DA by failing to report the theft were properly reprimanded. After consultation with the superintendent and legal counsel, the Board made a decision not to notify law enforcement as the amount that could be substantiated regarding the individual was below the \$5,000 requirement. As the investigation revealed numerous rumors and innuendos, the district was unable to substantiate the sources of the missing \$5,095 which resulted in a lack of adequate proof to pursue restitution beyond that which was collected. Therefore, in summary, the district followed Board policy, consulted with legal counsel, and pursued and received restitution for the amounts it could confirm.*

Regarding the recommendation, the district always agrees that any incidents of missing monies should be investigated and agrees with pursuing full repayment and involving law enforcement as appropriate. In the event of any future incidents, the Board will continue to ensure compliance with the policy regarding reporting instances of potential fraud.

- 2.2 *The district agrees with the recommendation. As noted in responses to MAR finding number 1, the district will review and expand on current policies and procedures in order to ensure that they address all aspects of the cash receipting and depositing processes and to ensure that district personnel perform continuous oversight and monitoring for compliance. The policies and procedures will provide a set of standardized accounting guidelines, procedures, and safeguards to reduce the risk of loss or theft, including maintenance and review/reconciliation of inventory to purchases and sales. There will also be additional training and more supervision.*

The district will purchase locking cash boxes and require their use as part of the procedures for sales of various products and tickets. In



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addition, the procedures will outline the use of sales records so that cash receipts can be reconciled against sales and inventory can be tracked. Included in the procedures will be a format for tracking inventory that will be required for all entities.

3. Attendance Data and Procedures

The district improperly reported attendance resulting in receiving overpayments in state funding of approximately \$95,000. In addition, the district does not have procedures to limit when changes can be made to the attendance system and does not review changes made.

Our review of codes entered into the system and subsequent changes showed the initial coding and changes made by teachers and/or secretaries are in accordance with the district attendance handbook. However, the district's attendance system is not programmed to deduct time when appropriate. As a result, the district's reporting conflicts with state Department of Elementary and Secondary Education (DESE) guidelines.

3.1 Attendance hours

Student attendance is not always calculated accurately, and as a result, the district claimed student attendance hours when students were not present and received excess state monies. We reviewed the 2016-2017 school attendance records for Central High School, West High School, East High School, and Northwest Middle School and determined time is not deducted from student attendance hours for students arriving after "grace periods" and when they are not in attendance for part of the school day.

Teachers can only record students not in attendance at the beginning of class as tardy by marking a "T" (arrived late but within the grace period²) or absent by marking an "A" in the system. If a student comes to class after being marked absent, the "A" is removed and the full amount of class time is credited although the student was not present for the entire class period. School secretaries also change the "A" to "C" for cut if a student is absent for one class but attended the class before and after. No time is deducted from the student's attendance hours when hours are coded as "C" and the district receives credit for the student's attendance even though the student is not present. District personnel stated this is because the student is considered to be on campus even though not in class and a student on campus is considered to be under school supervision. This is not consistent with DESE guidelines that indicate the student should be under the direct supervision of a certified employee to be considered in attendance.

We determined the district overstated student attendance hours for the 4 schools by approximately 14,787 hours for the 2016-2017 school year by not

² The grace period for students to be considered on time for class is no later than 5 minutes after class officially begins.



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reducing attendance hours for students who did not attend class. The estimate was calculated using student attendance records coded with "C" indicating they were not in attendance during class time. Because attendance hours are used to determine state funding, in part, the overstated student attendance hours resulted in approximately \$95,000 in excess state funding for the 4 schools. If additional years or schools were reviewed the amount would likely be more. The following is a breakdown of overstated attendance hours by school.

School	Hours Not in Attendance
West High School	8,420
Central High School	4,469
East High School	1,512
Northwest Middle School	386
Total	14,787

Further, if a student arrives for his or her first class after the tardy grace period, no time is deducted from the student's attendance hours. In these cases, the time is coded as "T" (tardy) or "Q" (tardy excused), but the attendance system does not deduct time for the period the student was not in attendance when these codes are used. Grace period times used for the beginning of the day are significantly different than the 5 minute classroom grace period used by teachers. Class times are 45 minutes for middle school and 90 minutes for high school. Grace period times vary significantly between elementary (33 minutes, arriving 9:23 a.m. or earlier), middle (23 minutes, arriving 8:33 a.m. or earlier), and high schools (50 minutes, arriving 8:20 a.m. or earlier) and no documentation was available to determine how the grace periods and times were determined. We noted 1,182 student attendance records at the 4 schools reviewed were marked tardy using the "T" or "Q" code with no time deducted. This represents additional time claimed by the district as attendance when the students were not present. We were unable to quantify the amount due to the varied times of arrival and grace periods.

Accurate attendance data is necessary to ensure the district complies with applicable state and federal guidelines and appropriately claims state funding. Attendance hour reporting guidelines distributed by the DESE state, "Students must be in attendance in an instructional capacity under the direct supervision of a certificated employee of the district to be counted for attendance purposes." In addition, DESE guidelines state a district must collect attendance and absence hours in a consistent manner either by the minute or hour and the guidelines do not include provisions for "grace periods."

3.2 Attendance procedures

The district's attendance system does not limit the time period when changes can be made and there is no review by district officials to ensure changes



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made to current school year attendance records are appropriate. The risk of erroneous changes significantly affecting attendance reports submitted to the DESE is increased due to the extended time period during which changes can be made along with the lack of review procedures.

District procedures require recording of daily student attendance in the attendance system by each teacher or by a school secretary when a teacher is absent. The attendance secretary at each school generates a daily summary report to ensure all attendance has been entered. Changes after that day have to be made by the attendance secretary. However, changes to the attendance records can be made anytime by the attendance secretary during the current school year. Currently the attendance system cannot generate a detailed summary report documenting all changes made, further limiting the district's ability to monitor this information.

Correcting attendance data is necessary to ensure accuracy in the reporting process and any changes must be made before attendance can be certified to the DESE. However, review and approval of all changes is necessary to ensure reliability of the data.

Recommendations

The Board of Education:

- 3.1 Ensure the district corrects attendance records and complies with DESE attendance guidelines. In addition, the Board should develop a formal policy on how to record the attendance of students who arrive late for class and ensure such policy meets DESE guidelines.
- 3.2 Implement additional controls and procedures to ensure student attendance data is accurately recorded and reported, including restricting the time period when changes can be made without authorization. The Board should also ensure the attendance system is programmed to generate an audit trail report or report of changes, and that this report is reviewed for accuracy.

Auditee's Response

- 3.1 *The district agrees that attendance records should comply with DESE attendance guidelines and will review policies and procedures to ensure that this is occurring. As part of the initial review, the district is correcting the issue related to the "C" ("Cut") attendance code. This occurred when a student attended a period, missed or cut a period, then attended the next period, and was assumed to be present and in the school for the missed/cut period. As a result of this correction, a "C" will not receive any credit for attendance going forward.*

However, the district followed DESE guidance regarding the "late arrival" issue. During the 2015-16 school year the district sought additional guidance from DESE and has an email dated February 5,



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2016, which states that "If a student is late, for whatever reason, but arrived in time for the majority of the class period, they could be counted 'tardy' in your system but present for the class period." The district already developed its procedures for recording the attendance of students who arrive late to class based on this guidance. This procedure and the times noted are based on students who arrive and attend for the majority of the class period. Although the current procedure appears to allow a student to be tardy for more than a majority of the first period, this is due to the procedure being based on averages for all schools. Therefore, the district will update its procedure so that the minutes reflected clearly indicate that students must be in attendance for a majority of the period in order to be counted present.

- 3.2 The district agrees student attendance data must be accurately recorded and accurately reported. However, limiting the time frame during which corrections can be applied could run counter to the goal of accuracy. While the software already allows for some tracking, the district is reviewing further options for detailed audit trail documentation with the software vendor. The district will implement a procedures which will require administrative approval of any changes after a specified number of days and administrative review of the change log/audit trail by the building principal or his/her administrative designee on a regular, timely basis. The district is committed to the intent of the recommendation to create, maintain, and report accurate student attendance data.

4. Sunshine Law

The district did not always comply with the Sunshine Law and was not always consistent or transparent when notifying the public of board meetings.

4.1 Sunshine Law requests

The public record request log documenting compliance with Sunshine Law requests was not complete. We noted 4 requests from media outlets were not recorded in the log.

To ensure compliance with Sunshine Law request requirements, the district should document adequate information in its log to determine if requests are completed timely and adequately completed.

4.2 Closed meetings

The Board discussed some topics in closed meetings that are not allowable by state law. According to minutes of closed meetings, unallowable topics included graduation dates and times, polling the Board and by consensus agreeing to allow the administration to pay bills, and acquiring consulting services for the Chief Financial Officer. The Board also discussed the overall budget impact of changes in custodial positions in a closed meetings which may be unallowable. The Board did not maintain sufficient documentation to demonstrate how this discussion in a closed meeting would be allowable under the law.



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Section 610.022, RSMo, mandates that the discussion topics and actions in closed meetings must be limited to only those specifically allowed by law as announced in the justification for closing the meeting.

4.3 Agendas for Board retreat meetings

The Board posted agendas for some "special Board retreat meetings" differently from other meetings and these meetings were not held on set dates or at set locations that would allow the public to otherwise be aware of the meetings. The agendas for 5 of the 6 special Board retreat meetings held between July 2016 and June 2017 were not posted on the district's website like other meetings. Rather, district personnel indicated agendas for the special Board retreat meetings were physically posted at the administration building and the location where the meeting would be held. These meetings were held periodically on varied dates and at varied locations throughout the year so the public could not readily anticipate when or where such a meeting would be taking place without the agenda posting. As a result, the district was not open and transparent when informing district residents of all Board meetings allowing them to participate in matters affecting the district.

Consistent procedures for posting agendas are essential to provide transparency of the date and location of all Board meetings, and ensure the public is informed. In addition, Section 610.020, RSMo, requires all public governmental bodies give notice of the time, date, and place of each meeting, and its tentative agenda, in a manner reasonably expected to advise the public of the matters to be considered.

Recommendations

The Board of Education:

- 4.1 Maintain and update the public record request log.
- 4.2 Ensure items discussed in closed meetings are allowable topics under state law and adequately documented as such.
- 4.3 Ensure the process for posting agendas for all Board meetings is consistent to ensure the public is informed of all upcoming meetings.

Auditee's Response

- 4.1 *The district has complied with all public requests under the Sunshine Law. However, while it is not required by the Sunshine Law, the district will maintain and update a public request log as recommended.*
- 4.2 *The district agrees that it should ensure that items discussed in closed meetings are allowable topics under state law and that it should adequately document these proceedings. However, the district does not agree with the concerns noted regarding the Chief Financial Officer's services and custodial positions. Those discussions were appropriate as individual names were discussed, making it an allowable closed meeting exception. While the Chief Financial*



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Officer's services were through a consultant, there was discussion of specific individuals to serve in that role as well as a current employee who was serving as the interim director and leaving the position, which created the need for the consultant. The district acknowledges the items noted regarding the payment of bills and the graduation announcement were not appropriate for a closed meeting; however, this was atypical and not normal district practice as it occurred due to a disruption in the regular Board meeting. In the future, the district will maintain sufficient documentation to demonstrate that the discussion in a closed meeting is allowable.

- 4.3 *The district has complied with Board meeting posting requirements under the Sunshine Law. Agendas for Board retreats were posted at the administrative building and at the meeting location, as are all agendas. The district agrees that the public should be informed of all Board meetings and will ensure that the process for posting agendas for meetings is consistent by posting Board retreats on the website as well. However, while the district understands the purpose of the recommendation, the district has followed Sunshine Law posting requirements.*

Auditor's Comment

- 4.2 The district closed the meetings for discussions of contracting for consulting services and custodial staff under Section 610.021(3), RSMo. This provision permits the closure of Board meetings for the hiring, firing, disciplining, or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded. As used in this subsection, the term "personal information" means information "relating to the performance or merit of individual employees." The discussion of contracting for a consultant was not a discussion involving a district employee; therefore, the discussion was not allowable in a closed meeting. Any discussion of other individuals was not documented in the closed meeting minutes. Sufficient documentation should be included in meeting minutes to demonstrate compliance with closed meeting requirements. Additionally, the meeting minutes documenting the discussion of custodial staff referred to above do not include individual names and only include a discussion of the budget impact of custodial staff attrition and reduced hours.

5. Disbursements

District controls and procedures over disbursements need improvement.

5.1 Questionable disbursements

The district made disbursements that did not seem reasonable and/or provide a benefit to the school district.



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Missouri School Board
Association conference

The district spent at least an additional \$1,301 to have a district security guard drive Board members and the Superintendent to the Missouri School Board Association (MSBA) conference (4 days and 3 nights at the Lake of the Ozarks) in September 2016. The district did not perform a comparison of the individual travel costs of Board members to the cost of having the district provide the transportation. The table below compares the lodging and travel costs for the security guard to drive the Board members to mileage costs assuming each Board member drove his or her own vehicle.

Expenses	Amount
Van rental	\$ 471
Fuel	35
Salary (using hourly overtime rate of \$34.14)	1,562
Lodging	487
Meals	69
Subtotal	2,624
Less: Potential mileage reimbursements to Board members	(1,323)
Total Additional Cost	\$ 1,301

Charity auction

The district paid \$200 to purchase 5 tickets for a charity dinner auction at Trinity Catholic High School in October 2016. The purpose of the auction was to raise money for the catholic school. The disbursement was also miscoded as general supplies in the accounting system. Using district funds to make donations and raise money for private schools is not a reasonable and prudent use of taxpayer monies.

Retirement party

District personnel used the district credit card to pay \$373 for a retirement party at a local casino restaurant in May 2017. The receipt provided was only the credit card slip that showed total paid and did not include itemized information to show what was purchased or how many people were served. District officials stated that the Soft Drink Fund student activities monies were used so the purchase was appropriate. However, these monies are still district monies earned through soft drink sales from a district contract.

Board and Office of the
Superintendent disbursements

We reviewed all disbursements for the 2016-2017 and 2015-2016 school years allocated to the Board and the Office of the Superintendent. We noted disbursements for sympathy flowers, sympathy cards, meals, gifts, additional airline fees, t-shirts, sales taxes, excessive tipping, valet parking, bellhop and room tips, and various travel expenditures that, while possibly appropriate, should be reviewed to ensure they are the best use of district resources. The following tables document the specific disbursement categories that should be reviewed for reasonableness.



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Board of Education

Disbursement Category	School Year 2015-2016	School Year 2016-2017	Total
Other Purchased Services ¹ \$	29,416	29,024	58,440
Travel Airline	1,354	0	1,354
Travel Meals	170	94	264
Travel Transportation	627	1,472	2,099
Dues and Memberships	146,981	102,314	249,295
Meeting Expenses	11,796	10,704	22,500
General Supplies	2,219	679	2,898
Total	\$ 192,563	144,287	336,850

¹ Other purchased services include flowers, meals, gifts, and t-shirts.

Office of the Superintendent

Disbursement Category	School Year 2015-2016	School Year 2016-2017	Total
Other Purchased Services ¹ \$	474	288	762
Local Mileage and Expenses	2,982	1,846	4,828
Admin Travel Cost	2,031	6,218	8,249
Admin Travel Lodging	2,906	1,514	4,420
Admin Travel Meals	1,208	106	1,314
Admin Travel Transport	1,708	595	2,303
Admin Travel Miscellaneous	230	197	427
Meeting Expenses	12,498	6,177	18,675
General Supplies	7,833	1,766	9,599
Total	\$ 31,870	18,707	50,577

¹ Other purchased services include flowers, meals, gifts, and t-shirts.

Conclusion

While some expenditures may be appropriate, the district should continually review and evaluate the disbursements included in these categories when considering budget decisions in the future and ensure taxpayer money is used for the benefit of the students. Disbursements benefitting students may include additional technology, classroom resources, or additional opportunities for field trips. For comparison, per district officials, a field trip for an elementary school class of 25 to the St. Louis zoo would cost the district approximately \$220. Based on this, the district could pay for 749 elementary class zoo field trips (approximately 18,725 students total) with the 2016-2017 school year disbursements shown in this section. Also, total disbursements in these categories substantially decreased between the 2015-2016 and 2016-2017 school years indicating some expenditures may not have been necessary. Additionally, Board policy GCQD notes that while the Board encourages staff members to become involved in professional organizations, the demands of the organization may become a budgetary factor. A similar consideration should be given to the cost of membership, dues, and travel related to Board membership in professional organizations.



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Public funds should be spent only on items necessary and beneficial to the district and enhance the education process. District residents have placed a fiduciary trust in their public officials to spend district revenues in a prudent and necessary manner. Adequate controls should be in place to properly monitor these disbursements to ensure accuracy, necessity, and reasonableness.

5.2 Disbursement controls

Disbursements were miscoded, invoices lacked proper approval, sales tax was paid on several purchases, and one employee's reimbursement was not accurate. We tested 135 district disbursements totaling \$186,494 from the 2015-2016 and 2016-2017 school years and identified various problems.

- Three invoices totaling \$2,449 were miscoded when entered into the accounting system for payment. A hotel bill for \$2,104 was miscoded to a function account number not listed in the chart of accounts, airline tickets costing \$320 were coded to conference fees, and meal expenses for \$25 were coded to local mileage. Inaccurate coding prevents disbursements from being properly classified for reporting purposes and may misrepresent the actual types of disbursements made.
- The district paid \$508 in state sales tax on 52 transactions which included \$222 in sales tax charged on 4 hotel rooms and \$61 for car rentals.
- Three invoices totaling \$555 for travel reimbursements did not have documented approval from a supervisor and 2 invoices for \$174 for mileage were approved by the employees being reimbursed. In addition, 1 of the 3 travel reimbursements, which was not approved, was overpaid \$56 because the district did not take into account the travel advance already provided. District officials were unaware of the overpayment. Per district officials, this amount was repaid in October 2017.

To reduce the possibility of fraud or misuse of district assets, the Board should ensure disbursements are accurate, correctly coded, approved, and comply with district policy.

Recommendations

The Board of Education:

- 5.1 Ensure costs incurred by the district are necessary and a prudent use of taxpayer monies.
- 5.2 Ensure disbursements are properly coded and approved and sales tax is not paid.

Auditee's Response

- 5.1 *The district agrees that it should always ensure that costs incurred by the district are necessary and a prudent use of taxpayer monies. At the same time, the district believes that there is some additional*



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context to the concerns outlined in the audit. First, regarding the MSBA conference, the district security guard attended for the purpose of assisting physically disabled Board members. Second, regarding the charity dinner auction, this was not a donation but was participation in a community event to which the district has historically sent representatives. Third, while the district understands the concern regarding the school level retirement party for a teacher with decades of service to the district and its students, the use of profits from soft drink sales have traditionally been given more flexibility regarding the expenditure of funds at the school level. However, the district will review the use of soft drink funds. Finally, the Board consistently reviews expenditures for appropriateness and approves all bills for payment at Board meetings. The audit report did not indicate that the Board expenditures were inappropriate, rather the audit report outlined recommendations to review and evaluate expenditures, which the district already does and will continue to do. For example, regarding the sympathy cards and flowers noted in the audit report, the Board believes they are appropriate and show concern and care when a staff member suffers a death in the immediate family. The cost is modest and monitored. In addition, the Board – as it is believed is practice with most boards – has a modest meal available before the Board meeting since meetings are in the evening and most Board members come directly from work or other commitments.

Finally, a number of other expenses, while noted as possibly appropriate, were identified in the items audited over a two-year period and are explained below. Some of these expenses included:

- T-shirts – These are shirts with the district logo which the district has purchased for Board members to represent the district at events. Much like items with specific logos are purchased for schools, this is part of representing the district in a professional manner. Costs are modest and moderate.*
- Materials shipped to home – This was the shipping of materials to an activity sponsor's home, which occurred because the activity had a competition over the holidays and the school sponsor would not have been able to pick up the item at the school as it was closed.*
- Airline fees – The district has put a procedure in place where any extra fees charged at the time of a reservation, unless necessary due to physical limitations, are to be reimbursed to the district. This has been in place for over a year.*



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- *Excessive tipping – The district will review and recommunicate its tipping policy and require reimbursement from any staff who exceeds the policy.*

In addition, there was an example of the number of zoo trips that could be taken with the district funds. Hazelwood School District students participate in multiple enrichment activities throughout the year, and the district will continue to support such activities, which may or may not include attending the zoo. As noted, there are a variety of ways in which funds may be spent which are necessary and beneficial to the district and those will continue to be reviewed. What was not noted in the audit report was that a significant portion of the identified funds were for the district's memberships in the Missouri School Board Association, the Missouri School Board Association policy service, Education Plus (a St. Louis area school district cooperative), and the National School Board Association, all organizations that serve to assist and guide boards and districts towards success.

- 5.2 *The district agrees with the recommendation. As noted in responses to MAR finding number 1, the district will review and expand on current policies and procedures in order to ensure that they provide a set of standardized accounting guidelines, which will include procedures to ensure that sufficient supporting documentation is maintained, disbursements are properly coded and approved, and sales tax is not paid. The position outlined in the response to MAR finding number 10, as well as other financial department staff, will consistently review expenditure codes for accuracy and appropriateness and review expenditures to ensure sales tax is not included in cases where the vendor does honor the tax-exempt status, as some out-of-state vendors do not.*

6. District Policies and Procedures

Various district policies and procedures need improvement.

6.1 Electronic data security

The district and school offices do not have security controls in place to lock computers after a certain period of inactivity. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing unattended computers and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

6.2 Salary schedules

The district does not have controls and procedures in place to ensure salary schedules are accurate. In accordance with Board policy, the Director of



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Human Resources (HR) compiles 12 salary schedules for various titles/functions (e.g., teachers, administrators, supervisors) and provides the schedules to the Board for approval in the spring prior to the upcoming school year. There is no review process for the salary schedule calculations prior to Board approval. The HR Department creates employment contracts based on the approved salary schedules.

The Board approved a 1 percent increase to all salaries on the 2016-2017 school year salary schedules. We recalculated the salary schedule amounts to determine if the increases were properly implemented and determined several salary pay steps for clerical employees were not increased by the approved percentage. For example, 2 salary steps decreased by approximately 1 percent and 2 salary steps increased by 2.38 and 5.3 percent. We also noted several rounding errors and inconsistencies when calculating salaries. Several salaries were rounded up to an amount higher than the next whole dollar or rounded up when they should have been rounded down.

Accurate salary schedules are essential to ensure all employees receive the correct compensation.

6.3 Competitive bidding

The district did not solicit bids or proposals for several purchases of goods and services during the 2016-2017 school year. District personnel have not solicited proposals for legal services since 2005. The district paid \$1,050,071 for legal services during the 2016-2017 school year. Additionally, purchases for mulch and swimming pool products were not bid. The district spent a total of \$22,400 and \$12,528, respectively, with mulch and swimming pool product vendors during the 2016-2017 school year. Also, a plumbing repair for \$5,576 was not bid. District personnel indicated this was an emergency repair; however, this was not documented. Since these items and services are readily available from multiple vendors, the district could benefit from a more competitive procurement process.

Competitive bidding helps ensure the school district receives fair value by contracting with the lowest and best bidders. In addition, bidding helps ensure all parties are given an equal opportunity to participate in the district's business. District policy DJF-2 states, "employees are expected to contact multiple providers before making a decision regarding purchases under \$3,500. Purchases of \$3,500 or more will be competitively bid informally, and sealed bids will be required for purchases that may exceed \$15,000."

Recommendations

The Board of Education:

- 6.1 Ensure computers have security controls in place to lock the computer after a certain period of inactivity.
- 6.2 Ensure procedures are implemented to review all employee salary schedules for accuracy and completeness.



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Auditee's Response

- 6.3 Ensure all significant purchases of goods and services are subject to a competitive procurement process. If it is necessary to purchase goods or services from a sole source vendor or on an emergency basis, the reasons should be documented.
- 6.1 *The district agrees with this recommendation and has already implemented procedures that will lock computers with access to sensitive information after a period of inactivity.*
- 6.2 *The district agrees with this recommendation and is implementing a procedure where the Human Resources office will develop salary schedules which will then be reviewed for accuracy by the finance department.*
- 6.3 *The district agrees that it should ensure all significant purchases of goods and services are subject to a competitive procurement process and that if it is necessary to purchase goods or services from a sole source vendor or on an emergency basis, the reasons should be documented. At the same time, the district notes that the mulch and pool product purchases cited were during the course of the entire year, not one time purchases that exceeded policy. However, the district agrees that it is good practice to review such purchases and determine if a competitive quote or bid process is appropriate in the future. The district will initiate a proposal process for its legal services during the next fiscal year.*

7. Capital Assets and Fuel Usage

Controls and procedures over district property and fuel usage need improvement.

7.1 Capital asset procedures

The district does not always follow its policies and procedures for all capital assets. As a result, assets are more susceptible to theft or misuse. The district's insurance carrier valued district property, buildings, and contents at approximately \$25 million as of December 2016.

District officials have not properly maintained a detailed record of all property owned by the district, developed procedures to identify capital asset purchases throughout the year, or tagged or otherwise identified all property items as belonging to the district in accordance with district policy. The district only tags assets purchased with federal awards, vehicles, Chromebook computers, and iPads. The Director of Finance and the Chief Financial Officer indicated an annual physical inventory of district property is not performed by the school district. In addition, the maintenance department does not maintain an inventory listing of used or new surplus items and equipment which have been placed in storage for future use, sale, or disposal. Also, we noted some items purchased with district credit cards were shipped



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directly to teachers' and school administrators' homes increasing the possibility of misuse of district assets.

During visits to various schools we noted assets that were not tagged as district property or could not be located. For example, the district purchased 6 metal detectors in December 2008 at a total cost of approximately \$44,000 but did not properly tag and account for these items. We located 2 metal detectors in storage at both Central High School and West High School that were not tagged or identified as district property. District personnel indicated the other 2 metal detectors had been transferred to surplus and were later disposed of according to warehouse personnel; however, there are no records to support the disposition. The Director of Security and Principal at East High School did not know any details regarding when the 2 metal detectors were moved to surplus or the timing and method of disposal. District personnel stated 2 metal detectors were supposed to be installed at each of the high schools to enhance security; however, they were not installed or used.

In addition, a Cricut Explore Air Machine (electronic cutting machine) and accessories costing \$403 purchased for Northwest Middle School could not be located in the building. The school principal stated she had the machine at her residence due to the library floors being cleaned and waxed, but no approval to remove the item was produced. This piece of equipment is a tabletop device. The device has since been returned to the school.

Adequate capital asset records are necessary to better secure district property and provide a basis for determining proper insurance coverage. Board inventory management policy DID states, "The superintendent or designee will create procedures to prevent excessive, duplicative or unnecessary purchases and to properly track, maintain and dispose of property as required by law and in accordance with sound business practices. . . . The superintendent or designee shall maintain one master inventory list of district equipment. Equipment will be added to the master inventory list at the time of purchase. . . . In addition, the superintendent or designee will ensure that a physical inventory of all equipment is completed and the results reconciled with equipment documentation at least every two years. . . . District equipment and supplies will remain on district property and will not be removed unless it is for a district purpose and the removal has been authorized by the superintendent or designee or the employee's supervisor."

7.2 Fuel usage

The district does not reconcile fuel logs to fuel billings. The district maintains 2 locked bulk fuel tanks for its 135 buses and 101 vehicles and pieces of equipment. Fuel tanks can be accessed by warehouse personnel, grounds crew, security guards, maintenance personnel, bus drivers, and most coaches. The district uses fuel logs showing the date, amount of fuel pumped, mileage, and the bus or vehicle being fueled. However, no comparison is performed between total gallons pumped, gallons purchased, and gallons on hand. In addition, the fuel log is not always completed by all employees obtaining fuel.



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As a result there is less assurance fuel usage is accounted for properly, fuel invoices are correct, and misuse will be detected promptly. The district purchased fuel costing approximately \$461,000 during the 2016-2017 school year and \$550,000 during the 2015-2016 school year.

Procedures for reviewing fuel used and reconciling use to fuel purchases are necessary to ensure the reasonableness and propriety of fuel use and disbursements. The failure to account for fuel use could result in theft and misuse going undetected.

Recommendations

The Board of Education:

- 7.1 Ensure complete and detailed capital asset records are maintained, assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records. In addition, the Board should ensure all district property is shipped directly to district locations and maintained on site.
- 7.2 Ensure a documented periodic reconciliation of fuel purchased to fuel used is performed, with any significant differences investigated, and ensure fuel logs are completed.

Auditee's Response

- 7.1 *The district agrees with the recommendation. The district will review and update policies and procedures to ensure that complete and detailed asset records are maintained, that appropriate assets are properly tagged for identification, and that annual physical inventories are performed and compared to detailed records. This will include a review of Policy DID to ensure that it is being followed by all district staff and that staff are trained in the implementation of this policy. The procedures will also be reviewed, updated, and communicated to ensure that district property is shipped directly to the district and maintained on site and that any potential exceptions are approved by a supervising administrator and documented. The district is already developing procedures to better track surplus items, including the use of digital photos for documentation.*
- 7.2 *The district already maintains fuel logs, but will review and update procedures to ensure that fuel logs are completed for all fuel use, that there is a documented periodic reconciliation of fuel purchased to fuel used, and that any significant differences are investigated by an administrator.*

8. Chromebook Laptop Computers

The district did not perform a comprehensive cost study for the 2015 Dell Chromebook computer project and the purchase was not properly bid. Instead, the district's IT department presented the Board a cost comparison of its original plan which included the repair costs and continued use of existing 9 year old laptops and the lease purchase of the Chromebook computers. In



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addition, a significant number of Chromebook computers are not in use as intended.

In 2015 the district decided to enhance the education of students by providing new Chromebook computers. The district's goal was to achieve a 1:1 ratio of Chromebook computers to middle and high school students and have elementary schools use computers set up in classrooms.

The district entered into a 4-year lease purchase for 10,000 Chromebook computers on December 14, 2015, at a total cost of approximately \$3,070,000 or \$307 each. A second 4-year lease purchase for 6,000 additional Chromebook computers costing approximately \$1,680,000, or \$280 each, was entered into on July 29, 2016. The district did not perform a comprehensive cost study or solicit bids for the purchase of the Chromebook computers prior to the Board approving the lease purchases.

A significant number of Chromebook computers are not used as intended. Chromebook computers are assigned to each student at all high schools and middle schools for use both at home and school. Students can opt out of using Chromebook computers assigned to them. A review of all high and middle schools determined approximately 1,150 students (900 at Central High School) opted out of receiving a Chromebook computer. As a result, the district has spent approximately \$340,000 (using average cost of 2 separate lease purchases or \$294) for Chromebook computers that are not in use as intended. School officials indicated some of the extra Chromebook computers assigned to a classroom rather than a student can be checked out or are kept for testing or replacements. District administrators were not able to provide specific reasons why students opted out.

Good planning, including proper bidding, and implementation followed up with continuous monitoring and reviews of district programs provide assurance district monies are spent efficiently and short- and long-term goals are accomplished.

Recommendation

The Board of Education should continually review the use of Chromebook computers and future technology purchases to ensure established goals are met and purchases are properly bid and meet the needs of the district.

Auditee's Response

The district agrees with the recommendation. The district will continually review the use of all technology purchases to ensure goals are met and that purchases meet the needs of the district, with the understanding that goals and needs can evolve with the technology program and its implementation. Also, while the implementation process for Chromebooks may have differed from the original plan, the Chromebooks are being used for their intended purpose, which is student learning and instruction.



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Regarding the purchase, the district's Technology Committee reviewed possible choices of cloud based offerings and decided on Chromebooks due to their ease of use, cost, and flexibility with Google applications for education. Several devices were reviewed, including Dell, HP, Lenovo, Asus, Google, and Toshiba. The lack of ability to lay the screen flat and avoid hinge breakage eliminated HP, Asus, and Google's own device at the time. The quotes received per device from Lenovo and Toshiba were more expensive than Dell Chromebooks and district technology staff were already certified on Dell hardware.

Auditor's Comment

The district did not follow its bid policy for the purchase of the Chromebook computers. Also, the district provided no supporting documentation for the quotes discussed in its response.

9. Vehicle Allowances

The district has not documented the basis for vehicle allowances, the allowance amounts, and the Associate Superintendent's mileage reimbursement.

The Superintendent and Associate Superintendent vehicle allowances are intended to compensate them for driving personal cars within the district to conduct district business. The district pays the Superintendent a \$650 monthly vehicle allowance and the Associate Superintendent a \$600 monthly vehicle allowance. Using the district's current mileage reimbursement rate of 54 cents per mile, the Superintendent would have to drive 1,204 miles and the Associate Superintendent 1,111 miles within the school district monthly (approximately 40 and 37 miles daily, respectively) to justify earning these allowances.

The Associate Superintendent's contract allows, and the district reimburses, the Associate Superintendent for mileage incurred within the district in addition to the vehicle allowance. The district paid the Associate Superintendent approximately \$250 for in-district mileage reimbursements in addition to her vehicle allowance for the school year ending June 30, 2017. This amount is also significantly lower than the vehicle allowance and indicates the larger allowance may not be necessary.

While the district reported vehicle allowances paid as taxable income, the district should periodically review the reasonableness of the vehicle allowances and mileage reimbursements and revise the Associate Superintendent's contract as needed. Vehicle allowances should be based on a reasonable estimate of miles driven for in-district business purposes, and if necessary, the district should adjust the benefits to reasonably reflect the actual expenses incurred by the employees on behalf of the district.

Recommendation

The Board of Education review vehicle allowances and set amounts to reasonably reflect the actual expenses incurred by employees. The Board



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should also consider whether it is reasonable and necessary to reimburse the Associate Superintendent for mileage within the district and provide a vehicle allowance, and consider necessary contract revisions.

Auditee's Response

While the district understands the recommendation, vehicle allowances are common in superintendent contracts and are documented through the contracts. This has historically been a negotiated contractual component in at least the last five Hazelwood superintendent contracts and allows the district to remain competitive. In addition, a survey of sixteen area districts in the St. Louis region indicated that thirteen of the sixteen include this component. Regarding the Associate Superintendent, since the person in this position is retiring, this component will be ending this fiscal year.

10. Internal Audit Function

The district lacks an internal audit function that could have helped discover and/or resolve the weaknesses addressed in this report and noted by the district's financial auditors.

During fiscal year 2017, the district had total revenues and expenditures of approximately \$216.7 million and \$214.1 million, respectively, and numerous cash collection points and compliance and policy requirements; however, the district does not have an internal audit function or similar alternative arrangements for audits of various processes. If utilized properly, the internal audit function can assist management in performing its duties more efficiently and effectively, and the savings could potentially exceed the cost. In addition, an internal audit function can enhance the district's annual external audit by providing valuable information to those auditors and ensuring the district has strong internal controls and accounting procedures in place. An effective internal audit function could have helped in discovering and/or resolving many of the accounting and procedural control weaknesses, and policy and compliance issues addressed in this report.

Recommendation

The Board of Education consider appointing an internal auditor to conduct audits of district operations and activities.

Auditee's Response

The district agrees with the recommendation that an additional person reviewing district financial operations and activities would be of benefit. However, the district believes that it is the responsibility of management and administration to provide an internal audit function and resolve any accounting and procedural control weaknesses as well as policy and compliance issues. Therefore, the district plans to restructure the finance department and specifically assign duties to an employee who is involved in the daily review of operations and activities, including accounting guidelines, procedures and safeguards to reduce the risk of loss or theft, cash receipts, deposits, record retention/support, positions responsible at each site, segregation of duties and security of funds, internal review/reconciliation and oversight process, and required training for all staff responsible for cash



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handling prior to assuming duties. The staff member assigned will develop guidelines for training new staff as well as annual training and updates for all staff. The assigned staff member will also identify processes and procedures that require review and updates, periodically visit buildings to ensure that procedures are being implemented, and be available for questions and retraining as necessary.

11. Board Oversight of District Resources

The Board did not always ensure the efficient use of district resources while the district faced a reduced fund balance. As noted throughout the report, the district does not adequately safeguard district assets, has made numerous potentially unnecessary disbursements, did not properly plan for a substantial technology purchase, and has not provided for an internal audit function or other arrangements to oversee district assets.

The following table presents actual financial information for fiscal years 2011 through 2017 and budgeted financial information for fiscal year 2018 for the General Fund and Teachers' Fund combined.

	Fiscal Year Ended June 30,							
	2018 Projected	2017 Actual	2016 Actual	2015 Actual	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Beginning Fund Balance	\$ 40,439,462	38,511,047	51,953,279	61,406,604	69,587,165	69,007,516	60,242,006	46,321,373
Revenues	191,703,497	191,362,885	185,882,890	188,623,221	184,639,756	187,801,167	197,321,315	201,223,484
Less: Expenditures	191,698,275	189,434,470	199,325,122	198,076,546	192,820,317	187,221,518	188,555,805	187,302,851
Ending Fund Balance	\$ 40,444,684	40,439,462	38,511,047	51,953,279	61,406,604	69,587,165	69,007,516	60,242,006
Net Fund Balance								
Increase/(Decrease)	\$ 5,222	1,928,415	(13,442,232)	(9,453,325)	(8,180,561)	579,649	8,765,510	13,920,633
Ending Balance as								
Percentage of								
Expenditures	21.10	21.35	19.32	26.23	31.85	37.17	36.60	32.16

The district budgeted for and incurred 3 years of operating deficits when expenditures significantly exceeded revenues for fiscal years 2014, 2015, and 2016. During these years the Board purchased Chromebooks without a comprehensive cost study and made other purchases that may not be reasonable (see MAR finding numbers 5 and 8). For fiscal year 2017, the Board decreased operating expenditures through administrative and teaching staff cuts and revenues slightly increased, resulting in the first operating surplus in 3 years. However, the operating fund balance at the end of fiscal year 2017 was approximately 21 percent of General and Teachers' Fund expenditures for that year, and is projected to remain at this same level by the end of fiscal year 2018, which is only 6 percent above the Board's preferred minimum. As previously noted, the Board also did not safeguard all assets during this time (see MAR finding numbers 1, 2, and 7).



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The 2017-2018 budget also projected only a minimal increase in the combined operating fund balance of approximately \$5,000 leaving a small margin for error if revenue projections are not met. The district's budget message also notes the 2017-2018 school year would be another difficult financial year for the district. The budget also included further reductions in overall personnel costs by eliminating teacher, custodian, and administration positions.

It is essential the Board continuously oversee the use of district resources and safeguarding of assets to ensure the efficient use of district resources and adequate operating fund balances. This is especially important when the district faces a potentially difficult financial future.

Recommendation

The Board should continue to eliminate unnecessary spending and evaluate controls and management practices to ensure efficient use of district resources.

Auditee's Response

The district agrees that it should continue to review spending and evaluate controls and management practices to ensure efficient use of district resources. The review of spending already occurs through regular reports to the Board and through an inclusive annual budget process that invites community and staff members to provide input. This process has resulted in a balanced budget in the last two fiscal years despite a more than 20 percent loss in property values and the resulting loss of millions of dollars of revenue that previously caused the district to incur operating deficits. Through the regular annual independent audit, as well as through the items outlined in answers throughout this report, the district intends to continue to improve upon the evaluation of controls and practices to ensure more efficient use of taxpayer resources.

Hazelwood School District

Organization and Statistical Information

The Hazelwood School District is located in north St. Louis County.

The district operates 3 high schools (grades 9-12), 6 middle schools (grades 6-8), 14 elementary schools (grades K-5), 6 elementary schools (grades PK-5), and 3 early childhood centers. Enrollment was 17,668 for the 2016-2017 school year. The district employed 2,174 full- and part-time employees, as well as 328 substitutes (teachers, aides, custodians, food service employees, nurses, bus drivers) at June 30, 2017.

The Hazelwood School District has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

Board of Education

An elected board acts as the policy-making body for the district's operations. The board's seven members serve 3-year terms without compensation. Members of the board at June 30, 2017, were

Desiree D. Whitlock, President
Dr. Richard A. Roberts, Vice-President
Margo McNeil, Secretary
Dr. Brenda C. Youngblood, Treasurer
Mark J. Behlmann, Member
Cheryl D. Latham, Member
Karlton Thornton, Member

Superintendent

The district's superintendent at June 30, 2017, was Dr. Nettie Collin-Hart. Her total compensation for the 2016-2017 school year was \$252,800 including an annual salary of \$235,000, a \$10,000 retirement account, and a \$7,800 car allowance. The superintendent's compensation is established by the Board of Education.

Financial Activity

A summary of the district's financial activity for the year ended June 30, 2017, follows:

Hazelwood School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2017

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	2013 Bond Issue Fund	Totals
REVENUES						
Local	\$ 91,946,278	17,461,311	19,467,341	3,769,442	14	132,644,386
County	2,384,751	179,903	470,881	0	0	3,035,535
State	16,797,305	48,015,185	0	366,233	0	65,178,723
Federal	9,368,665	3,835,198	1,173,368	53,954	0	14,431,185
Other	1,374,289	0	0	0	0	1,374,289
TOTAL REVENUES	121,871,288	69,491,597	21,111,590	4,189,629	14	216,664,118
EXPENDITURES						
Instruction	9,669,199	99,800,673	0	0	0	109,469,872
Attendance	311,497	0	0	0	0	311,497
Guidance	1,457,128	5,100,675	0	0	0	6,557,803
Health services	2,585,694	0	0	0	0	2,585,694
Improvement of instruction	2,397,714	3,691,664	0	0	0	6,089,378
Professional development	501,053	72,353	0	0	0	573,406
Media services	456,390	2,965,563	0	0	0	3,421,953
Board of Education services	1,366,843	0	0	0	0	1,366,843
Executive administration	630,978	1,578,064	0	0	0	2,209,042
Building level administration	3,556,549	7,952,787	0	0	0	11,509,336
Business Fiscal and Internal Services	1,812,657	0	0	0	0	1,812,657
Operation of plant	19,305,235	0	0	0	0	19,305,235
Security services	2,970,729	313	0	0	0	2,971,042
Pupil transportation	7,499,053	0	0	0	0	7,499,053
Food service	6,788,335	0	0	0	0	6,788,335
Central Office Support Service	4,353,268	673,968	0	0	0	5,027,236
Adult continuing education	1,318	0	0	0	0	1,318
Community services	790,487	1,144,283	0	0	0	1,934,770
Capital outlay	0	0	0	2,816,789	147	2,816,936
Debt Service:						0
Principal retirements	0	0	8,930,000	1,430,000	0	10,360,000
Interest	0	0	11,140,213	124,263	0	11,264,476
Other charges	0	0	249,315	4,096	0	253,411
TOTAL EXPENDITURES	66,454,127	122,980,343	20,319,528	4,375,148	147	214,129,293
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	55,417,161	(53,488,746)	792,062	(185,519)	(133)	2,534,825
OTHER FINANCING SOURCES (USES)						
Transfers (to) from other funds	(53,488,746)	53,488,746	0	0	0	0
Refunding bonds	0	0	29,638,583	0	0	29,638,583
Premium on sale of bonds	0	0	2,597,847	0	0	2,597,847
Payments to refunded bond escrow agent	0	0	(31,988,624)	0	0	(31,988,624)
Sale of other property	0	0	0	5,265	0	5,265
TOTAL OTHER FINANCING SOURCES (USES)	(53,488,746)	53,488,746	247,806	5,265	0	253,071
NET CHANGE IN FUND BALANCES	1,928,415	0	1,039,868	(180,254)	(133)	2,787,896
FUND BALANCE, BEGINNING OF YEAR	38,511,047	0	7,865,908	6,122,285	133	52,499,373
FUND BALANCE, END OF YEAR	\$ 40,439,462	0	8,905,776	5,942,031	0	55,287,269

Source: District's independent (CPA) audit report for the year ended June 30, 2017. Information presented on a modified cash basis.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Weigh in Motion
Contracts**



CITIZENS SUMMARY

Findings in the audit of Weigh in Motion Contracts

Conflicts of Interest and Personal Financial Disclosures

Missouri State Highway Patrol (MSHP) and Missouri Department of Transportation (MoDOT) employees, who were also on the Heavy Vehicle Electronic License Plate, Inc. (HELP) Board, did not recuse themselves from preclearance and bypass discussions, and maintained questionable relationships with HELP representatives, including actively endorsing and promoting HELP to expand into other states, as well as actively steering other states and carriers away from HELP's competition.

Some MSHP and MoDOT employees made questionable statements in communications with HELP that cast doubt on their independence and showed preferential treatment toward HELP while participating in decisions regarding commercial vehicle preclearance and bypass services, including decisions involving HELP's competitor, Drivewyze.

Three MSHP and MoDOT employees involved in decisions related to Missouri's commercial vehicle preclearance and bypass services were subsequently hired by or contracted with HELP after their retirement from the state, casting further doubt on their independence. In addition, two of these former state employees were allowed to work directly with their former colleagues in violation of state law.

The MSHP and MoDOT lacked adequate policies and procedures to identify and address conflicts of interest and actions demonstrating a lack of independence.

In May 2017, the MSHP announced that an internal review was conducted and that its employees would no longer serve on the board of HELP, Inc. However, the internal review did not include a written report. There was no documentation of changes to MSHP's internal policies as a result of the internal review.

In November 2017, after the State Auditor's Office requested additional documentation and communications, MoDOT launched an internal review. In January, 2018, more communications were turned over that included additional information not originally disclosed. In February, 2018, MoDOT officials provided us information concerning the results of their investigation, which indicated MoDOT concluded communications between one current employee and HELP had violated MoDOT's rules of conduct and disciplinary action had been taken.

Employee personal financial disclosures required to be filed with the Missouri Ethics Commission were not accurate, requiring subsequent amendments.

Weaknesses in Implementation and Planning of Preclearance and Bypass Planning Services

Poor planning on the part of the MSHP and the MoDOT led to delays and inefficiencies in the implementation of a fair and comprehensive preclearance and bypass system.

The MSHP and MoDOT did not conduct a request for proposal (RFP) when a second vendor (i.e. Drivewyze) emerged in 2013 wanting to participate in

Missouri's preclearance and bypass program. Instead, in August 2014 the MSHP entered into a memorandum of understanding (MOU) to begin a pilot project to test Drivewyze's capabilities. However, the MOU with Drivewyze did not contain clear performance requirements or expectations. Specifically, the MOU did not require Drivewyze to have access to WIM data as part of the pilot project, and did not allow for the company to install its own sensors. The MOU also did not provide Drivewyze with any formalized expectations for what was required going forward. Access to WIM data was a significant and known issue when the MSHP entered into the MOU due to that data being owned by HELP in Missouri. In other states where both HELP and Drivewyze operate, the WIMs and WIM data is owned by the state, who provides the needed data to the bypass system vendors.

Communication and Retention Policies	Communication and retention policies of the MSHP and MoDOT need improvement. The MSHP has not developed policies and procedures to ensure its employees are aware of and comply with the record retention schedules approved by the Secretary of State's Office and identify business related communications (including personal email and text messages) that are required to be retained.
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The current MoDOT Director of the Motor Carrier Services Division, violated MoDOT policy by using his personal email account to conduct official MoDOT business without approval. The MoDOT's policies and procedures do not require employees to identify business related communications (including personal email messages and text messages) that are required to be retained.

HELP Membership Dues	MoDOT's payment of membership dues for Missouri's private sector representative on the HELP board was not disclosed in their annual federal grant application and were not a prudent or necessary use of state or federal funds.
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Due to the nature of this report, no rating has been provided.
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Weigh in Motion Contracts

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
and
Patrick McKenna, Director
Department of Transportation
and
Colonel Sandra K. Karsten, Superintendent
State Highway Patrol
Jefferson City, Missouri

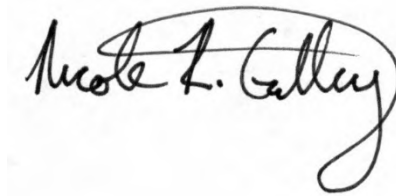
We have audited certain operations of the Department of Transportation and the State Highway Patrol related to weigh in motion contracts, in fulfillment of our duties under Chapter 29, RSMo. The scope of the audit included, but was not necessarily limited to, the year ended June 30, 2017. The objectives of our audit were to:

1. Evaluate the internal controls over significant management and financial functions related to weigh in motion contracts.
2. Evaluate compliance with certain legal provisions relevant to weigh in motion contracts.
3. Evaluate the economy and efficiency of certain management practices and operations related to weigh in motion contracts.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the management of these agencies and was not subjected to the procedures applied in our audit of the contracts.

For the areas audited, we identified (1) significant deficiencies in internal controls, (2) significant noncompliance with legal provisions, and (3) deficiencies in management practices and operations. The accompanying Management Advisory Report presents our findings arising from our audit of Weigh in Motion Contracts.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Pamela Allison, CPA
In-Charge Auditor:	Robert McArthur II
Audit Staff:	Valerie A. Dobson

Weigh in Motion Contracts

Introduction

Background

The Missouri Department of Transportation (MoDOT) is responsible for administering the Federal Motor Carrier Safety Assistance Program, which focuses on implementing monitoring tools to enforce commercial motor vehicle safety rules, regulations, and orders. The program's mission is to reduce crashes, injuries, and fatalities involving large trucks and buses. Additional enforcement and oversight is provided by the Missouri State Highway Patrol (MSHP) Commercial Vehicle Enforcement (CVE) inspectors located at both fixed and portable scale sites throughout the state. Each scale site is equipped with monitoring tools.

State and federal laws and regulations detail truck weight limit enforcement. The legal weight limits are in Sections 304.180 through 304.220, RSMo. Generally, trucks are restricted to a maximum weight of 80,000 pounds, a maximum single-axle weight of 20,000 pounds, and a maximum tandem-axle weight of 34,000 pounds. Section 304.235, RSMo requires all commercial motor vehicles to stop at an official weigh station, or to be identified through automated means approved by this state and determined to be in compliance without the necessity of stopping. These statutes provide some specific exceptions to these limits.

Missouri has the nation's 7th largest highway system. In 2016, commercial vehicle miles traveled across all MoDOT owned roadways totaled approximately 21.4 million miles daily and accounted for approximately 15 percent of all vehicle miles traveled.

Heavy Vehicle Electronic License Plate, Inc.

For more than 15 years, the MoDOT and MSHP have contracted with Heavy Vehicle Electronic License Plate, Inc. (HELP), a non-profit organization, to equip permanent scale locations with weigh in motion sensors (WIMs) and the company's preclearance service, PrePass. PrePass is an electronic screening program that allows subscribing carriers to be checked at highway speeds for safety, vehicle weight, and regulatory compliance using WIMs. Drivers of carriers subscribing to PrePass receive a green light signal (via transponder technology installed in the truck) to bypass the weigh station, if the truck is in compliance with size and weight requirements or if the weigh station is closed. HELP charges each subscribing carrier a fee for use of the PrePass service. Compliance criteria is established by the state and enforcement is performed by the MSHP utilizing information provided by the PrePass program.

In accordance with the contract, HELP owns all installed equipment (e.g. WIMs and monitoring tools) and all recorded raw data obtained from the sensors (including weight information). Missouri is the only state in the country using this arrangement to implement a bypass system (i.e. "Missouri Model"). In other states, the WIMs and weight information are owned by the state, and the states provide the weight information to bypass system vendors. HELP documentation indicates the company has invested more than \$21



Weigh in Motion Contracts Introduction

million in time and equipment in Missouri's bypass system. As of November 2017, Missouri has 19 permanent scale sites equipped with PrePass.

Board membership

Public and private sector individuals serve on HELP's Board of Directors (Board). From 2008 until April 2017, employees from the MSHP, MoDOT, and the Missouri Trucking Association (MTA), served on the board as follows:

- Colonel Bret Johnson (MSHP) began serving on HELP's Board in 2008. He was promoted from Major to Colonel in May 2015. He continued serving on the Board until August 2016 when he resigned from the HELP Board.
- Captain David Earney (MSHP) was selected by Colonel Johnson as his replacement on HELP's Board in August 2016, and served until his resignation from the Board in May 2017.
- Jan Skouby (former MoDOT Director of the Motor Carrier Services Division) began serving on HELP's Board in 2009 and continued serving until her retirement from MoDOT in October 2013.
- Scott Marion (current MoDOT Director of the Motor Carrier Services Division) served on the Board from November 2013 until his resignation from the Board in May 2017.
- Tom Crawford, MTA, served on the HELP Board as Missouri's private sector representative and had done so for several years.

Membership fees

Between fiscal years 2009 and 2017, MoDOT annually paid for one full and one associate membership with HELP. Full membership cost \$15,000, while associate membership cost \$7,500 per year, for a total of \$22,500 annually or \$7,500 per member. The full membership was for the MoDOT and MTA Board representatives and the associate membership was for the MSHP Board representative. The MoDOT and the MSHP shared and alternated the public sector board voting privileges. According to HELP, the annual membership dues covered the expenses for the representatives from the MoDOT, MSHP, and Missouri's private sector (MTA), to be on the board and attend various meetings.

Intelligent Imaging Systems, Inc.

In August 2014, the MSHP contracted with Intelligent Imaging Systems, Inc. (IIS, does business as Drivewyze) to operate a pilot program, which would provide a screening service similar to that provided by HELP. However, instead of using installed transponders, Drivewyze used cellular technology to communicate with the passing truck. The Drivewyze system also requires the use of WIMs and weight data. The MSHP, canceled the Drivewyze pilot program in May 2016 (effective August 2016).



Weigh in Motion Contracts

Introduction

Request for proposal

In October 2016, despite the MSHP's recent cancellation of Drivewyze's pilot project and due to concerns of conflicts of interest, the MoDOT determined there was sufficient evidence Drivewyze could provide the same services as HELP and subsequently issued an RFP, "to allow a fair and competitive process for the potential vendors." Missouri issued a request for proposal (RFP) for a commercial motor vehicle electronic preclearance and bypass system (RFP #6-170315DR) in February 2017. Both HELP and Drivewyze received a notice of award in April 2017, and their related contracts were fully executed February 1, 2018. Each contract has a lifespan of 3 years; allowing future additional vendors to compete in the market through a similar future RFP process. However, any future vendors would be required to install their own WIMs and assume all installation costs similar to HELP and Drivewyze.

Scope and Methodology

On April 14, 2017, due to news reports of, and discussions with law enforcement about concerns over the nature of MoDOT and MSHP's relationship with HELP, the State Auditor's Office (SAO) began an investigation under Section 29.221, RSMo. Based on the SAO's review of initial documentation and communications provided, the SAO determined an audit into various aspects of the state's involvement with HELP was warranted.

To gain an understanding of various aspects of the state's commercial motor vehicle electronic preclearance and bypass system, we reviewed additional documents and communications, financial records, proposed legislation and the related fiscal notes; interviewed various personnel of the MoDOT and the MSHP, as well as certain external parties; and performed analysis of comparative data.

We obtained an understanding of the internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Weigh in Motion Contracts

Management Advisory Report

State Auditor's Findings

1. Conflicts of Interest and Personal Financial Disclosures

Missouri State Highway Patrol (MSHP) and Missouri Department of Transportation (MoDOT) employees were on the Heavy Vehicle Electronic License Plate, Inc. (HELP) Board, and maintained questionable relationships with HELP personnel, resulting in conflicts of interest. As a result of the conflicts, state employees showed preferential treatment toward HELP when another vendor for preclearance services attempted to enter the market. Neither the MSHP nor MoDOT took steps to evaluate and document whether their employee's membership on the HELP Board represented a potential conflict of interest. In addition, employee personal financial disclosures required to be filed with the Missouri Ethics Commission were not accurate, which reduced the transparency of their relationship with HELP.

Conflicts of interest

MSHP and MoDOT employees, who were also HELP board members, did not recuse themselves from preclearance and bypass discussions, and maintained questionable relationships with HELP representatives, including actively endorsing and promoting HELP to expand into other states, as well as actively steering other states and carriers away from HELP's competition. Serving on the HELP board in more than an advisory role represents a bias and lack of independence. In addition, former state employees who were subsequently employed by HELP were allowed to work directly with their former colleagues, which also creates a conflict of interest. Upon the emergence of additional vendors into the preclearance and bypass market, the MSHP and MoDOT did not establish procedures to monitor their employees activities for bias, lack of independence, and conflicts of interest.

Questionable state employee communications and actions

Some MSHP and MoDOT employees made questionable statements in communications with HELP that cast doubt on their independence and showed preferential treatment toward HELP while participating in decisions regarding commercial vehicle preclearance and bypass services, including decisions involving HELP's competitor, Drivewyze.

Three of these employees were members of the HELP Board of Directors (Board); Jan Skouby (former MoDOT Motor Carrier Services Director), Bret Johnson (former MSHP Major, then Colonel), and Scott Marion (current MoDOT Motor Carrier Services Director). Another MSHP employee, former Major Greg Kindle, also participated in decisions regarding these bypass services. A timeline of these communications, actions, and events is documented below:

- On March 11, 2011, Skouby is elected to HELP's Executive Committee.
- On September 1, 2011, Tom Crawford, MTA, emails Skouby, "Does the Drive Wyze [*sic*] deal fit in this discussion at all?" Skouby responds, "I don't think so - at least right now. The big difference is PrePass wants this as an add on to their current pricing package which means it's not available to non PrePass carriers - I hope this is addressed as new business models are developed."



Weigh in Motion Contracts

Management Advisory Report - State Auditor's Findings

- On March 20, 2012, Debbie Bax, MSHP Assistant Director - Commercial Vehicle Enforcement, received an email message from Gary Steinmetz, (employee of Xerox, Xerox was a business partner of HELP), that included an attachment regarding mobile app considerations and questions "that should be addressed by IIS [Drivewyze] if they try and push the phone app on the State. I know Jan [Skouby] wanted to test this. The same points will also apply to the system at Bloomsdale." Debbie forwarded this email and attachment to Captain Londell Jamerson, Sergeant Kevin Kelley, and Chief Commercial Vehicle Officer Neal Mager, but it is unclear if anyone at the MSHP asked these questions of Drivewyze.

The attachment included questions formulated by HELP officials that they wanted the MSHP to ask Drivewyze (HELP competitor) related to the value, integration, reliability, data integrity, security, safety, and legal issues of Drivewyze bypass service.

- On August 22, 2013, while at the HELP summer board meeting, Skouby emailed Kelly Ray (MoDOT) and Marion, "I am bringing some info home. Also, mark [sic] Dougherty [HELP] will be sending me some potential dates for us to meet with them and we need to include MSHP. See if we can implement. As an FYI, drivewyze [sic] ran out of money and just got a \$7.5 million infusion. Trying to partner with prepass. I believe it is to stay afloat, but being a bit underhanded."
- October 2013, Skouby retired from the MoDOT.
- On November 18, 2013, prior to an upcoming MSHP staff meeting planned to discuss the Drivewyze preclearance bypass system, David Bendor, IIS (Drivewyze), sent Colonel Repogle and Lt. Colonel Karsten, MSHP, a document highlighting the benefits of the Drivewyze system.
- On November 20, 2013, at 8:15 a.m., the Drivewyze benefits document was forwarded from Lt. Colonel Karsten to MSHP Majors Schmidt and Johnson. At 8:37 a.m., within 22 minutes of receiving the Drivewyze document, Major Johnson forwards it to Karen Rasumussen, President and CEO of HELP, indicating: "DrivewyZe [sic] is lobbying my colonel [sic] FYI! Can you have Mark [Doughty] or someone send me help [HELP] talking points?" Rasmussen subsequently responds "I will have something to you tomorrow. I can take every single point in their talking points and refute them. Almost all of it is bogus."

A few hours later, at 11:09 a.m. on November 20, 2013, Mark Doughty, Chief Operating Officer of HELP, emails Major Johnson, "Karen brought me up to speed on the recent DW [Drivewyze] pursuit of Missouri, so I thought I would share some recent activities with MoDOT. At MoDOT's



Weigh in Motion Contracts
Management Advisory Report - State Auditor's Findings

request PrePass completed a site survey and provided them with a proposal to remove ISS (aka DriveWyze) [sic] screening solution hardware and software from the Bloomfield [sic] site as it has not met their performance standards and they were dissatisfied with the support . . . I know that Karen [Rasmussen] is helping you out with some other information, but If there is any assistance I can provide let me know." Major Johnson then forwards the email message to MSHP Lieutenant Colonel Sandy Karsten, who then forwards it to Major Dale Schmidt's MSHP account. He responds from his personal email account "**We need to be cautious in listening to a competitor especially with us and MoDOT being on their board**" [emphasis added by the SAO]

- On November 21, 2013, Rasmussen provides a document highlighting the benefits the HELP bypass program to Major Johnson who responds "I think this will do it. My he [sic] colonel [sic] will follow my lead. I just needed some ammo! . . . I am leaving in the am [sic] for the MiZzou [sic] vs ole miss [sic] football game in Oxford Mississippi, Traveling with the Governor's staff. **This issue is not going anywhere if I can help it....**" [emphasis added by the SAO]
- On November 22, 2013, Rasmussen emails Major Johnson to provide information to be used against Drivewyze, "Bloomfield [sic] is the very installation that MODOT has asked us to rework, taking out the IIS [Drivewyze] equipment. Since I don't know if they have actually notified DW [Drivewyze] yet, but the so-called Smart Roadside [Drivewyze application] isn't very smart.....apparently. I didn't put in this in the talking points but you could sure mention it in the meeting."

The November 18 through 22, 2013 email messages are examples of communications that suggest bias and a lack of independence.

- On November 26, 2013, Rasmussen emails Major Johnson to gather information on internal MSHP meetings: "Anything you can share from the staff meeting re preclearance systems?" Major Johnson indicates the meeting was moved until the next Monday, but he will follow up with her.
- On December 5, 2013, Rasmussen emails Major Johnson to lobby him to call the Kansas Highway Patrol to dissuade that agency from using Drivewyze, "Sounds like our friends in Kansas are getting the full court press from DriveWyze [sic]. If you are so compelled, a call to Maj. Goodloe [Major Mark Goodloe, Kansas Highway Patrol] might be helpful. He hasn't asked me, but I can pull together the same type of report we provided to Missouri."



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Management Advisory Report - State Auditor's Findings

- On December 6, 2013, Major Johnson forwards Rasmussen's email message to Kansas State Highway Patrol Major Goodloe, another member of the HELP Board, indicating, "Call me later this morning if you get a chance, I don't have much other than the colonel [*sic*] was lobbied heavily by DriveWyze [*sic*] we chose to pass. Karen can prepare you some good talking points that is Kansas specific it [*sic*] that will HELP you.....no pun intended! Hope to see you soon brother."
- In May 2014, Jan Skouby (former MoDOT Director of the Motor Carrier Services Division) was hired by HELP as a regional director of Midwestern states.
- On June 17, 2014, Skouby, in her new role with HELP, emailed Major Johnson and 2 other MSHP representatives and Marion and another MoDOT representative that she is "fortunate to be able to represent HELP Inc. in Missouri. HELP Inc would like to work with you at the Bloomsdale facility to pilot the next generation of PrePass. . . . " This email message demonstrates that MoDOT did not have procedures in place to identify potential violations of state law as further described on page 25.
- On August 5, 2014, the MSHP entered into a pilot program with Drivewyze (see Appendix A). The pilot program MOU allowed Drivewyze to utilize GPS and web-based technology to provide the MSHP with a fully functional bypass program at no cost to the MSHP.
- On August 15, 2014, Marion responded to an email message from his former boss Skouby where he expresses concern over the MSHP being open to Drivewyze's proposals, and describes his desire to get someone other than Major Johnson from MSHP to come to HELP meetings so that person can hear more information about HELP's services. Marion stated to Skouby: "I mentioned to Tom Crawford [MTA] that Major Schmidt's [MSHP] replacement, Major Robinson [MSHP] was a very good guy and wants to learn quickly. My conversation with Tom was also about my concerns with the patrol's seemingly infatuation with DriveWyze [*sic*]. Tom agreed with me that Brett Johnson, who goes to HELP meetings, doesn't really work in the CMV area. Tom made some calls (he's on the Executive Board), and Major Robinson will be attending the HELP meeting with us, along with Brett. My hope is that Major Robinson can get the same assurance and confidence about HELP's new direction as I did after my first meeting."
- On August 26, 2014, Skouby and Kelly Ray are communicating regarding IIS equipment at the Bloomsdale weigh station, when Skouby tells Ray, "Actually, the roadside folks said to take down the IIS because they never use and it's laying in the counter." This email message further



Weigh in Motion Contracts
Management Advisory Report - State Auditor's Findings

demonstrates that MoDOT did not have procedures in place to identify potential violations of state law as further described on page 25.

- On October 15, 2014, the Drivewyze pilot program started.
- On December 1, 2014, Marion responded to a board update email message from Rasmussen, "Congrats on so many accomplishments. I'm guessing you've heard, but **Missouri is working with Jan [Skouby] to move forward with 360 SmartView. I hope having 360 right in the crossroads of the US in Missouri will spur other states and in turn, carriers to look to PrePass.**" [emphasis added by the SAO] Rasmussen replied "We are very excited about MO going for 360! Thanks, Scott [Marion], for all your support and enthusiasm. You are wonderful addition to our Board!" This email message demonstrates that MoDOT did not have procedures in place to identify potential violations of state law as further described on page 25, and also demonstrates the conflicts created by having state representatives on the HELP Board.
- On March 6, 2015, the HELP board adopted a release of information policy to ensure PrePass data and information was protected and released only under the provisions of HELP bylaws, policy, written agreements, and as required by law.
- On May 19, 2015, Colonel Johnson forwarded an email message to Major Greg Kindle that indicated a trucking company had called and said they appreciated the opportunity to participate in the Drivewyze Program and had received positive feedback from their drivers and wanted to pass that information along to the MSHP. Major Kindle responded "During our tour of the scale houses last week none of our employees like it or would recommend our continued participation." Colonel Johnson replied, "**Exactly. I'm the prepass guy.**" [emphasis added by the SAO]
- On June 1, 2015, Marion emailed officials at HELP with "confidential" documents ahead of a communication launch planned by MoDOT and the Missouri Highways and Transportation Commission (MHTC), and to discuss an upcoming presentation he is doing in Minnesota where he intends to promote HELP services to the Minnesota Transportation Department. "**Good afternoon HELP/PrePass friends! And I sincerely mean friends.**" [emphasis added by the SAO] I owe you all big-time for helping me and MoDOT out on such short notice. Our Missouri Highways and Transportation Commission Chairman, Steven Miller and myself are very appreciative and I can't wait to tell him about the benefits HELP has brought to Missouri. I've attached a couple of confidential documents that won't be officially released until after the noon press event this Wed., but I thought I'd risk getting fired to let you all have some idea of what this event is really all about. (I don't think they'd really fire



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me!) . . . Karen [Rasmussen], on another note: I'm scheduled to speak June 17 at the Minnesota [MN] Truck Size and Weight Compliance Workshop. . . . **My instructions are to not 'sell PrePass' during my presentation, but I can use it as one of the examples that have brought us closer together here in Missouri, etc. I've had conversations with Terry [Maple, HELP] about our efforts to get PrePass into Minnesota and I assume I'll have the opportunity to talk more freely about the benefits during lunch and breaks, etc. I will follow up with you all after my trip. Maybe if I can help get them into PrePass I won't feel so bad about imposing on you all for my gig here in Missouri.**" [emphasis added by the SAO] Rasmussen replied "Scott [Marion] - You are most welcome and we appreciate the opportunity! I need to bring you (along with our HELP staff) up to date on MN. **Had dinner last night with MnDOT's Director of Operations and had a chance to tout what we do & how we do it. Lets talk later in the week after your event is over.**" Marion responded "**That would be very good and might help guide my conversations with them.**" [emphasis added by the SAO] I still think it's absurd and almost comical that a consultant is paying me¹ to tell grownups to get along. I have moved mountains for years with nothing but a dumb ass grin and sitting down and visiting with folks. I'm tempted to play a 30 second clip of Barney singing, "I love you, you love me...." and walk out of the room to try and demonstrate how fundamental being nice and cooperating is to humans, not to mention annoying purple dinosaurs! Thanks for everything Karen [Rasmussen]. Lars [Jacoby, HELP] has been a trooper during this fire drill event here in Missouri." This communication demonstrates the questionable relationship shared between MoDOT administration and HELP.

- On June 4, 2015, Marion emailed employees of HELP and PrePass thanking them for participating in the MoDOT/MHTC communication launch, adding "**Next project: getting Minnesota on board!**" [emphasis added by the SAO] Rasmussen replied "Scott [Marion]: We very much appreciate having the opportunity to participate and to support our ace HELP board member from Missouri! Are you free for a call tomorrow to discuss Minnesota?" Marion responded that he is available.
- On June 22, 2015, Marion emailed employees of HELP, as well as Crawford (MTA) about his presentation with Minnesota and openly discussed his efforts to sell the positive aspects of HELP to Minnesota officials and suggested HELP's next step in getting services started in the state: "**Hello "Best Public/Private/Partnership in the World" Friends,**

¹ Marion later clarified that he was not paid for additional services to present at the Minnesota event, but rather, his out-of-state travel expenses were covered by the organizer. His attendance at the Minnesota event was approved by MoDOT's Chief Financial Officer and he was on state time while in attendance.



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I think there's encouraging news from Minnesota [MN]. [emphasis added by the SAO] . . . **From the one-on-one conversations I had with the MN folks last week, I got the distinct impression the DOT would like to do PrePass. The patrol group seemed to want to talk about DriveWyze [sic]. The patrol folks also had many misconceptions and frankly just plain wrong information about HELP/PrePass.** [emphasis added by the SAO] Such things as: "We don't like the fact you have to pay to belong to HELP and get PrePass" (I explained you don't have to pay to get PrePass, but belonging to HELP is very beneficial, gives you a voice, and their joint HELP membership could further the growth of their mutual relationship building efforts). "We don't like the fact that the state can't determine pull-in rates, criteria, etc. and you have to do what PrePass says" (I explained, that's not true. In Missouri, we obviously rely on HELP/PrePass expertise to guide us, but it is YOUR System and you make the decisions.) During the round table breakout sessions, they spoke of the need to have more effective, efficient enforcement. This played right into our wheel house and I and Dan Drexler, the MN FMCSA Administrator both spoke of the proven effectiveness of e-screening and by-pass capability. I spoke with Ted Coulianos [MnDOT] a couple of days after the meeting. He mentioned that after the workshop, he and a patrol person drove to some weigh stations. Ted said they felt like they needed to just go ahead and put PrePass at one site to get CVISN [Commercial Vehicle Information Systems and Networks] compliant. That was good news. Ted also mentioned that unfortunately, he was not the person who could make the final decision. Ted thought it would be a good idea if Karen [Rasmussen] or someone from HELP could come give a presentation to dispel some of the misconceptions with the MN patrol. I've visited with Karen about this and although Ted isn't the decision-maker, he is our contact to schedule future meetings to move things along. **I think it was a positive meeting for HELP's prospects.** [emphasis added by the SAO] Rasmussen responded "Scott [Marion]: This is an all-encompassing and encouraging report! John Hausladen called requesting a follow-up call with us, also had good feedback on the meeting. Terry [Maple], Jan [Skouby], Mark [Doughty], Steve [Vaughn, HELP] and I have a call scheduled with him on 6/29. Will keep you informed. **Thank you for attending the meeting and for being such a great ambassador for HELP!**" [emphasis added by the SAO]

- On July 29, 2015, Marion emails Skouby, Colonel Johnson, Lt. Kevin Kelley, Captain David Earney (MSHP), and Tom Crawford (MTA). "I have put together some highlights of our accomplishments this past year for Missouri's Update at the Help, Inc. Board meeting . . . One more thing Jan [Skouby], **I guess one never gets over the supervisor/direct report relationship. You asked for this by Thursday morning and gosh darn I got it to you before the deadline boss!**" [emphasis added by the SAO]



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This email message demonstrates the potential conflicts for Marion to be answering to his former supervisor and colleague.

- On August 7, 2015, Marion received a request from Christopher Oliver (Xerox) to provide a reference for HELP regarding an invitation for bid request from the state of Texas for an electronic clearance system. Marion replied "Thank you for asking and yes, I would very much like to be a reference for HELP/PrePass. Let me know if I need any coaching about special circumstances or concerns surrounding the Texas bid that would be helpful for me to emphasize if they contact me."
- From August 2015 until May 2016, the Drivewyze pilot program continued to operate without WIM data, and HELP continued to operate its PrePass bypass service.
- On May 4, 2016, Colonel Johnson sends a letter to Drivewyze providing written notification of the cancellation of the Drivewyze pilot project effective August 15, 2016. The letter provided no explanation of the reasons for the cancellation.
- On May 11, 2016, Skouby emailed Ryder (provider of transportation and supply chain management products), copying Rasmussen and Marion, and asking Marion to speak to a potential client, which he does. Marion's response suggests this call was a sales call to sell the client on the benefits of HELP. From Skouby: "Aaron [Ward, Ryder] and Teresa [Grandon, Ryder] - It was great talking with you at the IRP [International Registration Plan] Annual Meeting, and I agree there are lots of opportunities to help streamline your operations. I have asked our PrePass folks to contact you and discuss how our PrePass and PrePass tolling programs might be able to assist you. Also, we discussed the transfer of fees when you add a new vehicle and the ability to have a plate inventory. I know some states do provide this, and I am most familiar with Missouri. I have copied Scott Marion, MoDOT Motor Carrier Services Director. Scott is a great person to assist you with any questions you might have in this area." On May 12, 2016, Marion replied "Jan [Skouby], I wanted to let you know that I just got off the phone with Aaron [Ward]. We talked about the cost savings he could realize by registering his vehicles in one state, etc. but I also took the opportunity to tell him about PrePass, HELP. He mentioned the nightmare of getting thousands of tolling receipts, bills, every week, etc. I explained how HELP/PrePass is a first rate, beyond reproach public/private partnership, how we are governed and decisions are made, customer service focused, and if anyone could save him time and gain efficiencies, he should work with PrePass. I couldn't resist giving him a call. **I hope he and Ryder join the PrePass/HELP family.**" [emphasis added by the SAO] Skouby responded "You are the best!!!", then Rasmussen responded "Ditto, ditto, ditto!!!"



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- On May 25, 2016, Heath (Drivewyze) emailed Major Greg Kindle, Captain Earney, and Lt. Kelley, all of the MSHP, and proposed installing computer monitors at weigh stations and providing onsite refresher training. He also indicated in the email message that the Attorney General's office was reviewing the state's WIM data access rights. Major Kindle responded, "At this time, the Missouri State Highway Patrol does not wish to move forward with the installation of the Drivewyze monitors at our sites."
- On June 6, 2016, at 8:06 a.m., Marion emailed Skouby contact information for Shaun Ryker, Prime Inc. (trucking industry carrier).
- On June 6, 2016, at 11:08 a.m., Skouby emailed Rasmussen, Dougherty (all from HELP), Crawford (MTA), and Marion (MoDOT). The communication provides information on how Marion took part in HELP's recruitment of another new client. From Skouby: "Mark [Doughty] and I spoke earlier regarding Prime Inc. possibly moving to Drive Wyze [*sic*], and this is what has transpired. Scott Marion called me early this morning to let me know Shaun Ryker, Prime, had contacted MoDOT and indicated they were looking into Drive Wyze [*sic*]. Scott [Marion] indicated he was going to call Shaun, and since I had worked with Shaun previously at Prime, I was also going to give him a call. I spoke with Tom Crawford [MTA] because wanted to be sure he is kept in the loop - Prime is one of MoTA's [MTA] big members. In my conversation with Shaun, he indicated Prime was wanting a smaller and more up-to date transponder. Harold Butterfield [HELP] had been to Prime and shown them the new transponder for tolls and PrePass, but it is really big. However, Shaun was not aware until he spoke with Scott [Marion] and subsequently me of the advantages PrePass offered - quality of the data, the breadth of our facilities...He also did not know until Scott [Marion] first shared that Drive Wyze [*sic*] would no longer be used in MO after August. We talked some about data quality, and Shaun indicated once their analytics were done, he would be in contact again to get a better understanding. Shaun did say Drive Wyze [*sic*] presented a very impressive package, but that could be misleading if states do not use it. As Mark and I discussed, it might be beneficial for our retention staff to touch bases with our Missouri carriers. . . ."

Later that day, Marion emailed Skouby, Doughty (HELP), Rasmussen (HELP), and Crawford (MTA), "Thank you so much for the recap and follow up Jan [Skouby]. I very much appreciate you taking my call so early this morning! I also shared some beliefs, understanding, and facts based on personal experience with Shaun."

- On June 7, 2016, at 7:54 a.m., Ryker (potential HELP client) emailed Tara Spencer an email for Marion, MoDOT, "Good Morning Scott



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[Marion], In our conversation yesterday you mentioned another state that was told by Drivewyze that they were entering into an agreement with Prepass to use their WIM. Can you remind me which state that was? It seems like it was AL [Alabama] or MS [Mississippi], but I forgot to write it down. I assure you I won't mention you in any way during our conversation with Drivewyze. Also, Jan [Skouby] reached out to me yesterday regarding this also. I really do appreciate being able to get good information from people we trust." The email message was forwarded to Marion at 9:15 a.m., who replied at 9:48 a.m., "I called him."

- On June 7, 2016, at 11:14 a.m., Marion emailed Rasmussen, Skouby, Dougherty (all from HELP), and Crawford (MTA), "Shaun Ryker with Prime contacted me again today with some follow up questions. The conversation went fine, but no indication of their plans was apparent to me. I think he's just doing his due diligence to report up."
- On June 14, 2016, Marion responded to a question from Crawford (MTA) concerning a MoDOT Request for Proposal (RFP), then adds, ". . . You know you make me laugh. Any mention of PPP or P3 [Public Private Partnership] and you break out into hives! I do the same thing when the word Drivewyze is mentioned!"
- On July 13, 2016, Colonel Johnson receives an email message from Rasmussen (HELP) forwarding him information from her communications with Drivewyze to help MSHP's efforts to end the Drivewyze pilot project. From Rasmussen: "FYI, Brian [Heath] stated that MSHP's only issue with Drivewyze was not having the WIM data." Colonel Johnson forwards this email message to Major Kindle indicating, "Please have CVE [Commercial Vehicle Enforcement division] make me a list of issues we had with drivewyze [*sic*]" which resulted in an inter-office communication dated August 12, 2016.
- On July 14, 2016, Marion responded to an email message from Kelly Ray (MoDOT) who prepared a list of issues the department had with Drivewyze. Ray asked Marion to review the list before he sends it to Kevin Kelley (MSHP Lieutenant). **Marion's reply included, ". . . Let him know I'm trying to get the list from Karen [Rasmussen, HELP] of issues nationwide."** [emphasis added by the SAO]
- On July 26, 2016, Marion forwards an email message from Rasmussen concerning Drivewyze's actions in Missouri to his Motor Carrier Services staff indicating, "Hey Brain Trust, good morning! I encourage you to read Karen Rasmussen's, the CEO of HELP, Inc., email that went out to the entire Board of Directors of HELP. Now the entire nation of law enforcement, DOT officials, and private sector board members are aware of the actions that have occurred here in Missouri regarding Drivewyze."



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This communication demonstrates Marion's bias towards HELP which could have influenced his staff.

- On August 2, 2016, at 12:09 p.m., Marion explains in an email message to Wunderlich, MoDOT's Government Relations Director the various ways Drivewyze did not perform what was required under the MOU, including not providing WIM data. However, the same email message states the Drivewyze current MOU would not allow the company to install WIM sensors. From Marion: "After nearly two years, the MSHP exercised their right under the MOU [Memorandum of Understanding] and notified Drivewyze [DW] that the agreement would end August 15, 2016. MoDOT was/is in full agreement with this decision. In several emails and letters both agencies have reiterated to Richard [McIntosh-Drivewyze's lobbyist] the August 15 still stands, in essence "Drivewyze, get out of MO. The patrol absolutely did not like the Drivewyze product, repeatedly told DW they needed weigh-in-motion data, which DW never produced. In 2 years DW never even provided computer monitors for the pilot sites. They only agreed to provide monitors after they were told about the MOU August 15 cancellation. . . . The old MOU will not work. It only allows the pilot program. To install scales like they want will require a completely new and totally different MOU. They can't just start installing stuff on state Right of Way without an agreement. Both agencies have also told them several times a "new" MOU will need to be done. And right now we have no desire to even consider it . . . Richard [McIntosh] and DW are just trying to bully their way back in. He keeps threatening to go to the Governor. We're at the point where I say, "Good luck with that". The patrol will have no problem explaining to the Gov(ernor)/staff what a disreputable company and poor value for the taxpayer DW is."
- On August 2, 2016, at 2:37 p.m., Marion emails McIntosh (Drivewyze's lobbyist) indicating, "I guess I should risk being blunt, but Drivwyze [*sic*] has been notified of the August 15 cancellation date of the pilot MOU. This fact has been reiterated on more than one occasion by both MoDOT and MSHP. As far as we're concerned that decision is final. . . . At this point, there will be no current or future MOU. . . . At the risk of being too blunt again, we feel like we've had 2 years of unfulfilled promises, expectations and performance from Drivewyze. The recent activity to get monitors and WIM data appears to us as a "now we have no choice" decision by Drivewyze. How can we reasonably expect to trust any actions now? Missouri first allowed the Drivewyze pilot previously as you said, to allow some competition, but unfortunately the pilot has not been good. Drivewyze did not perform for the citizens of Missouri. MoDOT and MSHP are confident we have made the correct decision to no longer have Drivewyze operate in Missouri as of August 15, 2016. And we are also confident this decision can be justified and defended."



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At 2:43 p.m. Marion forwards the email message to Lt. Kelley indicating, "I hope I don't get called on the carpet for my reply, but gosh darn, this nonsense needs to end."

- On August 2, 2016, at 2:59 p.m., Major Kindle replied to McIntosh, indicating "I fully agree with Scott Marion's response. The MOU creating the pilot program with Drivewyze will be terminated effective August 15, 2016 as previously discussed. The performance of the Drivewyze program did not meet our needs and only after telling the folks at Drivewyze that we were terminating our involvement with their program did they try to become responsive to our requests. We had requested and been promised monitors for our scale houses for over a year with no progress. This type of service is unacceptable. Let me be clear, the monitors will not solve the overall unacceptable service from the folks from Drivewyze. This lack of responsiveness has created a trust issue that will not be easily remedied."
- On August 9, 2016, Shaun Ryker (Prime) emailed Tara Spencer (MoDOT), who forwarded the email message to Marion, "Good Afternoon. I hope everything is going good with you. We received a call from Omnitracs [offers innovative software and fleet management solutions serving the transportation sector] this morning asking where we are with Drivewyze. The first thing we told them was that we're waiting for August 15th before we considered it. They assured us Drivewyze will still be functional in MO. Do you have any updated information regarding the August 15th Deadline?"

Approximately 20 minutes later, Marion emailed Ryker "As of August 15, Drivewyze will not be operating in Missouri, regardless of what they may [*sic*] telling others. This has been communicated to them by the top folks at both MoDOT and the Patrol." Ryker replied "That's what I thought."

- On August 30, 2016, the MSHP sent Drivewyze a letter documenting reasons for cancelling the Pilot Program.
- On November 14, 2016, HELP, Drivewyze, and one other vendor are notified that MoDOT plans to issue an RFP for a commercial motor vehicle electronic preclearance and bypass system.



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- On December 16, 2016, Marion emails Rasmussen and Crawford (MTA) notification of pre-filed legislation² and provides notes of issues within the bill he felt would harm HELP.
- On December 20, 2016, Major Kindle sent HELP his resume from his MSHP email account.
- On December 21, 2016, HELP emailed Major Kindle the job description for its Regional Director position.
- On January 10, 2017, Rasmussen notifies the MSHP that she plans to attend Colonel Johnson's retirement event and plans to make a presentation on behalf of the HELP Board.
- On January 12, 2017, Rasmussen sends an email message to the HELP Board encouraging board members to attend Colonel Johnson's retirement event.
- On January 16, 2017, Major Kindle interviews with HELP at the company's Phoenix, AZ, offices for the position of Regional Director.
- On January 17, 2017, after Kindle has applied and been interviewed for a position with HELP, Rasmussen emails Kindle asking for his input on a memo she is preparing for Missouri officials highlighting the benefits of HELP's involvement in the state. The email message stated: "It was good to talk with you yesterday and to get your input on the draft 'vehicle headway', Missouri PrePass stats and spreadsheet outlining HP [Highway Patrol] benefits of our system. We are in the process of incorporating your suggestions and will have final documents to you by midday. Per your request, I will also copy in Capt. Earney and Lt. Kelley. Thanks again. Will be back to you soon and look forward to seeing you Thursday for Bret's [Johnson] retirement event."

Later the same day Rasmussen emails the memo to Kindle, Captain Earney, and Lt. Kelley at the MSHP, and suggests it would be inappropriate for her to forward the document to MoDOT, but encourages MSHP officials to do so: "Attached is a spreadsheet with three tabs prepared for Missouri, outlining the benefits of HELP membership and PrePass for the DOT and for the Patrol, as well as a compilation of PrePass industry benefits. These are our collective thoughts, but feel free to utilize what is helpful and discard the rest. Because of the pending RFP,

²Senate Bill 198 was introduced on December 9, 2016 by State Senator Rob Schaaf, which provided regulations for weigh station and inspection site bypass services. House Bill 306 (same as Senate Bill 198) was introduced by State Representative T.J. Berry. Neither bill was enacted.



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I have not forwarded this information to anyone at MoDOT, but any of you are welcome to forward it to them."

- On January 27, 2017, Rasmussen emailed Marion "talking points" to provide information in discussions with the legislature, for which Marion thanked them (including Mark Doughty, HELP). Rasmussen replied "Scott [Marion]: Stop the presses! What I sent you was a re-constituted version of the one I had nearly finished when we talked earlier today; then my computer ate it and I couldn't retrieve it no how! When I did this version, I left out one extremely important accomplishment that evolved directly out of the HELP Board: The development, testing and deployment of the mobile PrePass Roadside Solutions [PPRS], now available to HELP states and treated just like a new site application. You may want to add it. I was speaking with Mark following the demo they gave Rep. Berry at Kearney today and he said they discussed PPRS and – bingo! It hit me that I left it out of the talking points. Mark [Doughty] said that Lt. Kelley and Jan [Skouby] both did a great job of explaining the system and Rep. Berry listened and nodded a lot. At the end of the demo, he said "I have no problem with HELP's system.....", obviously inferring he's still hung up on the COI [Conflict of Interest] issue. Stay tuned....." Later Marion thanks Rasmussen "for doing the heavy lifting for me."
- On January 31, 2017, Marion emailed Rasmussen and Doughty from his personal email account making condescending and disparaging comments regarding Missouri's legislative process and indicates "this was just my manic way of trying to always see the lighter and absurd things we get the opportunity to be a part of. If I didn't look for the "funny", I'd be way more crazy than I am. Thanks for everything you do for us. I appreciate you and Karen's [Rasmussen] support and help more than I can express." Marion later forwarded this email message to his MoDOT email account.
- On February 1, 2017, Colonel Johnson retired from the MSHP. After his retirement, Colonel Johnson filed an Article of Organization with the Missouri Secretary of State's Office on February, 24, 2017, forming a consulting firm effective March 1, 2017. HELP contracted with Johnson's consulting firm in March 2017.
- Major Kindle retired from the MSHP on February 1, 2017, and was hired by HELP as a Regional Director in March 2017. His region does not include the state of Missouri and we identified no subsequent communications from Kindle to state employees.
- On February 3, 2017, MoDOT issued a RFP for a commercial motor vehicle electronic preclearance and bypass system (RFP #6-170315DR).



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- On March 6, 2017, Marion emailed Rasmussen and Doughty asking for advice/guidance on an upcoming meeting he had with a member of the Legislature. He informs them about his and his Director's recent meetings with Senator Schaaf, then asks ". . . Do you all have any advice about how to approach the meeting with [Senator] Schatz and also any comments for me to stress about the attached chart? [The attached chart was a hand drawn flow chart of Missouri's commercial vehicle screening and enforcement process.] I still believe the House and Senate bills have little chance of being passed and may or may not even get to the floor for debate, but I do fear a possibility of an amendment being tacked onto other transportation related bills that would forbid us from being on the HELP board. **I don't think we can afford to be complacent.** [emphasis added by the SAO] Any help or advice you can provide for these questions would be much appreciated."
- On April 7, 2017 Rasmussen emailed MoDOT Director McKenna: "Several days ago, Drivewyze submitted a "proposal" to us through Sen. Schatz. The Executive Committee's [HELP] decision was made before the latest tactic - which was to provide a reporter with untruths and innuendos - so the chairman revised the letter this morning. It is being hand-delivered to Sen. Schatz today. Through all of this turmoil, I want to express thanks on behalf of HELP for your continued belief in the value of a public/private partnership whose sole mission is truck safety and infrastructure protection!" McKenna appropriately responded "**In the midst of an active procurement, I do not believe communications between us such as your email are appropriate.**" [emphasis added by the SAO]
- On April 10, 2017, both HELP and Drivewyze received a notice of award for a commercial motor vehicle electronic preclearance and bypass system (RFP #6-170315DR).
- On April 12, 2017, Marion forwarded Rasmussen an editorial regarding Missouri's ethical dilemma regarding truck weighing.
- On April 14, 2017, Rasmussen forwarded a link to a website and petition against Missouri legislation to the personal email account of Marion.
- On April 16, 2017, Marion notified Rasmussen that he needs to file an amended PFD (Personal Financial Disclosure) with the MEC and requests information on expenses paid directly by HELP for various board meetings. Also in the email message he commented that "I realize these machinations are becoming exhausting, . . ."
- On April 18, 2017, Rasmussen forwarded a link to an ad campaign against Missouri legislation to the personal email account of Marion.



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- On May 10, 2017, Marion emailed Rasmussen from his personal email account "I am extremely disappointed about us having to resign from the board. I realize there are folks way above me in state government who felt this decision had to be made, but I just wish people would take more than a cursory look at the facts. I could write a thousand more words about what I'm thinking and feeling, but maybe I should save that for another time. Tom [Crawford, MTA] had to fight off another amendment today that would have granted DW [Drivewyze] access to HELP's WIMs. Further proof this had absolutely nothing to do with our membership in HELP but all about DW [Drivewyze] wanting a free ride. **While I hope to someday have a more formal role with HELP, I pledge to do everything I can communicate the facts about the good work and unquestioned ethics of HELP.** [emphasis added by the SAO] I can't even fathom how someone could make false accusations to the FBI about another person and tarnishing one's good name? But DW [Drivewyze] can and will stoop to even lower tactics I'm convinced . . . This is probably emotion talking, but I think aggressive action of some kind may be necessary to preserve, protect and grow HELP. I don't know if that means legal action or changing the structure and oversight of HELP? It will undoubtedly create additional expenses as similar situations happen in other states. I don't know exactly how, but it may be possible for me to take action now that I'm off the board. I look forward to speaking to you about any way I can help. **I value your friendship so much and please let the other board members know I will miss them and to stay diligent in their good work.** [emphasis added by the SAO] I would prefer for now that this email remain confidential, but at some point maybe I could write a letter of encouragement, etc. that could be read at a future board meeting? To say I'm a little despondent would be an understatement."
- On May 10, 2017, Chuck Gohring, National Interstate Risk Management, emailed Marion about Missouri no longer being represented on the HELP board. Marion replied "Chuck, You have no idea of the stuff I've endured and still going through. I'll have to call you soon to catch you up." Gohring responded "Well, if it made Transport Topics...I can only imagine. Stay Strong!" Marion replied "Let's just say I've learned email is not always the best way to communicate!"
- On June 5, 2017, Marion sends an email message from his personal email account to former Colonel Johnson, now contracted by HELP, providing information related to WIM installation times. This email message demonstrates that Johnson may have violated state law as further described on page 25.



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- On June 6, 2017, Rasmussen emails Marion at his personal email account in response to his inquiry about accidents/congestion around WIM installations.
- On June 25, 2017, at 10:23 p.m., Marion emailed Jay Wunderlich and Roberta Broeker (all of MoDOT) with a WIM risk assessment he prepared, "... all of the talk about the safety hazards and inconvenience to the public when installing and working on WIMs, prompted me to pursue a Risk Assessment about this work zone activity. I thought this would be good to provide MoDOT and both bypass providers information and awareness of the safety risks they will encounter over the life of the contracts. I have not sent the attached documents to any one as of yet, ...". Wunderlich thanked Marion for his work the next morning (June 26, 2017) at 7:35 a.m.
- On Sunday, June 25, 2017, at 10:44 p.m., approximately 21 minutes after informing Wunderlich and Broeker of the risk assessment and prior to receiving their acknowledgement and/or approval to forward, Marion emails Johnson, Rasmussen, Doughty (HELP), and Crawford (MTA) from his personal email account with MoDOT's WIM risk assessment concerning crashes at work zones involving WIM work. Marion indicates "I'm not naïve enough to say the work zones, no matter how small, are "safe places", but the risk assessment did show that the installation and maintenance of WIMs and other very similar types of work zones are one of the safest types of work we do. I have not shared the attached documents with anyone except for my boss Roberta Broeker and Jay Wunderlich, our Government Affairs guy. At the July 11 meeting that Rep. Berry has called, I plan to be quiet unless called upon because I consider the meeting a moot point since we have signed and executed agreements with both service providers. However, I will have this document with me as it dispels much of the talk about safety and inconvenience to the public. If asked, I plan to provide this to both bypass providers prior to WIM installation and maintenance work and anyone else interested, but you requested this information, so I'm sending it to you first." Subsequently, on July 6, 2017, Rasmussen requests from Marion the same MoDOT internal risk assessment he previously provided her on June 25, 2017. On July 7, 2017, Marion officially emails Rasmussen, from his state email account, that same document.

The information Marion provided to HELP in both the June 5 and June 25, 2017 email messages was only provided to HELP, and not both vendors involved in the legislation (despite Marion's comments otherwise). This information was provided in advance of an important meeting in the House Speaker's Office, on July 11, 2017, between members of HELP, Drivewyze, legislators, and members of MoDOT.



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- On September 19, 2017, Katelyn Dwyer, American Association of Highway Transportation Officials, emailed various states to determine if they were using WIMs like the Idaho Transportation Department. Cheryl Ball, MoDOT, tells Marion she responded to Dwyer. Marion then responds himself to provide information about HELP and offers to provide contact information for HELP. From Marion: "Katelyn, Missouri uses WIMs at 19 of our weigh stations in combination with our no-cost bypass service provider PrePass and soon to be another provider Drivewyze. If you'd like to learn more feel free to give me a call. I would also suggest this website of HELP, Inc. the non-profit public/private group that provides the PrePass Services. <http://www.helpinc.us/> I could easily get you in touch with Karen Rasmussen the President and CEO of HELP, Inc. to learn more. . . ."

Conclusion

While both the MSHP and MoDOT did not initially perceive any conflict of interest with their employees being members on the HELP Board, it is clear from these communications that the relationships formed while working with HELP led to such conflicts. The communications show instances of bias and a lack of independence toward HELP. These communications also show that a MoDOT employee tasked with providing oversight to preclearance providers in the state maintained questionable relationships with HELP officials, and acted in an inappropriate capacity of promoting and selling the benefits of HELP to other states and to potential clients.

State employees subsequently employed by HELP

Three MSHP and MoDOT employees involved in decisions related to Missouri's commercial vehicle preclearance and bypass services were subsequently hired by or contracted with HELP after their retirement from the state; Jan Skouby (May 2014), Bret Johnson (March 2017), and Greg Kindle (March 2017), casting further doubt on their independence. In addition, two of these employees have had business related communications with Missouri while employed with HELP despite contrary statements made by Rasmussen, further demonstrating bias and lack of independence in decision making.

As previously noted, Major Greg Kindle actively solicited employment with HELP through his official MSHP email account on December 20, 2016 to which HELP replied the next day by emailing him the job description for its Regional Director position. We identified additional email messages, where Major Kindle made travel arrangements for his interview and conveyed his retirement plans with HELP through his official MSHP email account.

Major Kindle did not serve on the HELP Board, but was involved with maintaining the contract between MSHP and HELP (as previously noted) prior to his retirement. In addition, rather than abstaining from any involvement with HELP after soliciting employment and interviewing, Major Kindle continued corresponding with HELP regarding the firm's business in



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Missouri and took no steps to formally notify in writing his employer of a possible conflict.

Communications with former state employees considered a conflict

Communications between state employees and their former colleagues now working for HELP put state employees in a position to be unduly influenced and would be considered a conflict of interest and a potential violation of state law. HELP officials recognized this conflict. In an email message to the HELP Board of Directors on April 7, 2017, Rasmussen indicated "We met with Bret [Johnson] after the Board meeting last month and asked him, through his Limited Liability Company, to take on a small consulting role specifically to assist Steve Vaughn [HELP] in representing HELP with the International Association of Chiefs of Police (IACP) and related organizations. Prior to executing a short-term consulting agreement, we sought legal guidance and concluded that, as a private citizen, Bret is free to do work for whomever he chooses. It is a natural fit for us given his knowledge of our organization and programs, as well as of commercial vehicle enforcement. Under our six-month agreement, he is prohibited by state law and by HELP's own conflict of interest standards from representing HELP in any way in Missouri. The same is true for Greg Kindle and Jan Skouby, both retired former Missouri state employees, neither of whom represent us in Missouri."

However, as previously noted in the email messages dated June 17, 2014, August 26, 2014, December 1, 2014, June 5, 2017, and June 25, 2017, both Skouby and Johnson have had business related communications with state employees involved in Missouri's commercial vehicle preclearance and bypass system since their retirement, which represents a conflict of interest and contradicts Rasmussen's statement and HELP's conflict of interest standards. In addition, email messages not included in the communications timeline dated June 26, 2014, August 15, 2014, October 29, 2014, April 29, 2015, July 29, 2015, and February 4, 2016, show Skouby had further influence on Missouri's commercial vehicle preclearance and bypass system.

Section 105.454.1(5) and (6), RSMo, prohibits employees from performing any service for consideration, during one year after termination of his or her office or employment, by which performance he or she attempts to influence a decision of any agency of the state, which he or she was an officer or employee or over which he or she had supervisory power, and prohibits employees from performing any service for any consideration for any person, firm or corporation after termination of his or her office or employment in relation to any case, decision, proceeding or application with respect to which he or she was directly concerned or in which he or she personally participated during the period of his or her service or employment.

Conflict of interest policies and procedures

The MSHP and MoDOT lack adequate policies and procedures to identify and address conflicts of interest and actions demonstrating a lack of



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independence. Neither the MSHP nor the MoDOT took steps to evaluate and document whether their employee's membership on the HELP Board represented a potential conflict of interest and actions taken, including communications demonstrated a lack of independence. Additionally, action was not taken by either MSHP or MoDOT to ensure former state employees now working for HELP were not influencing the decision making process. In addition, the MSHP and the MoDOT's policies do not require employees to report potential conflicts of interest and do not address procedures to monitor employees involvement to ensure compliance with the established policies.

The MSHP's Rules of Conduct for Employees, Section B, Prohibited Conduct, No. 3, indicates an employee will not engage in any activity in which there is a significant potential for conflict of interest or the appearance of a conflict of interest with the lawful duties of the employee. Conflict of interest is any activity that would tend to influence a decision, create a bias or prejudice, or create a gain or loss for any person or agency, which would favor one side or the other in conflict with the employee's official duties, or that conflicts with the accomplishment of the Patrol mission or goals.

MoDOT's Conflict of Interest Policy includes the following statements:

- Employees are expected to engage in activities that are compatible with the impartial and objective performance of their duties.
- Employees should avoid any activity which improperly influences or gives the appearance of improperly influencing the performance of their duties.
- Employees shall not participate in any proceeding or decision in which the employee's impartiality might be reasonably questioned due to the employee's personal or financial relationship with a participant in the preceding.

MoDOT internal documents suggest department officials did not believe their employees membership on the HELP Board of Directors was a conflict of interest; however, the content of some of the email messages previously noted and subsequent employment of 2 MSHP and one MoDOT employees cast doubt on their independence and show preferential treatment to HELP.

The lack of proper oversight and adequate conflict of interest policies allowed potential conflicts of interest to occur and caused a lack of independence that may harm public confidence in the MSHP and the MoDOT.



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Internal reviews and
management inquiries
undertaken by MSHP and
MoDOT

On May 10, 2017, the MSHP issued a news release indicating it provided the Attorney General's Office with all information from the "internal review," ordered by Colonel Sandra Karsten to look into the MSHP's involvement with the HELP Board. The news release indicated concerns were uncovered "with actions during the prior administration by individuals no longer employed by the Patrol."

However, during the course of our audit we asked the MSHP for additional information regarding this internal review, and MSHP officials indicated a formal written report was not completed and the results of this internal review were not documented. Their response to our inquiry follows:

"Regarding the internal review referenced in the May 10, 2017 news release, information related to the Patrol's service on the HELP, Inc. Board was reviewed. The Patrol had some concern regarding former Patrol employee(s) purportedly working for HELP, Inc. after retiring from the Patrol and was uncertain whether such concern was warranted. By May 10, 2017 separate, contractual relationships had been formed between the State of Missouri and Drivewyze and HELP, Inc., there was no further need for the Patrol to have a representative serve on the board of HELP, Inc. The Patrol provided to the AGO [Attorney General's Office] a copy of the records the Patrol had previously provided to the SAO."

While a MSHP employee resigned from the HELP Board of Directors on May 9, 2017, the MSHP did not document its internal review of employee actions or change its policies or procedures.

After various requests from our office for email messages and documents, the MoDOT provided information responsive to our requests in September and November 2017. Unbeknownst to the SAO, the MoDOT started an internal management inquiry of potential conflicts of interest in November 2017 to determine if any actions taken were inconsistent with department policy. MoDOT's internal review resulted in numerous additional email messages being provided to the SAO in December 2017. On January 3, 2018, after informing our MoDOT audit liaison we would be sending the department a management representation letter to confirm all documentation had been provided to the SAO, we were informed of MoDOT's internal inquiry and of the existence of additional email messages that would be relevant to our review. Subsequently, on January 19, 2018, MoDOT provided us a final submission of email messages completing our requests. MoDOT reviewed the email messages and conducted interviews completing their inquiry February 5, 2018. On February 7, 2018, MoDOT officials provided us information concerning the results of their investigation, which indicated MoDOT concluded communications between one current employee and HELP had violated MoDOT's rules of conduct and disciplinary action had been taken.



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MoDOT updated its conflict of interest policy on February 1, 2017, to raise organizational attention to the issues of lobbying, acceptance of gifts, and impartiality in decision making. MoDOT officials also indicated they have expressed to their General Services Division, an organizational desire to generally have contracts and other agreements that are time specific in nature, rather than the open-ended time frame of the original Help, Inc. agreement, and to generally adhere to a 3-year time frame, with 2 optional one-year extensions.

Personal financial disclosures Employee personal financial disclosures (PFD) required to be filed with the Missouri Ethics Commission (MEC) were not accurate, requiring subsequent amendments.

- Colonel Bret Johnson failed to properly disclose his membership on the HELP Board, until amending his 2015 PFD in August 2016. In addition, Johnson never reported any expenses paid directly by HELP, or amended any of his PFDs prior to 2015. He was a member of the HELP Board between 2008 and 2016.
- Jan Skouby never disclosed her membership on the HELP Board, and only disclosed related 3rd party expenses in 2009. She was a member of the HELP Board between 2009 and 2013.
- Scott Marion initially failed to properly disclose his membership and 3rd party expenses paid by HELP on his 2014 and 2015 PFDs. In June 2017, he amended both of these PFDs to disclose his HELP Board membership and 3rd party expenses paid by HELP, and amended his 2016 PFD (filed in March 2017) for 3rd party expenses paid by HELP.

Section 105.485.2(7), RSMo, requires disclosure of the name and address of each not-for-profit corporation in which a person was a trustee at any time during the year covered by the statement, and for each such organization, a general description of the nature and purpose of the organization. In addition, Section 105.485.2(9), RSMo, requires the PFD statements contain lodging and travel expenses provided by any third party for expenses incurred outside the state of Missouri whether by gift or in relation to the duties of office of such official.

Conclusion

The involvement of MoDOT and MSHP employees on the HELP board, the content of their communications and close working relationships with HELP officials, and the subsequent employment of former state employees by HELP indicate significant conflicts of interest were present. In addition, incomplete and inaccurate reporting on PFDs did not provide adequate transparency of the relationships in place. The further lack of oversight and adequate conflict of interest policies may harm public confidence in the MSHP and the MoDOT.



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Increased awareness of such relationships, and requiring conflicts of interest and/or situations which could present the appearance of a conflict of interest to be reported in writing would help provide transparency and full disclosure to the public.

Recommendation

The MSHP and MoDOT adopt written policies and procedures to review for potential conflicts of interest and revise their conflict of interest policies to require employees to disclose potential conflicts of interest and address procedures to monitor employees involvement to ensure compliance with established policies. The MSHP and MoDOT also need to better inform current and exiting employees regarding the requirements of Section 105.454.1(5) and (6), RSMo.

Auditee's Response

The MoDOT provided a written response. See Appendix B.

The MSHP provided a written response. See Appendix C.

2. Weaknesses in Implementation and Planning of Preclearance and Bypass Planning Services

Poor planning on the part of the MSHP and the MoDOT led to delays and inefficiencies in the implementation of a fair and comprehensive preclearance and bypass system.

The MSHP and MoDOT did not conduct a request for proposal (RFP) when a second vendor (i.e. Drivewyze) emerged in 2013 wanting to participate in Missouri's preclearance and bypass program. Instead, in August 2014 the MSHP entered into a memorandum of understanding (MOU) to begin a pilot project to test Drivewyze's capabilities. However, the MOU with Drivewyze did not contain clear performance requirements or expectations. Specifically, the MOU did not require Drivewyze to have access to WIM data as part of the pilot project, and did not allow for the company to install its own sensors. The MOU also did not provide Drivewyze with any formalized expectations for what was required going forward. Access to WIM data was a significant and known issue when the MSHP entered into the MOU due to that data being owned by HELP in Missouri. In other states where both HELP and Drivewyze operate, the WIMs and WIM data is owned by the state, who provides the needed data to the bypass system vendors.

Background on WIM data and agreements with HELP

Since 2002, the MSHP and MoDOT have contracted with HELP for the installation of WIMs and operation of Missouri's preclearance and bypass program. At the time the original agreement and subsequent 2005 agreement were executed, HELP was the only provider of these bypass services. The 2005 agreement provided no termination date, but states the parties could terminate the agreement for cause after 90 days of written notice. In addition, the 2005 agreement indicated:

"The Memorandum of Understanding does not create an exclusive relationship between the Commission and Patrol and HELP for providing



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electronic screening services. HELP agrees that if one or more similar site systems are, or become available, the Commission and Patrol have the option of entering into similar agreement(s) that may include providing equal right of access to site components provided or funded by the Commission and Patrol, except that such use shall not interfere with HELP-provided equipment or operations. Such additional site system would have no right to use, share or interfere with the components provided or funded by HELP, including HELP owned transponders, although HELP would have the option of reaching an agreement with any other provider under which equipment provided or funded by HELP could be shared."

The above language allows HELP to control if any other potential vendors, such as Drivewyze, can access the WIM data from their scales, and does not leave the MoDOT any option to obtain such data in the future, if necessary. By not ensuring future access to the WIM data, MoDOT created a significant barrier to entry for any additional preclearance service vendors wishing to provide such service in the state.

Drivewyze pilot project

The MSHP entered into a MOU with Drivewyze in August 2014 to establish a pilot project to implement the company's system. MSHP officials indicated they entered into the pilot project with Drivewyze because company representatives stated they could provide a "fully functional bypass program." However, based on email messages in calendar years 2012 and 2013, agency management knew prior to the execution of the pilot project that HELP and Drivewyze had previously failed to execute an agreement to share WIM data at the Bloomsdale weigh station, and the Drivewyze pilot program would also lack WIM data, or at a minimum, have difficulties getting access to the data from a competitor. For example:

- On May 28, 2014, Marion noted in an email message to Lieutenant Kelley and Captain Earney, MSHP, and other MoDOT employees, that Drivewyze cannot capture WIM data because Drivewyze has not reached an agreement with PrePass "on sharing/linking systems and data, etc. So far, my discussions with the PrePass folks haven't produced much, but I'm hopeful this may be possible in the future."

This concern was reiterated during the performance of the pilot project as evidenced in the following email message:

- On October 7, 2015, Marion noted in an email message to Captain Earney and Lieutenant Kelly, MSHP, "I've read and reread and had our legal folks review our MOU with PrePass and it clearly says the only way another company can hook into PrePass provided equipment is for the other company and PrePass to reach an agreement. DriveWyze's [*sic*] issue is with PrePass, not MoDOT or the MSHP."



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Cancellation of the
Drivewyze pilot project

Drivewyze was notified in May 2016 by the MSHP, that the Drivewyze pilot was being canceled in August 2016. The MSHP canceled the project due to the lack of access to existing WIM data and a lack of action related to installation of other assets necessary to implement the firm's preclearance and bypass system. However, due to a lack of clear performance expectations being documented in the MOU, the MSHP did not have clear criteria to evaluate Drivewyze's performance on the pilot project. As a result, MSHP did not have a clear basis to cancel the pilot project, and initially failed to clearly communicate to Drivewyze in writing the reasons for the cancellation of the project.

A letter to Drivewyze dated May 4, 2016, and signed by Colonel Johnson only indicated "This correspondence serves as the Missouri State Highway Patrol's written notification of the cancellation of the agreement with Drivewyze, Inc., effective August 15, 2016."

Formal written communication explaining why the pilot project was canceled was not provided to Drivewyze by the MSHP until August 2016, when the MSHP sent a letter to Drivewyze indicating the company had not provided weigh in motion data for commercial vehicles as part of the bypass screening process or the necessary monitors for automated identification.

It is unclear why the MSHP failed to formally communicate concerns with Drivewyze during the pilot program because internal communications between the MSHP and MoDOT concerning the pilot project's performance, were evidenced in the following email messages:

- On April 13, 2015, Kelly Ray, MoDOT, asks Lieutenant Kelley, "When are you guys planning on letting IIS [Drivewyze] know we're pulling the plug? They've asked Scott [Marion] for WIM data to plug into Drivewyze. We don't want to answer until they know."

Lieutenant Kelley responds, "How can they get WIM data if PrePass doesn't allow it? Can they get WIM data?"

Kelly Ray indicates, "They can't get it unless we battle with PrePass or simply tell IIS [Drivewyze] it's between them and PrePass but there's no sense going down that path if we're not keeping Drivewyze."

Lieutenant Kelley replies, "The reason we had decided not to keep them as far as a bypass system was two-fold. No WIM data was the biggest issue. The other reason was the need for separate computer screens to view the bypasses. **If they did that, I think we would have to be fair and keep them. Your thoughts??**" [emphasis added by the SAO]



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Kelly Ray replies, "I know we should always be fair, but I also know how much PrePass has invested in our state. If IIS [Drivewyze] wants to provide their equipment and cut a deal with PrePass for the weights, I have no problem at all. If they expect us to provide the weight data, I'm not sure Scott [Marion] is willing to pursue. I need to talk to him in the morning. If you get a chance, you might want to see how much they're willing to provide in equipment and if they're willing to strike a deal with PrePass for the data."

Further, while the pilot project MOU indicated Drivewyze would provide MSHP "a fully functional bypass program," it did not specifically require Drivewyze to provide weigh in motion data for commercial vehicles or monitors for automated identification (the 2 reasons for the cancellation). According to MSHP officials, these items were determined to be necessary during the operation of the pilot project and verbally communicated to Drivewyze officials. However, statements made in email messages on August 2, 2016, indicate Drivewyze could not take steps to provide weigh in motion data unless the company's competitor provided the information (unlikely to occur) or a new MOU was entered as follows:

- Marion indicated, "The old MOU will not work. It only allows the pilot program. To install scales like they want will require a completely new and totally different MOU. They can't just start installing stuff on state Right of Way without an agreement. Both agencies have also told them several times a "new" MOU will need to be done."

In effect, MSHP entered into a MOU with Drivewyze to implement a pilot project and allowed that project to continue for 2 years even though they strongly suspected Drivewyze would not be able to acquire WIM data from HELP, and knowing that the existing MOU would not allow Drivewyze to install its own WIM sensors.

RFP for preclearance and bypass services

In October 2016, due to concerns of conflicts of interest, the MoDOT determined an RFP should be issued and subsequently issued an RFP in February 2017, to allow a fair and competitive process for the potential preclearance and bypass service providers. Both HELP and Drivewyze received notices of award in April 2017, and their related contracts were fully executed February 1, 2018. However, the new RFP requires both vendors to install WIMs at their own cost and weight information is owned by each vendor, which may limit future competition. If another vendor wants to enter the market in the future, the firm will also have to install additional WIMs in the roadways to obtain the required weight information.

Conclusion

Poor planning by the MoDOT and MSHP resulted in significant delays and inefficiencies in the implementation of a fair and comprehensive preclearance and bypass services. MoDOT and MSHP's agreement with HELP did not



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allow the state access to WIM data, and the initial MOU with Drivewyze did not provide the vendor with clear expectations of performance, which led to misunderstandings as to what was expected and uncertainty in the reasons for the cancellation. Written communications are needed to avoid misunderstandings and aid the MSHP in the event the handling of the agreement is questioned. In addition, written communication would assist the vendor in understanding the need for improved performance and the reason decisions were made.

Recommendation

The MSHP and MoDOT ensure adequate planning is performed to evaluate changes in competition for program services and consider the need to rebid those services. The MSHP should also perform formal evaluations of pilot projects and ensure future contracts or agreements include clear performance expectations.

Auditee's Response

The MoDOT provided a written response. See Appendix B.

The MSHP provided a written response. See Appendix C.

3. Communication and Retention Policies

Communication and retention policies of the MSHP and MoDOT need improvement.

MSHP policies

The MSHP has not developed policies and procedures to (1) ensure its employees are aware of and comply with the record retention schedules approved by the Secretary of State's (SOS) office and (2) identify business related communications (including personal email and text messages) that are required to be retained in accordance with record retention schedules approved by the SOS. Neither issue is clearly addressed in the MSHP's Information Systems Security policy.

The MSHP does not require retention of business communications via text message, and as a result, the MSHP may not comply with record retention schedules approved by the SOS. The only record of the text message communication were the text messages available for our review on the phones of the employees.

During our review of correspondence related to the weigh in motion contracts, we found evidence that Colonel Johnson communicated via text message with a Drivewyze representative in November 2016. In addition, MoDOT provided us communications with Captain Earney via text message sent from Captain Earney's personal cell phone concerning the RFP and various news articles. Neither Colonel Johnson nor Captain Earney's text messages nor their content were retained by the MSHP.



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MoDOT policies

Scott Marion, current MoDOT Director of the Motor Carrier Services Division, violated MoDOT policy by using his personal email account to conduct official MoDOT business without approval. In addition, the MoDOT's policies and procedures do not require employees to identify business related communications (including personal email messages and text messages) to be retained in accordance with record retention schedules approved by the SOS.

As noted in MAR finding number 1, Marion used his personal email account to conduct state business with HELP. Marion started using his personal email account more frequently to correspond with HELP after the weigh station bypass industry came under scrutiny in late 2016.

MoDOT personnel policy No. 2503, titled Communication and Information Systems, indicates department email accounts have been provided to conduct department business and use of any other email account (i.e. personal) to do so is strictly prohibited unless approved by Information Systems management. MoDOT officials indicated Marion was not granted such approval.

In addition, the MoDOT does not require retention of business communications via text message and as a result, the MoDOT may not comply with record retention schedules approved by the SOS. The only record of the text message communication were the text messages available for our review on the phones of the employees.

Conclusion

While the Office of Administration maintains an email message archiving system that retains state agency email messages forever, use of personal email messages to correspond directly to a non-state entity is not archived. In addition, because agency policies do not adequately address retention of business related communications, we cannot be certain we were provided all such communications related to the weigh in motion contracts.

Improper methods of communication could create legal liability, cause the loss or destruction of records, create unacceptable positions for employees, and harm the public's confidence in these agencies. Both agencies are expected to abide by the record retention schedules approved by the SOS. Without clear, specific, and adequate retention policies, there may be inconsistencies in the understanding and implementation of records retention and accessibility.

Recommendation

The MSHP should establish communication and retention policies in accordance with the record retention schedules approved by the Secretary of State's office. The MoDOT should ensure personnel policies are followed regarding use and approval of personal email accounts and ensure its retention policies abide with the record retention schedules approved by the Secretary of State's office for nontransitory communications.



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Auditee's Response

The MoDOT provided a written response. See Appendix B.

The MSHP provided a written response. See Appendix C.

4. HELP Membership Dues

MoDOT's payment of membership dues for Missouri's private sector representative on the HELP board was not disclosed in grant funding applications and not a prudent or necessary use of state or federal funds.

As noted in the Background section, annual membership dues totaling \$22,500 were paid by MoDOT for Missouri's 3 representatives (\$7,500 per member). The United States Department of Transportation (USDOT), Federal Motor Carrier Safety Administration's (FMCSA), Commercial Vehicle Information Systems and Networks program grant provided for a 50 percent reimbursement of HELP dues. However, payment of the MTA (private sector) representative's dues were not disclosed in the MoDOT's annual application for this funding.

In December 2016 (after the weigh in motion contracts came under scrutiny), the USDOT, FMCSA's Grants Management Office, determined that membership dues used to pay for private sector representation on the HELP Board would no longer be considered an eligible expense. Similarly, state funds should not have been used to pay for the portion of the other 50 percent of the private sector representative's membership dues.

As of May 2017, Missouri's state representatives on the HELP board have resigned due to the appearance of a conflict of interest and membership dues are no longer paid to HELP.

Recommendation

In the future, the MoDOT should refrain from paying membership dues of a private sector representative.

Auditee's Response

The MoDOT provided a written response. See Appendix B.

Weigh in Motion Contracts Organization and Statistical Information

Administering the Federal Motor Carrier Safety Assistance Program is the responsibility of the Missouri Department of Transportation (MoDOT). The program focuses on the development and implementation of tools to enforce commercial motor vehicle safety rules, regulations, and orders.

The MoDOT is responsible for coordinating the planning and construction of new scale facilities. Directed by the Support Service Bureau of the Missouri State Highway Patrol (MSHP), the Commercial Vehicle Enforcement Division (CVE) enforces all applicable federal and state rules, regulations, and statutes, related to commercial vehicle axle, gross, and licensed weight compliance.

Missouri has 113 CVE Officers/Inspectors located at 21 fixed scale sites and 18 portable scales throughout the state enforcing vehicle weight regulations. Fixed, or permanent, scale facilities are located along the Interstate or U.S. highways. Portable scales move throughout the state assigned to bypassing routes or within metropolitan commercial zones. Though permanent facilities are constructed by MoDOT, both the MSHP and MoDOT share maintenance responsibilities.

Weigh in Motion Contracts

Drivewyze Inc. Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

BETWEEN

Drivewyze Inc.

AND

Missouri State Highway Patrol

This non-binding MEMORANDUM OF UNDERSTANDING (MOU) is hereby made and entered into by and between Drivewyze Inc. ("Drivewyze") and the Missouri State Highway Patrol ("Agency").

A. PURPOSE:

The purpose of this MOU is to describe the participation of both parties in the **Drivewyze™** bypass program. This non-binding MOU discusses the participation of both parties with respect to the roles and benefits related to each party involved in the bypass program:

B. STATEMENT OF MUTUAL BENEFIT AND INTERESTS:

The bypass program will utilize GPS and web-based technology to provide the Agency with a fully functional bypass program. The bypass service and supporting technology is supplied at no cost to the Agency and is fully supported by carrier subscription fees collected by Drivewyze Inc. The **Drivewyze** technology delivers a complete commercial motor vehicle (CMV) bypass program to the State.

The **Drivewyze** technology includes a mobile device application that turns a standard in-cab hardware technologies (ie. tablet/smartphone/EOBR/ELD) into a 'smart transponder'. The bypass program also includes the **Drivewyze** Smart Roadside screening interface for enforcement staff, allowing the setup, operation and complete control of the **Drivewyze** program at a State level.

C. ROLES

The roles of both Agency and **Drivewyze** are described in this MOU.

During typical **Drivewyze** operations, the Agency shall:

- a. Work with **Drivewyze** to establish the bypass program, policies and operational framework for implementing the bypass program including:

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Weigh in Motion Contracts
Drivewyze Inc. Memorandum of Understanding

- a. Approval of all sites within the State where **Drivewyze** will be active.
- b. The Agency controlled bypass criteria used to evaluate bypass requests.
- c. Provide any required approvals for Drivewyze to access government information systems on behalf of the Agency for the sole purpose of providing safety and credential related information to support the bypass program.
- b. Have no obligation to bypass vehicles that do not qualify for bypass privileges as laid out in the Agency's Bypass Program operations and policy documents.
 - a. The Agency is free at any time to change the business rules governing bypass
 - b. The Agency can vary the random report rates from 0-100%
 - c. The Agency can cancel bypass operations for any carrier as it sees fit.
- c. Allow a vehicle that meets the Agency's bypass requirements to bypass a weigh station or inspection site, and treat the event as a legal bypass event.
- d. Direct frontline Agency staff members to utilize **Drivewyze** at any weigh station sites approved for bypass operations.
- e. Support the collection of any technical or operational feedback on the driver or screening interface and system performance through meetings and customer service calls in order to help improve the **Drivewyze** technology.
- f. Not be responsible for any information obtained by **Drivewyze**.
- g. Not be under any legal obligations whatsoever to **Drivewyze** or industry participants.

During typical operations, Drivewyze shall:

- a. Market and enroll drivers into the **Drivewyze** program.
- b. Provide **Drivewyze** bypass device application to drivers that enroll.
- c. Provide training to the Agency administration and frontline operators.

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Drivewyze Inc. Memorandum of Understanding

- d. Provide training to the drivers and carriers.
- e. Provide the Agency with online access to the Smart Roadside Inspection System screening interface in order to view **Drivewyze** vehicle events.
- f. Provide system access and use at no cost to the Agency.
- g. Provide technical and system support services free of charge to the State and industry participants.
- h. Provide the Agency with monthly field reports presenting details of the previous month. Real time reports are also available.

D. This agreement will remain in effect indefinitely from the date of signing or until either party notifies the other that the agreement is cancelled. Either party may cancel the agreement at any time with 90 days written notice to the other party.

Signatures

Drivewyze Inc.

Date

August 5/14

Missouri State Highway Patrol

Date

8.5.14

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Weigh in Motion Contracts Auditee Response - MoDOT

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MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION

April 13, 2018

The Honorable Nicole Galloway
State Auditor
State Auditor's Office
Room 121, State Capitol Building
Jefferson City, MO 65101

Dear Madam Galloway:

Attached please find the Missouri Department of Transportation (**MoDOT**) response to the Weigh in Motion Contract Review Audit Report.

(I) Conflicts of Interest and Personal Financial Disclosures

DEPARTMENT RESPONSE:

(A) Background: In the Motor Carrier Safety Improvement Act of 1999, the Federal Motor Carrier Safety Administration was tasked to provide federal funds to states to create a new commercial motor vehicle (CMV) enforcement technology that would allow pre-approved CMVs to bypass weigh stations, which would increase safety on interstate highways. In 1999, the Missouri Legislature amended section 304.235, RSMo (which had previously required all CMVs to stop at a weigh station) to authorize CMVs to bypass a weigh station if the CMV is identified through new automated technology to be in compliance with state weigh limit laws.

When researching the creation of an electronic bypass system in Missouri, MoDOT considered building its own electronic bypass system. In 2002, after significant research and consideration that showed MoDOT's pursuit of its own state-owned system would require a significant investment of state funds to build and then upgrade and maintain such system, MoDOT elected to save Missouri's limited public funds and executed a contract with the only provider capable of building such a system at the time, HELP, Inc. As the auditor notes in this report, **HELP, Inc. has estimated its costs to build the preclearance system in Missouri at \$21 million, costs which otherwise would have been paid by Missouri taxpayers.**

HELP, Inc.'s electronic bypass system is a great example of the State of Missouri working with private entities to create a system that has had significant benefits to the Missouri economy and the trucking industry, without requiring Missouri and MoDOT to pay these costs.

Our mission is to provide a world-class transportation experience that delights our customers and promotes a prosperous Missouri.



Weigh in Motion Contracts
Auditee Response - MoDOT

(B) Benefits: The Missouri economy and trucking industry have received significant benefits from the electronic preclearance weigh station bypass system that authorizes CMVs to bypass weigh stations upon electronic verification of the CMV's compliance with federal and state weight limits and authority to operate. In 2017, HELP, Inc. estimated its Missouri Pre-Pass electronic bypass system has saved 2,543,202 hours in CMV operations; saved 12,207,367 gallons of fuel; and saved \$223,233,076 in CMV operating costs in Missouri. These costs do not include the unknown, but significant, safety savings in reduced congestion and traffic incidents due to the elimination of lines of CMVs on interstate highways having to physically pull in at weigh stations. Also, the electronic bypass system has extended the life of Missouri's interstate weigh station scales by authorizing CMVs that comply with federal and state weight limits to bypass the scales and the Missouri State Highway Patrol concentrating enforcement on higher-risk carriers. By eliminating over half of the trucks that cross the scales, it effectively has doubled the weigh scales' life.

(C) Improper Communications: While there has been significant benefit for the Missouri economy since implementation of HELP, Inc.'s CMV electronic preclearance system in Missouri, MoDOT agrees there were communications by a MoDOT employee that shows a bias towards MoDOT's vendor. The emails show the MoDOT employee's involvement on HELP, Inc.'s board was used to market HELP, Inc. MoDOT has already taken several steps to correct this situation.

1. Competitive Procurement: First, in October 2016, MoDOT decided to conduct a competitive procurement to determine if any firms, in addition to HELP, Inc., could successfully provide electronic weigh station bypass services. When MoDOT initially contracted with HELP, Inc. (first in 2002, later amended in 2005), HELP, Inc. was the only provider for these services.

MoDOT's General Services division researched 50 state websites to identify electronic bypass service providers who may be able to provide these services. States were contacted if the information was not readily available on the website. Also, MoDOT engaged a representative from the Federal Highway Administration and the Missouri Office of Administration Information Technology Services division to serve on the Evaluation Team and excluded staff from its Motor Carrier Services division on such Team in order to ensure an objective review of the proposals received. A procurement like this is unusual because MoDOT knew these services would not result in an outlay of taxpayer dollars.

2. Board Withdrawal: Second, MoDOT withdrew its membership from HELP, Inc.'s board of directors on May 9, 2017. As noted above, public/private membership on the board served the state of Missouri well as MoDOT was able to test new applications and vote on new technologies for HELP's possible investment in Missouri. Over a third of the states continue to be members of HELP, Inc.'s board, usually consisting of the state department of transportation or the state police / highway patrol. Nevertheless, MoDOT determined the relationship with HELP, Inc. through participation as a board member was no longer desired, and therefore decided to remove our employee from the board.

3. Internal Review: Third, MoDOT conducted an internal review of the actions and communications of our employee who previously served on HELP, Inc.'s board and determined that the employee's actions warranted discipline.

(D) Personal Financial Disclosure Statements: MoDOT recognizes its former employees did not properly disclose their membership on HELP, Inc.'s board in required personal financial disclosure statement (PFDS) while employed with MoDOT, although one of the employee's statements was later corrected. MoDOT agrees it must improve its education of current employees who are subject to the



Weigh in Motion Contracts Auditee Response - MoDOT

section 105.485 PFDS requirement to correctly complete a PFDS, which will increase MoDOT's transparency regarding its relationships with other boards, commissions and committees.

(E) Potential Statutory Violations: The State Auditor cites some emails to conclude MoDOT did not have procedures in place to identify potential state law violations in section 105.454.1(5) and (6).

While MoDOT cannot confirm that these emails show a potential violation of section 105.454.1(5) and 105.454.1(6), MoDOT will provide information to its **current** employees in regard to these statutory prohibitions on future post-MoDOT employment. Such information will better assist our current employees in their post-employment careers.

(F) Requisite Action: MoDOT will take the following steps:

1. Conduct an inventory of the boards, commissions, committees, etc. on which current MoDOT employees serve to determine if potential conflicts of interest exist as well as whether PFDS are required to be filed;
2. Revise MoDOT policy to require our employees to annually disclose service on boards, commissions, committees, etc., and review the disclosures for potential conflicts of interest and filing of PFDS;
3. Revise MoDOT policy to identify the MoDOT staff required to file PFDS as required by sections 105.483 and 105.485 RSMo; and
4. Revise MoDOT policy to include information on section 105.454.1(5) and (6), RSMo.

MoDOT will accomplish these steps by December 31, 2018.

(2) Weaknesses in Implementation and Planning of Preclearance and ByPass Planning Services

MoDOT could have realized earlier that evolving technology may have created additional vendors for this service. Again, because MoDOT and Missouri paid nothing for HELP, Inc.'s weigh station electronic bypass services, the concept of additional competition didn't surface as quickly as it would have if state funds were paying for it. The fact the service was provided at no cost to the state was likely a major factor in the original open-ended contract term.

MoDOT has already addressed the issues raised here. It has directed staff to develop procurement and contract documents that cover a period not to exceed three years, with no more than two, optional, one-year extensions, which addresses the open-ended duration of the amended 2005 contract with HELP, Inc. MoDOT believes this change should ensure procurements of services occur regularly and will detect more quickly changes in technology or other circumstances.

(3) Communication and Retention Policies

MoDOT agrees that it will conduct an employee refresher communication on the requirement by MoDOT policy for employees to obtain pre-approval from specifically designated Information Systems management staff in order for an employee to use a personal email account. MoDOT agrees it will develop specific retention policies that are consistent with the Secretary of State's Office retention schedule related to nontransitory communications that occur by text.

We will complete these steps by December 31, 2018.



Weigh in Motion Contracts
Auditee Response - MoDOT

(4) HELP Membership Dues

Federal law authorized federal funds to be used to reimburse the payment of HELP, Inc.'s dues. Missouri's public/private membership on HELP, Inc.'s board served the state of Missouri well to test new applications and vote on new technologies for possible investment in Missouri. We no longer pay these dues, so this issue is resolved.

Thank you for allowing MoDOT the opportunity to prepare and submit this Response.

Sincerely,

A handwritten signature in blue ink, reading "Patrick McKenna".

Patrick McKenna
Director

Enclosure

cc: Pamela Harlan-cs
Rich Tiemeyer-cc

Weigh in Motion Contracts Auditee Response - MSHP



Department of Public Safety
MISSOURI STATE HIGHWAY PATROL
Colonel Sandra K. Karsten, Superintendent



An
Internationally
Accredited
Agency

Eric R. Greitens
Governor

Charles A. (Drew) Juden
Director

April 17, 2018

Missouri State Auditor's Office
Truman State Office Building
Post Office Box 869
Jefferson City, MO 65102

Re: Missouri State Highway Patrol response to Missouri State Auditor Office review of
Weigh in Motion Contract

- 1. The Missouri State Highway Patrol has strong and comprehensive policies that address conflicts of interest, and the Patrol regularly trains its employees on its policies.**

The Missouri State Highway Patrol ("MSHP") has strong and comprehensive policies and procedures in place that address conflicts of interest. Existing policies require all MSHP employees to report and avoid potential conflicts of interest. In addition, MSHP adheres to Executive Order 92-04 (the code of conduct for state employees) and the Law Enforcement Code of Ethics (an internationally recognized code of conduct for law enforcement officers). MSHP General Orders 26-02 (which prohibits conduct unbecoming of Patrol employees) and 52-01 (which requires all Patrol employees to report misconduct) provide further guidance to MSHP employees. The Patrol also provides its employees with regular ethics training that reinforces its rigorous standards. These policies were in place at all times covered by this report.

Additionally, after assuming the duties of Superintendent on February 1, 2017, Colonel Sandra K. Karsten directed a thorough review of MSHP's affiliation with HELP, Inc. The MSHP completed its review in May 2017. The MSHP's review uncovered concerns with actions during the prior administration by individuals no longer employed by MSHP. Following this review, MSHP removed its member from the HELP, Inc. Board. MSHP has provided all information from its internal review to the Missouri Attorney General and the Missouri State Auditor.

As an accredited full-service law enforcement agency, the MSHP routinely conducts reviews to ensure policies and procedures are up-to-date. Moving forward, MSHP will provide additional training to all employees on identifying, preventing, and reporting conflicts of interest. In addition, all MSHP employees will be provided a copy of Section 105.454, RSMo, to ensure MSHP employees know their legal obligations.

GENERAL HEADQUARTERS
P.O. Box 568, Jefferson City, MO 65102-0568
Telephone: 573-751-3313 - FAX: 573-751-9419
Dedicated to Service and Protection
www.mshp.dps.missouri.gov - V/TDD: 573-751-3313



Weigh in Motion Contracts
Auditee Response - MSHP

April 17, 2018
Missouri State Auditor's Office
-2

2. The Missouri State Highway Patrol identified and resolved to fix weaknesses in the planning and implementation of preclearance and bypass services.

After Drivewyze informed MSHP that it could provide a fully functioning weigh-in-motion (WIM) system, MSHP in August 2014 signed an agreement provided by Drivewyze to utilize such a system. As noted in the report, MSHP trusted Drivewyze would successfully complete its pilot program. It was MSHP's responsibility to monitor any WIM system data in order to enforce Missouri law.

Ultimately, Drivewyze failed to produce a fully-functioning WIM system as promised. As a result, MSHP terminated the Drivewyze pilot program pursuant to the agreement's terms. In 2017, Drivewyze reentered the Missouri market following an open procurement. Both HELP, Inc. and Drivewyze are now providing services at no cost to Missouri.

3. The Missouri State Highway Patrol ensures its adherence to communication and retention policies under Missouri law.

The MSHP has adopted records retention policies in accordance with standards created by the Secretary of State. The MSHP acknowledges the recommendations of the SAO's MAR, and will ensure compliance with applicable retention policies.

4. The Missouri State Highway Patrol had no issue relating to HELP, Inc. membership dues.

The MSHP has reviewed the SAO's findings in this section. The concerns regarding HELP, Inc. membership dues were not directed at MSHP.

Conclusion: The Missouri State Highway Patrol takes action to maintain public trust.

The MSHP strives to avoid even the perception of a conflict of interest. The MSHP cooperated fully in this audit of weigh in motion contracts. All information held by MSHP and current employees was made available to the SAO. The MSHP remains committed to meeting the highest standards of ethics and transparency.

Sincerely,

SANDRA K. KARSTEN, Colonel
Superintendent



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
March 2018**

Monthly Report on Political Subdivision Filings

March 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 80 political subdivisions required to file a financial report by March 31, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in March 2018, after their filing deadline. The filing status for these 9 entities is presented in summary on page 3 and by individual entity in Appendix B-D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

March 2018

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Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 80 political subdivisions, other than cities, towns, and villages, with a fiscal year end of September 30, 2017. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 80 political subdivisions, 72 filed an annual financial report by March 31, 2018.

This report also includes the filing status for 9 political subdivisions, other than cities, towns, and villages, that filed their financial report in March 2018, after their filing deadline. Of the 9 political subdivisions, 1 political subdivision filed a partial financial report for only a portion of the fiscal year.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2018

Fiscal Year Ended September 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County Ambulance District	Yes	March 7, 2018
Andrew	PWSD 4 Andrew County	Yes	December 13, 2017
Boone	Business Loop CID	Yes	November 22, 2017
	Downtown CID	Yes	October 12, 2017
Butler	Drainage District 7 Butler County	Yes	December 21, 2017
Callaway	Millersburg FPD	Yes	March 5, 2018
Camden	Camdenton SRD Camden County	Yes	October 4, 2017
Carroll	Cherry Valley Levee District	No	
Cass	211th Street CID	Yes	March 2, 2018
	PWSD 2 Cass County	Yes	December 20, 2017
	West Peculiar FPD	Yes	January 17, 2018
Chariton	PWSD 3 Chariton-Linn County	Yes	December 22, 2017
Clay	Downtown Excelsior Springs CID	Yes	February 9, 2018
	Elms Hotel CID	Yes	January 17, 2018
	North Kansas City Missouri Light Rail TDD	Yes	November 3, 2017
	PWSD 3 Clay County	Yes	February 26, 2018
	PWSD 9 Clay County	Yes	March 1, 2018
	Vintage Plaza CID	Yes	November 22, 2017
	PWSD 3 Clinton County	No	
Cole	Cole Junction Levee District	Yes	November 13, 2017
Daviess	PWSD 2 Daviess County	Yes	February 26, 2018
Franklin	Phoenix Center II CID	Yes	March 20, 2018
	Sullivan Marketplace CID	Yes	March 9, 2018
	Washington FPD	Yes	October 24, 2017
	PWSD 2 Howell-Oregon County	Yes	February 8, 2018
	Adams Dairy Landing CID	Yes	March 30, 2018
Jackson	Adams Farm TDD	Yes	March 1, 2018
	Central Jackson County FPD	Yes	February 9, 2018
	Coronado Drive TDD	Yes	March 1, 2018
	Fall Creek CID	Yes	January 23, 2018
	Fort Osage FPD	Yes	January 17, 2018
	Little Blue Valley Sewer District	Yes	March 27, 2018
	Oaks at Woods Chapel CID	Yes	February 23, 2018
	Sunrise Farms CID	No	
	Truman's Marketplace CID	Yes	March 16, 2018
	Truman's Marketplace TDD	Yes	March 16, 2018
	White Oak CID	Yes	March 16, 2018
Jasper	Levee District 1 Jasper County	Yes	September 29, 2017
Jefferson	Festus Public Library District	No	
	Glaize Creek Sewer District	Yes	March 29, 2018
	High Ridge FPD	Yes	December 1, 2017
	Truman Village CID	Yes	November 22, 2017
Lafayette	Higginsville Library District	No	
	Sni Valley FPD	Yes	March 6, 2018
Madison	Madison Memorial Hospital District	Yes	January 24, 2018
	PWSD 1 Madison County	Yes	January 12, 2018
Miller	Miller County NHD	Yes	March 27, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2018

Fiscal Year Ended September 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Moniteau	Mid Mo Ambulance District	Yes	January 11, 2018
Monroe	Monroe City Ambulance District	No	
	PWSD 2 Monroe County	Yes	November 13, 2017
Newton	Big Spring Plaza CID	Yes	December 6, 2017
Nodaway	Mary Mart CID	Yes	November 6, 2017
	Maryville Public Library District	Yes	March 30, 2018
Pemiscot	Consolidated PWSD 1 Pemiscot County	Yes	February 7, 2018
Phelps	Forum Plaza CID	Yes	March 30, 2018
	Move Rolla TDD	Yes	December 29, 2017
	PWSD 1 Pike County	Yes	December 7, 2017
Platte	Consolidated PWSD 1 Platte County	Yes	February 8, 2018
	Farley Beverly Drainage District	No	
Ralls	Cannon PWSD 1 Ralls County	Yes	December 12, 2017
Ray	PWSD 3 Ray County	Yes	December 22, 2017
Ripley	Doniphan-Ripley County PLD	Yes	January 17, 2018
	Ripley County Ambulance District	Yes	January 31, 2018
Schuyler	Schuyler County NHD	Yes	March 1, 2018
Shelby	PWSD 1 Shelby County	Yes	December 18, 2017
St. Charles	Mountain Farm CID	Yes	January 23, 2018
	Shoppes of Mid Rivers CID	Yes	January 19, 2018
	St. Peters Hotel CID	Yes	December 20, 2017
	Suemandy Drive One CID	Yes	March 28, 2018
	Suemandy Drive Two CID	Yes	March 28, 2018
	Suemandy/Mid-Rivers CID	Yes	March 29, 2018
	GPMVLC CID	Yes	January 26, 2018
St. Francois	Maple Valley Plaza CID	Yes	December 12, 2017
	Mineral Area CID	Yes	March 16, 2018
	25 North Central CID	Yes	November 6, 2017
St. Louis	Daniele CID	Yes	February 27, 2018
	St. Louis County PID 1	Yes	February 8, 2018
	St. Louis Public Library Districts	Yes	March 29, 2018
Washington	PWSD 2 Washington County	No	
	Washington Ambulance District	Yes	March 22, 2018
Total Filed		72	
Total Not Filed		8	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PID	Port Improvement District
PLD	Public Library District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2017
 Filed in March 2018

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	Commons CID	Yes	March 21, 2018
Caldwell	Caldwell County Ambulance District	Yes	March 19, 2018
Greene	Glenstone Marketplace CID	Yes	March 23, 2018
Total Filed		3	

Acronyms:

CID Community Improvement District

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due January 31, 2018
 Filed in March 2018

Fiscal Year Ended July 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Carroll	Riverside Levee District	Yes	March 21, 2018
Osage	Linn City SRD Osage County	Partial	March 1, 2018
Ray	Richmond SRD Ray County	Yes	March 13, 2018
Total Filed		2	
Total Partially Filed		1	

Acronyms:

SRD Special Road District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due February 28, 2018
 Filed in March 2018

Fiscal Year Ended August 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jefferson	Arnold Triangle TDD	Yes	March 26, 2018
Lawrence	Lawrence County NHD	Yes	March 27, 2018
Washington	Washington County Memorial Hospital	Yes	March 26, 2018
Total Filed		3	

Acronyms:

NHD	Nursing Home District
TDD	Transportation Development District



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
March 2018**

Monthly Report on Municipal Court and Revenue Filings

March 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the cities and village required to file a financial report by March 31, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the 66 cities and 1 village is presented in summary on pages 3-4 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for cities and villages that filed at least one of the items (financial report, addendum, or certification) in March 2018, after their filing deadline. The filing status for these 12 cities and 4 villages is presented in summary on page 4 and by individual entity in Appendixes B to G.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

March 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum. On March 28, 2016, the Circuit Court of Cole County issued a judgment enjoining the SAO from enforcing the provisions of Section 479.359.3, RSMo. On May 15, 2017, the Missouri Supreme Court issued a decision reversing the trial court judgment.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 66 cities and 1 village with a fiscal year end of September 30, 2017, whose financial report was due by March 31, 2018. Of these entities, 50 filed their financial report timely. There



Monthly Report on Municipal Court and Revenue Filings
March 2018
Executive Summary

were 49 entities required to file an addendum, of which 30 were filed. There were 47 entities required to file a certification, of which 31 were filed.

This report includes the filing status for 12 cities and 4 villages that filed at least one of the items (financial report, addendum, or certification) in March 2018, after their filing deadline. Of these entities, 12 filed an annual financial report, 3 filed an addendum, and 4 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2018

Fiscal Year Ended September 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Andrew	City of Savannah	Yes	December 7, 2017	n/a	n/a
Audrain	City of Farber	Yes	December 13, 2017	n/a	n/a
	City of Mexico	Yes	February 9, 2018	Yes	Yes
Barry	City of Exeter	No		No	No
Boone	City of Columbia	Yes	February 2, 2018	Yes	Yes
Camden	City of Camdenton	Yes	October 4, 2017	No	No
Cass	City of Peculiar	Yes	March 20, 2018	No	No
Cedar	City of El Dorado Springs	Yes	February 22, 2018	Yes	Yes
	City of Stockton	Yes	March 13, 2018	n/a	n/a
Clay	City of Excelsior Springs	Yes	March 9, 2018	Yes	Yes
	City of North Kansas City	Yes	March 23, 2018	Yes	No
	Village of Oakwood	Yes	March 5, 2018	No	No
Clinton	City of Cameron	Yes	February 6, 2018	Yes	Yes
Dallas	City of Buffalo	Yes	February 20, 2018	n/a	n/a
Franklin	City of Sullivan	Yes	March 9, 2018	Yes	Yes
	City of Washington	Yes	March 29, 2018	No	No
Greene	City of Strafford	Yes	January 18, 2018	Yes	Yes
Henry	City of Clinton	Yes	February 13, 2018	Yes	Yes
	City of Montrose	Yes	November 8, 2017	n/a	n/a
	City of Urich	No		n/a	n/a
Jackson	City of Windsor	No		n/a	n/a
	City of Blue Springs	Yes	March 16, 2018	Yes	Yes
	City of Buckner	Yes	March 27, 2018	Yes	Yes
Jasper	City of Grandview	Yes	March 28, 2018	Yes	Yes
	City of Sugar Creek	No		No	Yes
	City of Duquesne	Yes	March 19, 2018	Yes	Yes
Jefferson	City of Festus	Yes	March 29, 2018	No	No
Johnson	City of Warrensburg	Yes	February 14, 2018	No	Yes
Lafayette	City of Concordia	Yes	March 7, 2018	Yes	Yes
	City of Higginsville	Yes	January 26, 2018	Yes	Yes
	City of Lake Lafayette	No		n/a	n/a
Linn	City of Odessa	Yes	December 6, 2017	No	No
	City of Brookfield	No		n/a	n/a
	City of Purdin	Yes	October 23, 2017	n/a	n/a
Macon	City of Atlanta	No		n/a	n/a
Madison	City of Fredericktown	No		Yes	Yes
McDonald	City of Anderson	Yes	March 30, 2018	Yes	Yes
Moniteau	City of Tipton	Yes	January 11, 2018	Yes	n/a
Monroe	City of Monroe City	No		No	n/a
Newton	City of Neosho	Yes	March 21, 2018	Yes	Yes

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2018

Fiscal Year Ended September 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Nodaway	City of Maryville	Yes	March 27, 2018	Yes	Yes
Ozark	City of Gainesville	No		n/a	n/a
	City of Theodosia	No		n/a	n/a
Phelps	City of Rolla	No		No	Yes
Pike	City of Bowling Green	Yes	February 7, 2018	n/a	n/a
Platte	City of Platte Woods	No		No	No
Pulaski	City of Dixon	No		No	No
Ray	City of Richmond	Yes	February 14, 2018	Yes	No
Saline	City of Marshall	Yes	January 16, 2018	No	No
Shelby	City of Hunnewell	Yes	November 3, 2017	n/a	n/a
St. Charles	City of St. Peters	Yes	February 23, 2018	Yes	Yes
	City of Weldon Spring	Yes	March 14, 2018	Yes	Yes
	City of West Alton	Yes	November 16, 2017	n/a	n/a
St. Clair	City of Appleton City	Yes	January 18, 2018	n/a	n/a
	City of Osceola	Yes	March 19, 2018	n/a	n/a
St. Francois	City of Bonne Terre	No		No	Yes
	City of Farmington	Yes	March 30, 2018	Yes	Yes
	City of Park Hills	No		No	No
St. Louis	City of Clayton	Yes	March 29, 2018	Yes	Yes
	City of Cool Valley	No		No	Yes
	City of Greendale	Yes	March 28, 2018	Yes	No
	City of Normandy	Yes	March 30, 2018	Yes	No
	City of Pagedale	Yes	March 28, 2018	Yes	Yes
Ste. Genevieve	City of St. Mary	Yes	January 12, 2018	Yes	Yes
	City of Ste. Genevieve	Yes	February 14, 2018	No	No
Stoddard	City of Advance	Yes	December 5, 2017	Yes	Yes
Stone	City of Branson West	Yes	March 19, 2018	No	Yes
Total Filed		50		30	31
Total Not Filed		17		19	16
Total n/a		0		18	20

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2017
Filed in March 2018

Fiscal Year Ended October 31, 2016

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum*	Filed Certification
Holt	City of Oregon	Yes	March 21, 2018	-	n/a
Total Filed		1		0	0

* On March 28, 2016, the Circuit Court of Cole County issued a judgement that enjoined the SAO from enforcing the addendum provision. The SAO took no action to enforce the addendum provision pending the outcome of the appeal.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2017
Filed in March 2018

Fiscal Year Ended December 31, 2016

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Callaway	City of New Bloomfield	Yes	March 6, 2018	n/a	n/a
Cole	Village of Wardsville	Yes	March 6, 2018	n/a	n/a
Total Filed		2		0	0

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2017
Filed in March 2018

Fiscal Year Ended March 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Jefferson	Village of Scotsdale	Yes	March 14, 2018	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2017
Filed in March 2018

Fiscal Year Ended April 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
New Madrid	City of Portageville	Yes	March 13, 2018	**	**
	City of Risco	Yes	March 13, 2018	No	No
Total Filed		2		0	0

** Filed by October 31, 2017.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in March 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Gasconade	City of Morrison	Yes	March 13, 2018	n/a	n/a
New Madrid	City of Howardville	Yes	March 17, 2018	Yes	Yes
Newton	City of Granby	Yes	March 22, 2018	No	***
Randolph	City of Clark	Yes	March 13, 2018	n/a	n/a
Ray	City of Lawson	**	December 19, 2017	Yes	Yes
Scott	Village of Commerce	Yes	March 20, 2018	n/a	n/a
St. Francois	City of Bismarck	**	January 23, 2018	No	Yes
St. Louis	City of Wellston	Yes	March 28, 2018	No	No
Total Filed		6		2	3

** Filed by December 31, 2017.

*** Filed after December 31, 2017, but before March 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix G
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 28, 2018
Filed in March 2018

Fiscal Year Ended August 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Scott	City of Miner	No		Yes	**
St. Louis	Village of Pasadena Park	**	February 26, 2018	No	Yes
Total Filed		0		1	1

** Filed by February 28, 2018.



Office of Missouri State Auditor
Nicole Galloway, CPA

**MissouriBUYS Statewide
eProcurement System**



CITIZENS SUMMARY

Findings in the audit of the MissouriBUYS Statewide eProcurement System

User Account Management	Office of Administration (OA) management has not fully established controls for maintaining user accounts for accessing the MissouriBUYS system. The MissouriBUYS system is vulnerable to risk of unauthorized or inappropriate activity because 39 user accounts of terminated agency employees, as well as 4 unneeded user accounts of provider support personnel, were not disabled timely. The MissouriBUYS system cannot generate effective reports enabling agencies to periodically review users' access to data, to ensure access rights are commensurate with job responsibilities and remain appropriate. As a result, no such reviews have been completed. OA management does not perform supervisory reviews of system logged actions performed by privileged users or users with significant access. The OA has not documented existing security policies and procedures.
Vendor Data	A MissouriBUYS system function allows certain agency users to export vendor registration data, including limited portions of personally identifiable information (PII).
Business Contingency Planning	OA management has conceptualized MissouriBUYS system contingency plans, including major considerations and possible approaches to continue operations and to facilitate recovery of the system if necessary. However, they have not formally documented or tested the plans, including formally assigning responsibilities for oversight and maintenance of the plans.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

MissouriBUYS Statewide eProcurement System

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

We have audited certain internal controls, including security controls, designed to protect data and information maintained by the MissouriBUYS Statewide eProcurement system. This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

1. Evaluate the system's internal controls over significant management and financial functions.
2. Evaluate compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and information system control activities.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management policies and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the MissouriBUYS Statewide eProcurement system.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Jeffrey Thelen, CPA, CISA
In-Charge Auditor:	Alex R. Prenger, M.S.Acct., CPA
Audit Staff:	Kristin A. Clink, MBA

MissouriBUYS Statewide eProcurement System

Introduction

Background

The MissouriBUYS system is the state's new eProcurement system, which establishes a virtual marketplace between state departments and agencies, and vendors. Anticipated system benefits include improvements in (1) processing efficiency of requisitions, solicitations, contracts, purchase orders, invoices, and receipt of goods; (2) reporting and business intelligence; (3) identifying existing contracts and reducing spending outside of such contracts; (4) enhancing customer interaction; and (5) ensuring transparency. Examples of system features that assist these goals include a vendor registration system and public bid board. These features allow vendors to self-register and self-maintain their account, view business opportunities, and electronically submit bids or proposals. As of January 1, 2018, the system included 409 active agency users, 18,311 registered vendors, and 14,956 integrated (approved) vendors.

The state awarded the contract for the MissouriBUYS system in March 2015. Implementation efforts are still in progress. As of January 2018, major system functionality was complete, with system rollout prioritized first to central procurement personnel (purchasing and accounting) within the Office of Administration (OA), then to various power users (users with procurement duties who were ready to use the new system functionality) at select agencies. Rollout to remaining agencies is expected to conclude by July 2018. Subsequent efforts are planned to allow a degree of system participation to universities, local governments and political subdivisions.

The MissouriBUYS system replaced the state's previous On-Line Bidding and Vendor Registration system. Additionally, once rollout to the remaining agencies concludes, the Statewide Advantage for Missouri (SAM II) Financial system's procurement capabilities will be disabled, and agency-specific procurement systems and websites phased out.

The MissouriBUYS system is provided by Perfect Commerce (PC), managed by the OA, and structured under the Software as a Service (SaaS) model of cloud computing. The National Institute of Standards and Technology (NIST) defines the SaaS model as the capability provided to the consumer to use the provider's applications running on a cloud infrastructure (the underlying collection of hardware and software not managed or controlled by the consumer).¹ The SaaS model approach divides ongoing responsibilities between the PC and OA.

As the system provider, PC is responsible for ensuring the underlying cloud infrastructure operates sufficiently to support the system, programming

¹ National Institute of Standards and Technology, SP 800-145 The NIST Definition of Cloud Computing, September 2011, is available at <<http://nvlpubs.nist.gov/nistpubs/Legacy/SP/nistspecialpublication800-145.pdf>>.



MissouriBUYS Statewide eProcurement System Introduction

system changes and releasing updates to the OA for approval, performing database and security administration, and planning for disaster recovery (the technical actions needed to restore MissouriBUYS after a disaster).

As the system manager, the OA is responsible for ensuring contractual requirements are met; testing and approving updates developed by PC; maintaining policies and procedures for use of the system; processing security requests to add, change, or remove user access; and planning for business contingencies (the decisions needed to continue business operations affected by MissouriBUYS unavailability, which may invoke disaster recovery plans). The OA Division of Accounting is directly and predominantly involved in all of these tasks, but is assisted by the OA Division of Purchasing and the OA Information Technology Services Division (ITSD) to varying degrees and circumstances. Additionally, as the system data owner, the OA is ultimately accountable for system and information confidentiality, integrity and availability.

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information. Effective privacy controls depend on the safeguards employed within the information system that is processing, storing, and transmitting personally identifiable information (PII) and the environment in which the system operates. Organizations cannot have effective privacy without a basic foundation of information security. Without proper safeguards and controls, information systems and confidential data are vulnerable to individuals with malicious intentions who can use access to obtain sensitive data or disrupt operations.

Scope and Methodology

The scope of our audit included internal controls established and managed by the OA, policies and procedures, and other management functions and compliance issues in place during the period July 2017 to January 2018. Our scope did not include internal controls that are the responsibility of agencies using the MissouriBUYS system.

Our methodology included reviewing written policies and procedures, interviewing various OA personnel, and performing testing. We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also



MissouriBUYS Statewide eProcurement System Introduction

obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained data files from the MissouriBUYS system of user accounts having access to the system as of September 2017. Additionally, we obtained employment records of all state employees from the SAM II system. We matched these records to determine if any terminated employees had active MissouriBUYS user accounts. We provided OA officials lists of all terminated employees we found who had active access to the MissouriBUYS system, and unneeded provider support accounts.

Although we used computer-processed data from the MissouriBUYS and SAM II systems for our audit work, we did not rely on the results of any processes performed by these systems in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- Missouri Adaptive Enterprise Architecture (MAEA)
- National Institute of Standards and Technology (NIST)
- Government Accountability Office (GAO)
- ISACA (previously known as the Information Systems Audit and Control Association)

MissouriBUYS Statewide eProcurement System

Management Advisory Report

State Auditor's Findings

1. User Account Management

Office of Administration (OA) management has not fully established controls for maintaining user accounts for accessing the MissouriBUYS system. Accounts assigned to terminated agency users are not always removed timely, and system provider support personnel accounts were not removed once no longer required. In addition, the system cannot generate effective reports to enable periodic reviews of user access rights; periodic supervisory reviews of privileged user actions are not performed; and existing procedures are not documented.

1.1 Termination of user accounts

The MissouriBUYS system is vulnerable to the risk of unauthorized or inappropriate activity because 39 user accounts of terminated agency employees, as well as 4 unneeded user accounts of provider support personnel, were not disabled timely.

OA management has established procedures to detect and remove such accounts. However, prior to our review of user accounts, they had only completed sporadic reviews. According to OA management, system implementation efforts have been prioritized to ensure major system functionalities were achieved. While implementation efforts were critical to the system's success, this prioritization reduced the consistency and effectiveness of established controls because terminated agency employees and some unnecessary provider support personnel continued to have active MissouriBUYS system access.

Terminated agency users

At the time of our review, 39 former employees of several state agencies still had access to the system 30 days or more after terminating employment from the agency that had granted the user access. Three of these users still had access to the system for more than a year before being removed.

OA management could reduce the risk of unauthorized access by increasing efforts to identify user accounts assigned to former employees and by providing periodic reminders to agency security coordinators of the importance of promptly removing user access assigned to former employees.

According to the Missouri Adaptive Enterprise Architecture (MAEA),² agencies must have a procedure in place for the timely notification of administrators when a user no longer needs access. MissouriBUYS procedures place the responsibility for identification of accounts belonging to terminated and transferred users with the agency employing the users. Agencies are responsible for determining which of their employees are given

² The Enterprise Architecture includes standards, policies and guidelines established by OA management. The Enterprise Architecture is made up of several information technology domains, including domains dedicated to security and information. The domains define the principles needed to help ensure the appropriate level of protection for the state's information and technology assets.



MissouriBUYS Statewide eProcurement System Management Advisory Report - State Auditor's Findings

access to the system and for ensuring all individuals who have access still need the access. When an agency user no longer needs access, MissouriBUYS procedures require agency security coordinators to submit a form to the OA security administrator requesting removal of the user's access to the system.

Although agencies are responsible for submitting requests to add, change, or remove user access rights, OA management is ultimately responsible for security of the system.

Provider accounts no longer required

At the time of our review, 4 user accounts assigned to system provider support personnel were not removed when access was no longer required. Of these, 3 were generic accounts used by specific provider support personnel before more formal, individualized accounts were established. OA personnel detected these three accounts and required the provider use individualized accounts, but did not follow through to ensure the accounts had been timely disabled. These accounts were disabled when we discussed this issue with OA management.

According to accepted standards, organizations should remove, disable or otherwise secure unnecessary accounts. Only OA management can authorize and subsequently have provider accounts removed; agencies have no responsibility for such accounts.

Conclusion

Effective procedures are especially important because the system's web-based nature allows agency employees and provider support personnel access from their homes, mobile devices, and other locations until their account is removed.

Without effective procedures to remove access, terminated employees and provider accounts that are no longer required could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets, according to the Government Accountability Office (GAO).

1.2 Review of user access

The MissouriBUYS system cannot generate effective reports enabling agencies to periodically review users' access to data, to ensure access rights are commensurate with job responsibilities and remain appropriate. As a result, no such reviews have been completed.

As users' work assignments and job responsibilities change, access rights to the MissouriBUYS system may be added, changed, or removed. Over time, users can accumulate access rights that are no longer necessary, increasing the risk of inappropriate access to system data. According to the MAEA, agencies must periodically review user accounts for levels of authorized access for each user. However, agencies rely on OA management to provide



MissouriBUYS Statewide eProcurement System Management Advisory Report - State Auditor's Findings

system reports enabling such reviews. OA management told us they are working to create more detailed reports of users' security access.

Without periodically reviewing user access rights, there is an increased risk that unauthorized alterations of the rights will go undetected or that access rights may not be aligned with current job duties.

1.3 Privileged user supervision

OA management does not perform supervisory reviews of system logged actions performed by privileged users or users with significant access.

Privileged users, including OA administrative personnel and limited provider support personnel, have extensive access rights needed to keep the system and associated procedures running efficiently. The actions of privileged users warrant supervision due to the extensive rights these users are provided. However, OA management did not provide supervisory oversight or establish other mitigating controls to ensure these privileged users performed only authorized functions. Changes made by privileged users or users with significant access to MissouriBUYS are logged, but logs are not reviewed regularly for this purpose. According to OA management, supervisory reviews are not currently performed because the privileged users or users with significant access are individuals who work with OA management daily towards crucial system implementation efforts.

Routinely monitoring privileged user actions can help identify significant problems and deter individuals from inappropriate activities. Without effective monitoring, an increased risk exists that these individuals could perform unauthorized system activities without being detected.

1.4 Documentation of security policies and procedures

The OA has not documented existing security policies and procedures, including those to:

- Request, establish and maintain system accounts.
- Timely notify security administrators of employee transfers and terminations.
- Close user accounts and remove access rights for transferred or terminated employees once security administrators are notified.
- Describe assignment and use of privileged system level accounts.

We confirmed the existence of these informal policies and procedures through discussions held with OA management. However, at least some of the existing policies and procedures were not documented because OA management prioritized system implementation efforts, as discussed in MAR finding number 1.1.

According to accepted standards, documentation of all aspects of computer support and operations is important to ensure continuity and consistency. Formalizing operational practices and procedures with sufficient detail helps



MissouriBUYS Statewide eProcurement System Management Advisory Report - State Auditor's Findings

to eliminate security lapses and oversights, gives new personnel sufficiently detailed instructions, and provides a quality assurance function to help ensure that operations will be performed correctly and efficiently.

Without documented and approved policies and procedures, management may not have assurance that control activities are appropriate and properly applied.

Recommendations

The OA:

- 1.1 Periodically review user accounts to ensure access of terminated or transferred employees, as well as provider support accounts that are no longer required, is removed timely. In addition, ensure frequent reminders are provided to agency security coordinators of the importance of promptly removing user access assigned to former employees.
- 1.2 Work with the provider to ensure MissouriBUYS is capable of generating effective reports to assist agencies with reviews of user access.
- 1.3 Perform periodic supervisory reviews of defined actions performed by privileged users or users with significant access.
- 1.4 Fully document and periodically review security policies and procedures.

Auditee's Response

- 1.1 *The OA will provide employee access reports to all agencies on a monthly basis. Additionally, the OA has already implemented an improved policy of immediately "inactivating" users in MissouriBUYS once the individual has been terminated in Statewide Advantage for Missouri (SAM II) Financial or SAM II Human Resources. This will remove the ability for activity to occur.*
- 1.2 *We concur. We are working on improved reporting capabilities.*
- 1.3 *We concur. We are conducting additional supervisor reviews of system activity.*
- 1.4 *We concur. We are improving system documentation.*

2. Vendor Data

A MissouriBUYS system function allows certain agency users to export vendor registration data, including limited portions of personally identifiable information (PII). While export capabilities are common in information systems to fulfill legitimate functions, controls could be strengthened by



MissouriBUYS Statewide eProcurement System Management Advisory Report - State Auditor's Findings

restricting these capabilities to only those individuals who need such access to perform job functions.

OA management said they spoke to the system provider about establishing export restrictions and determined this capability could be developed and implemented. However, OA management has not formally requested the provider to implement export restrictions.

According to the GAO, PII refers to any information about an individual maintained by an entity, including any information that can be used to distinguish or trace an individual's identity, and any other information which is linked or linkable to an individual. According to ISACA, entities should secure information assets, potentially by restricting use and distribution of information. Otherwise, there is an increased risk that vendor data and PII will be inappropriately used or inadvertently disclosed.

Recommendation

The OA work with the provider to increase restrictions to the system's function to export vendor data, including PII.

Auditee's Response

The OA already has significant controls including mandatory background checks, employee acknowledgement of appropriate conduct, and a limited number of departmental employees authorized to request access to the MissouriBUYS system. The OA agrees to discuss the strengthening of security controls with the vendor; however, the current controls are strong.

Auditor's Comment

While we acknowledge the OA has certain critical controls in place, more can be done to strengthen security and protect information, as the OA agreed with. Limiting the ability to export vendor data to only those users who need such access to perform their jobs provides an additional layer of security, effectively helping to minimize risk of misuse of PII.

3. Business Contingency Planning

OA management has conceptualized MissouriBUYS system contingency plans, including major considerations and possible approaches to continue operations and to facilitate recovery of the system if necessary. However, they have not formally documented or tested the plans, including formally assigning responsibilities for oversight and maintenance of the plans.

Contingency planning provides an efficient approach for the timely recovery and restoration of critical processes, including business operations, according to the MAEA. Contingency plans establish policies, procedures, and technical measures that can enable operations, systems, and data to be recovered quickly and effectively following a service disruption or disaster. According to accepted standards, contingency plans should be reviewed for accuracy and completeness at least annually or whenever significant changes occur to any element of the plan.



MissouriBUYS Statewide eProcurement System Management Advisory Report - State Auditor's Findings

While responsibility for maintaining the contingency plan has been informally assigned, OA management has not documented the formal assignment of specific responsibilities for maintaining the contingency plans. According to OA management, plans have not been documented and responsibilities have not been formally assigned due to business contingency similarities between the MissouriBUYS and SAM II systems, including personnel who would carry out the plans. However, plans for the MissouriBUYS system require unique considerations over the SAM II system due to its SaaS structure.

Without a formally documented or tested contingency plan, management has limited assurance the organization's business functions can be sustained during or promptly resumed after a disruptive incident. Without a formal designation of staff responsible for oversight and maintenance, there is increased risk that contingency plans and related policies and procedures may not remain current, potentially impacting the ability to promptly restore the system and related business functions.

Recommendation

The OA should either add MissouriBUYS considerations to its existing SAM II contingency plan, or formally create a standalone MissouriBUYS contingency plan, and formally assign responsibilities for development, implementation, and maintenance of the plan to appropriate personnel. Once established, the plan should be tested on a periodic basis.

Auditee's Response

The OA will add MissouriBUYS to its existing SAM II contingency plan.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
February 2018**

Monthly Report on Political Subdivision Filings

February 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 21 political subdivisions required to file a financial report by February 28, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in February 2018, after their filing deadline. The filing status for these 21 entities is presented in summary on page 3 and by individual entity in Appendix B-C.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

February 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 21 political subdivisions, other than cities, towns, and villages, with a fiscal year end of August 31, 2017. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 21 political subdivisions, 11 filed an annual financial report by February 28, 2018.

This report also includes the filing status for 21 political subdivisions, other than cities, towns, and villages, that filed their financial report in February 2018, after their filing deadline.

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due February 28, 2018

Fiscal Year Ended August 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Twin Pines Adult Care Center	No	
Carroll	Brunswick Levee District	Yes	September 6, 2017
Franklin	New Haven SRD Franklin County	Yes	September 22, 2017
Holt	Little Tarkio Drainage District	No	
Jackson	Atherton Blue Mills Levee District	Yes	October 9, 2017
Jefferson	Arnold Retail Corridor TDD	Yes	December 22, 2017
	Arnold Triangle TDD	No	
	Ridgecrest CID	Yes	November 30, 2017
Knox	Knox County NHD	Yes	February 13, 2018
Lawrence	Lawrence County NHD	No	
McDonald	PWSD 2 McDonald County	Yes	November 16, 2017
New Madrid	Drainage District 33 New Madrid County	No	
Pemiscot	St. Francis Levee District	Yes	January 30, 2018
Ripley	Ripley County Memorial Hospital	No	
Saline	Miami Levee District 1	Yes	September 5, 2017
Scott	Miner Gateway CID	Yes	February 28, 2018
St. Louis	Richardson Crossing CID	No	
Stoddard	Essex SRD Stoddard County	Yes	January 17, 2018
	PWSD 2 Stoddard County	No	
Washington	Washington County Memorial Hospital	No	
Wayne	PWSD 3 Wayne County	No	
Total Filed		11	
Total Not Filed		10	

Acronyms:

CID	Community Improvement District
NHD	Nursing Home District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District

Appendix B

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due December 31, 2017

Filed in February 2018

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Barry	Barry County 911 Board	Yes	February 20, 2018
Carter	Ellsinore Herren Avenue CID	Yes	February 2, 2018
	Ellsinore Rural FPD	Yes	February 19, 2018
Holt	Oregon Public Library District	Yes	February 14, 2018
Jackson	Noland Fashion Square CID	Yes	February 2, 2018
Lewis	Dickerson SRD Lewis County	Yes	February 7, 2018
Mississippi	St. Johns Levee & Drainage District	Yes	February 7, 2018
Monroe	Madison SRD Monroe County	Yes	February 21, 2018
New Madrid	PWSD 1 New Madrid County	Yes	February 5, 2018
Nodaway	West Nodaway FPD	Yes	February 8, 2018
St. Charles	Lakeside 370 Levee District	Yes	February 5, 2018
St. Louis	Riverport Levee District	Yes	February 5, 2018
St. Louis City	Ballpark Village CID	Yes	February 16, 2018
	Ballpark Village TDD	Yes	February 16, 2018
	CWE Business CID	Yes	February 1, 2018
	Expanded Forsyth Associates CID	Yes	February 1, 2018
	Levee District 2 Ste. Genevieve County	Yes	February 3, 2018
Webster	Webster County NHD	Yes	February 7, 2018
Total Filed		18	

Acronyms:

CID	Community Improvement District
CWE	Central West End
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due January 31, 2018
Filed in February 2018

Fiscal Year Ended July 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Carroll	Sugartree Bottom Levee District	Yes	February 13, 2018
Monroe	Monroe City SRD Monroe County	Yes	February 16, 2018
Platte	PWSD 9 Platte County	Yes	February 15, 2018
Total Filed		3	

Acronyms:

PWSD Public Water Supply District
SRD Special Road District



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
February 2018**

Monthly Report on Municipal Court and Revenue Filings

February 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the cities, towns, and villages required to file a financial report by February 28, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the 6 cities, 1 town, and 4 villages is presented in summary on pages 3-4 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for cities, towns, and villages that filed at least one of the items (financial report, addendum, or certification) in February 2018, after their filing deadline. The filing status for these 28 cities, 1 town, and 5 villages is presented in summary on page 4 and by individual entity in Appendixes B to C.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

February 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum. On March 28, 2016, the Circuit Court of Cole County issued a judgment enjoining the SAO from enforcing the provisions of Section 479.359.3, RSMo. On May 15, 2017, the Missouri Supreme Court issued a decision reversing the trial court judgment.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 6 cities, 1 town, and 4 villages with a fiscal year end of August 31, 2017, whose financial report was due by February 28, 2018. Of these entities, 7 filed their financial report timely.



Monthly Report on Municipal Court and Revenue Filings
February 2018
Executive Summary

There were 4 entities required to file an addendum, of which 2 were filed.
There were 4 entities required to file a certification, of which 3 were filed.

This report includes the filing status for 28 cities, 1 town, and 5 villages that filed at least one of the items (financial report, addendum, or certification) in February 2018, after their filing deadline. Of these entities, 32 filed an annual financial report, 3 filed an addendum, and 1 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 28, 2018

Fiscal Year Ended August 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Barton	City of Golden City	Yes	January 3, 2018	n/a	n/a
Bates	Village of Merwin	No		n/a	n/a
Clay	City of Avondale	Yes	December 10, 2017	n/a	n/a
Franklin	Village of Miramiguoa Park	No		n/a	n/a
Jefferson	City of Arnold	Yes	February 16, 2018	Yes	Yes
Scotland	City of Memphis	Yes	February 28, 2018	n/a	n/a
Scott	City of Miner	No		No	Yes
Scott	Village of Haywood City	No		n/a	n/a
St. Charles	Town of Augusta	Yes	January 30, 2018	n/a	n/a
St. Louis	Village of Pasadena Park	Yes	February 26, 2018	No	No
Taney	City of Forsyth	Yes	January 18, 2018	Yes	Yes
Total Filed		7		2	3
Total Not Filed		4		2	1
Total n/a		0		7	7

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2017
Filed in February 2018

Fiscal Year Ended September 30, 2016

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum*	Filed Certification
Henry	City of Windsor	Yes	February 5, 2018	-	n/a
Total Filed		1		0	0

* On March 28, 2016, the Circuit Court of Cole County issued a judgement that enjoined the SAO from enforcing the addendum provision. The SAO took no action to enforce the addendum provision pending the outcome of the appeal.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in February 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Adair	City of Novinger	Yes	February 15, 2018	n/a	n/a
Atchison	City of Westboro	Yes	February 14, 2018	n/a	n/a
Cape Girardeau	City of Delta	Yes	February 6, 2018	n/a	n/a
	Village of Whitewater	Yes	February 22, 2018	n/a	n/a
Chariton	Village of Dalton	Yes	February 19, 2018	n/a	n/a
Dunklin	City of Campbell	***	January 20, 2018	Yes	Yes
	City of Holcomb	Yes	February 8, 2018	No	No
	City of Malden	Yes	February 2, 2018	**	**
Howard	City of Fayette	Yes	February 16, 2018	n/a	n/a
Iron	City of Ironton	Yes	February 22, 2018	n/a	n/a
Jasper	City of La Russell	Yes	February 13, 2018	n/a	n/a
	City of Neck City	Yes	February 4, 2018	n/a	n/a
Jefferson	City of Byrnes Mill	Yes	February 5, 2018	No	No
	City of Olympian Village	Yes	February 18, 2018	n/a	n/a
Johnson	City of Holden	Yes	February 21, 2018	n/a	n/a
Lewis	City of Lewistown	Yes	February 9, 2018	n/a	n/a
	Village of Monticello	Yes	February 7, 2018	n/a	n/a
Livingston	City of Chula	Yes	February 20, 2018	n/a	n/a
Miller	City of Bagnell	Yes	February 2, 2018	n/a	n/a
Mississippi	Village of Wilson City	Yes	February 16, 2018	n/a	n/a
Monroe	City of Madison	Yes	February 13, 2018	n/a	n/a
New Madrid	City of Gideon	Yes	February 2, 2018	No	No
Oregon	City of Alton	Yes	February 13, 2018	n/a	n/a
Platte	City of Houston Lake	Yes	February 11, 2018	n/a	n/a
Pulaski	City of Crocker	***	January 19, 2018	Yes	**
Ralls	Village of Rensselaer	Yes	February 26, 2018	n/a	n/a
Randolph	City of Huntsville	Yes	February 2, 2018	**	No
	City of Moberly	Yes	February 2, 2018	n/a	n/a
St. Louis	City of University City	Yes	February 2, 2018	No	No
	City of Velda City	Yes	February 19, 2018	No	***
	Town of Grantwood Village	Yes	February 3, 2018	Yes	No
Stoddard	City of Bloomfield	Yes	February 6, 2018	No	No
Washington	City of Irondale	Yes	February 6, 2018	n/a	n/a
Total Filed		31		3	1

** Filed by December 31, 2017.

*** Filed after December 31, 2017, but before February 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
and
Board of Directors of Fire Protection
Districts in St. Louis County

Certain fire protection districts are required by Section 321.690, RSMo, to be audited and to submit their audit reports to the State Auditor's Office (SAO). To address our responsibilities of Section 321.690.3, RSMo, and 15 CSR 40-4.010 to 15 CSR 40-4.020, we have reviewed the independent audits of the fire protection districts in St. Louis County, as of and for the year ended December 31, 2016. The purpose of this review was to evaluate the districts' compliance with statutory audit requirements and SAO regulations. Because our review is limited to statutory and regulatory compliance, we do not express an opinion or any other form of assurance on the audit reports.

There are 23 fire protection districts in St Louis County. All districts except the Kinloch Fire Protection District submitted audit reports. Section 321.690.2, RSMo, requires certain fire protection districts to have an audit performed biennially, and Section 321.690.3, RSMo, requires the districts to forward the audit report to our office within 6 months of fiscal year end. As noted in our prior report, No. 2017-013, *St. Louis County Fire Protection District*, issued in March 2017, the Kinloch Fire Protection District did not obtain the required independent audit for the year ended December 31, 2015. Due to this noncompliance, the SAO is performing an audit of the Kinloch Fire Protection District for the years ended December 31, 2015, and 2016, to fulfill our obligations under Section 321.690.3, RSMo. This audit is still in process, and any additional findings and recommendations will be included in the subsequent report.

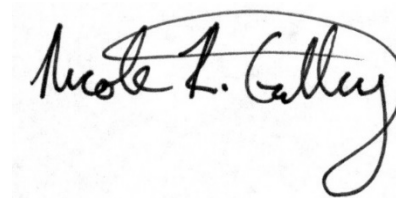
The SAO posts the individual audit reports to its website. A searchable link is available at <http://auditor.mo.gov>. A table summarizing our review of the St. Louis County fire protection district audit reports follows.

District	Audit Report Period	Report Compliance with Section 321.690.3, RSMo	Findings in Independent Audit Report
Affton	1 Year Ended 12/31/2016	Yes	Yes
Black Jack	1 Year Ended 12/31/2016	Yes	No
Community	1 Year Ended 12/31/2016	Yes	No
Creve Coeur	1 Year Ended 12/31/2016	Yes	No
Eureka	1 Year Ended 12/31/2016	Yes	Yes
Fenton	1 Year Ended 12/31/2016	Yes	Yes
Florissant Valley	1 Year Ended 12/31/2016	Yes	Yes
Kinloch	1 Year Ended 12/31/2016	Not applicable ¹	Not applicable
Lemay	1 Year Ended 12/31/2016	Yes	Yes
Maryland Heights	1 Year Ended 12/31/2016	Yes	No
Mehlville	1 Year Ended 12/31/2016	Yes	No
Metro West	1 Year Ended 12/31/2016	Yes	No
Metro North	1 Year Ended 12/31/2016	Yes	Yes
Mid-County	1 Year Ended 12/31/2016	Yes	Yes
Monarch	1 Year Ended 12/31/2016	Yes	Yes
Northeast Ambulance	1 Year Ended 12/31/2016	Yes ²	Yes
Pattonville	1 Year Ended 12/31/2016	Yes	Yes
Riverview	1 Year Ended 12/31/2016	Yes	No
Robertson	1 Year Ended 12/31/2016	Yes	Yes
Spanish Lake	1 Year Ended 12/31/2016	Yes	No
Valley Park	1 Year Ended 12/31/2016	Yes	No
West County EMS	1 Year Ended 12/31/2016	Yes	No
West Overland EMS	1 Year Ended 12/31/2016	Yes	No

¹ Due to noncompliance in a previous period, the SAO is performing an audit of this district. This audit is still in process, and any additional findings and recommendations will be included in the subsequent report.

² The report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

No findings resulted from our review of the audit reports submitted by the St. Louis County fire protection districts.



Nicole R. Galloway, CPA
State Auditor



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
and
Board of Directors of Fire Protection
Districts in Greene County

Certain fire protection districts are required by Section 321.690, RSMo, to be audited and to submit their audit reports to the State Auditor's Office (SAO). To address our responsibilities of Section 321.690.3, RSMo, and 15 CSR 40-4.010 to 15 CSR 40-4.020, we have reviewed the independent audits of the fire protection districts in Greene County, as of and for the year or 2 years ended December 31, 2016. The purpose of this review was to evaluate the districts' compliance with statutory audit requirements and SAO regulations. Because our review is limited to statutory and regulatory compliance, we do not express an opinion or any other form of assurance on the audit reports.

There are 11 fire protection districts in Greene County. All districts with an audit period ending December 31, 2016, except West Republic Fire Protection District, submitted audit reports. Section 321.690.2, RSMo, requires certain fire protection districts to have an audit performed biennially, and Section 321.690.3, RSMo, requires the districts to forward the audit report to our office within 6 months of fiscal year end. Some of the districts were not required to submit a report in 2017, because they obtain biennial audits and the most recent audit report submitted was for the 2 years ended December 31, 2015. These districts are expected to submit a biennial audit for the 2 years ended December 31, 2017. The West Republic Fire Protection District did not obtain an independent audit for the 2 years ended December 31, 2016, as required. The SAO contacted the district and the district engaged independent auditors to perform an audit for this time period in January 2018. Upon completion, the district should submit the audit report to the SAO.

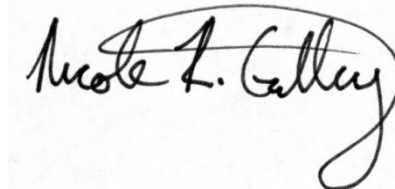
The SAO posts the individual audit reports to its website. A searchable link is available at <http://auditor.mo.gov>. A table summarizing our review of the Greene County fire protection district audit reports follows.

District	Audit Report Period	Report Compliance with Section 321.690.3, RSMo	Findings in Independent Audit Report
Ash Grove ¹			
Battlefield	1 Year Ended 12/31/16	Yes	No
Bois D'Arc ¹			
Brookline	2 Years Ended 12/31/16	Yes	No
Ebenezer ¹			
Fair Grove	2 Years Ended 12/31/16	Yes ²	No
Logan-Rogersville	2 Years Ended 12/31/16	Yes ²	No
Strafford	2 Years Ended 12/31/16	Yes ²	No
Walnut Grove	1 Year Ended 12/31/16	Yes	No
West Republic		No	Not applicable
Willard	1 Year Ended 12/31/16	Yes ²	No

¹ The fire protection district had an independent audit for the 2 years ended December 31, 2015. The district's next audit is expected to cover the 2 years ended December 31, 2017, and is required to be submitted to the SAO no later than June 30, 2018.

² The report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

Except for the West Republic Fire Protection District failing to obtain and submit an audit report, no other findings resulted from our review of the audit reports submitted by the Greene County fire protection districts.



Nicole R. Galloway, CPA
State Auditor

April 2018
Report No. 2018-017



Office of Missouri State Auditor
Nicole Galloway, CPA

State of Missouri
Single Audit
Year Ended June 30, 2017



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Fiscal Year 2017 Statewide Single Audit

Background	A single audit requires an audit of the state's financial statements and expenditures of federal awards. The state spent over \$12 billion in federal awards through 301 different federal programs during the fiscal year ended June 30, 2017. Our Single Audit involved audit work on 11 major federal programs administered by 8 state agencies, with expenditures totaling approximately \$7.8 billion. The audit reported 3 financial statement findings and 14 federal award findings, and related recommendations. The federal award findings related to 4 major federal programs at 3 state agencies. Of these audit findings, 8 have been repeated from prior Single Audits for 1 to 7 years. Several of these findings are summarized below.
Unemployment Compensation Fund - Financial Reporting and Benefit Payment Account Controls	The Department of Labor and Industrial Relations (DLIR) does not have adequate controls and procedures over financial reporting of Unemployment Compensation Fund (UCF) financial activities following the implementation of the computerized Unemployment Insurance (UI) system, UInteract, in November 2016. The DLIR implemented the UInteract system without fully developing and testing financial reports needed to manage and report UCF activities. Due to various UInteract system implementation and financial reporting problems, net accounts receivable information submitted by the DLIR to the Office of Administration - Division of Accounting for inclusion in the state's financial statements was understated for the year ended June 30, 2017. The audit identified actual understatements of net accounts receivable balances totaling \$781,763 and additional potential misstatements related to accounts receivable, cash, and/or disbursement balances. The DLIR did not reconcile the benefit payment bank account until over 1 year after system implementation.
Unemployment Compensation Fund - Segregation of Duties	The DLIR did not adequately segregate the duties of administering UI benefits and authorizing transactions from the benefit payment bank account.
Unemployment Compensation Fund - Transfers	The DLIR did not establish procedures to transfer interest and penalty collections to the Special Employment Security Fund (SESF) as required by state law. As of June 30, 2017, the DLIR had not transferred approximately \$3.4 million held in the Unemployment Compensation Fund to the SESF.
Unemployment Insurance Federal Reporting	The DLIR has not established adequate controls and procedures to prepare and submit accurate, complete, and timely federal reports for the UI program. Our review identified several federal financial reports that were not accurate and/or were not submitted within required timeframes.
Unemployment Insurance Wage Cross-matches	The DLIR - Division of Employment Security (DES) did not follow established controls over UI program eligibility and payments related to wage cross-matches, and as a result, federally-required wage cross-matches were not performed during the 9-month period after implementation of the new UInteract computerized system.
Unemployment Insurance Benefit Accuracy Measurement Program	The DES did not comply with UI program Benefit Accuracy Measurement (BAM) case investigation requirements. The DES did not complete BAM case investigations within the required timeframes and did not perform federally-required wage cross-matches during BAM paid claim case

investigations performed during the period October 2016 to July 2017. The DES has not established written policies and procedures regarding supervisory reviews of BAM case investigations.

Unemployment Insurance Maximum Benefit Amount	The DES did not properly design and implement internal controls to ensure the new computerized UInteract system correctly calculates claimant Maximum Benefit Amounts (MBA). As a result, claimants were paid a total of \$134,388 in excess of the actual MBAs allowed by law.
Child Care Eligibility and Payments Child Care Eligibility and Payments	As noted in the prior seven audit reports, weaknesses continue to exist in Department of Social Services (DSS) controls over Child Care and Development Fund (Child Care) subsidy eligibility and provider payments. Documentation was not adequate to support payments for 13 of 60 (20 percent) cases reviewed. Approximately 5.6 percent of payments reviewed were questioned.
Child Care Provider Monitoring	As noted in the prior audit report, the DSS's procedures to follow up on provider noncompliance identified during Child Care Review Team reviews are not sufficient.
Child Care Provider Eligibility	As noted in our prior four audit reports, the DSS does not have adequate controls and procedures in place to ensure "four-or-less" (FOL) child care providers participating in the Child Care subsidy program comply with statutory requirements for license-exempt status. Under state law, child care providers are exempt from licensing requirements if they care for four or less unrelated children. For some FOL providers reviewed, the DSS made Child Care subsidy payments to the providers without obtaining the required documentation to support the relationships to children in their care. We identified one instance in which the DSS paid a FOL provider \$1,524 for caring for 7 children without verifying the children-provider relationships.
MO HealthNet Division Provider Eligibility	As noted in our prior audit report, the DSS did not fully implement federal revalidation requirements for providers participating in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). As of June 30, 2017, the DSS had not performed required revalidations for 71 percent of Medicaid and CHIP providers requiring revalidation. The federal share of payments to the 43 providers we sampled for which revalidations were not performed totaled over \$223 million during state fiscal year 2017.
Medicaid Developmental Disabilities - Comprehensive Waiver Per Diem Rates	As noted in our prior two audit reports, the Department of Mental Health - Division of Developmental Disabilities (DD) did not retain documentation to support the per diem rates paid to some providers for residential habilitation services provided to participants of the Home and Community Based Services, Developmental Disabilities Comprehensive Waiver program. The DD did not retain documentation to support per diem rates, paid at historical rates, for 7 of the 34 individualized supported living habilitation service payments tested. The federal share of payments to providers for habilitation services provided to these participants totaled \$416,966 during state fiscal year 2017.

Because of the nature of this audit, no rating is provided.

State of Missouri

Single Audit

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State of Missouri

Single Audit

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Common Abbreviations

CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CSR	Code of State Regulations
OMB	Office of Management and Budget
RSMo	Missouri Revised Statutes
SAM II	Statewide Advantage for Missouri
USC	United States Code

State of Missouri - Single Audit

Introduction and Summary

Year Ended June 30, 2017

Introduction

The United States Congress passed the Single Audit Act Amendments of 1996 to establish uniform requirements for audits of federal awards administered by states, local governments, and non-profit organizations. The Office of Management and Budget (OMB) issued Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) to set forth uniform cost principles and audit requirements for federal awards to nonfederal entities and administrative requirements for all federal grants and cooperative agreements. The Uniform Guidance replaced OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is effective for single audits of fiscal years beginning on or after December 26, 2014.

A single audit requires an audit of the state's financial statements and expenditures of federal awards. The audit is required to determine whether:

- The state's basic financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.
- The schedule of expenditures of federal awards is stated fairly in all material respects in relation to the financial statements as a whole.
- The state has adequate internal controls to ensure compliance with federal award requirements.
- The state has complied with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each of its major federal programs.
- The summary schedule of prior audit findings prepared by the state materially represents the status of the prior audit findings.

The Single Audit report includes the federal awards expended by all state agencies that are part of the primary government. The report does not include the public universities and other component units which are legally separate from the state. These component units are responsible for engaging other auditors to perform their single audits. The state expended over \$12 billion in federal awards during the state fiscal year ended June 30, 2017.



State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2017

Summary of Single Audit Results

The following is the summary of our Single Audit results for the fiscal year ended June 30, 2017.

Financial Statements

We issued our audit report (Report No. 2018-002¹) of the state's Comprehensive Annual Financial Report (CAFR), as of and for the year ended June 30, 2017, on January 25, 2018. Our report expressed qualified opinions on the governmental activities and the General Fund because we were not allowed access to tax returns and related source documents for income taxes. Our report expressed unmodified opinions on all remaining opinion units.

We reported two findings related to internal control deficiencies and one finding related to noncompliance at the Department of Labor and Industrial Relations (DLIR). We consider one of the internal control deficiencies to be a material weakness and the other to be a significant deficiency. The DLIR's responses to the findings are included in this report. The DLIR prepared a Corrective Action Plan for each finding. The Corrective Action Plans were submitted to the Office of Administration (OA) and are available by contacting the OA.

Federal Awards

We issued our report on the accompanying Schedule of Expenditures of Federal Awards. Our report expressed the opinion that the schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We audited 11 major federal programs with expenditures totaling approximately \$7.8 billion, administered by 8 state agencies.

We issued a qualified opinion on 4 major federal programs and an unmodified opinion on 7 major federal programs. A qualified opinion is issued when the audit of a major federal program detects material noncompliance with direct and material compliance requirements. A qualified opinion was issued on the following major programs, administered by the DLIR, the Department of Social Services (DSS), and the Department of Mental Health (DMH):

Unemployment Insurance - DLIR
Child Care and Development Fund (CCDF) Cluster - DSS
Children's Health Insurance Program - DSS
Medicaid Cluster - DSS and DMH

In total, we reported 14 audit findings related to 4 major federal programs at 3 state agencies. Of these audit findings, 8 were repeated from prior Single Audits. These findings have been repeated for 1 to 7 years.

¹ Available on the Missouri State Auditor's Office website: <<http://auditor.mo.gov>>.

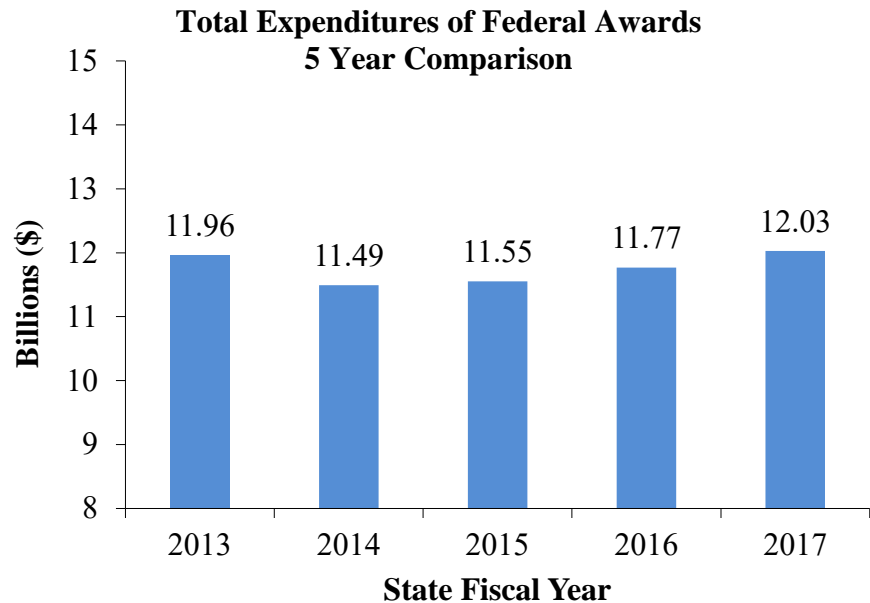


State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2017

Of the 14 audit findings, 13 related to internal control deficiencies. We consider 6 findings of internal control deficiencies to be material weaknesses and 7 to be significant deficiencies.

The state agencies' responses to the audit findings are included in this report. The state agencies prepared a Corrective Action Plan for each audit finding. The Corrective Action Plans were submitted to the OA and are available by contacting the OA.

In addition, the state agencies prepared and submitted to the OA the accompanying Summary Schedule of Prior Audit Findings.

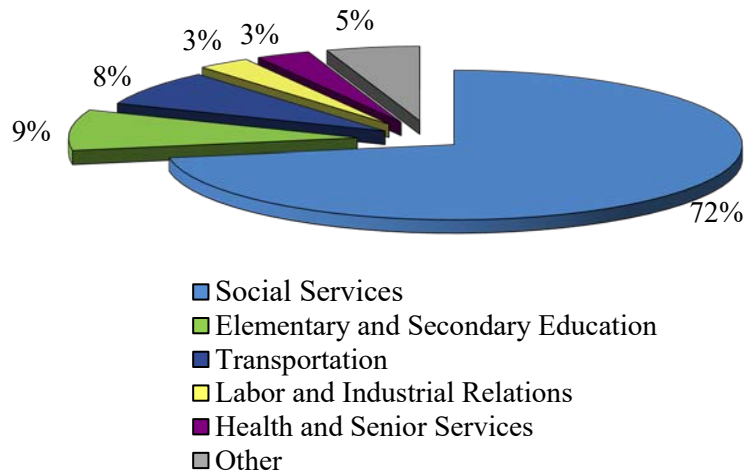




State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2017

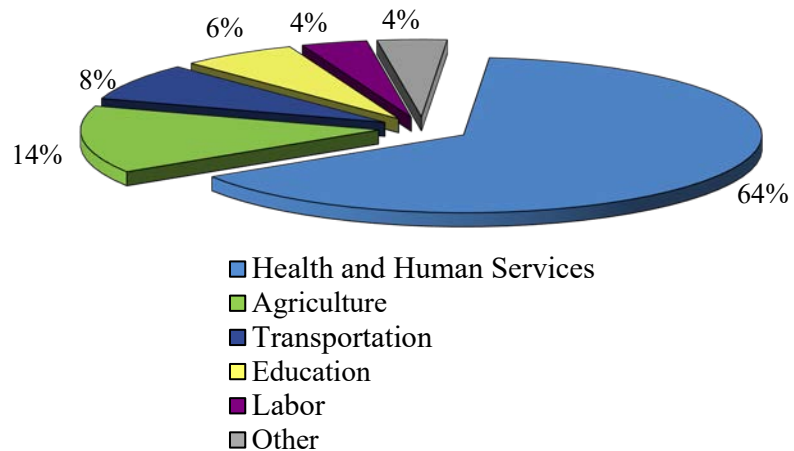
Of the 19 state agencies and other state offices that expended federal awards, 5 state agencies spent the majority of the awards (95 percent) during state fiscal year 2017.

Expenditures of Federal Awards by State Agency



The state expended federal awards received from 24 different federal agencies. Most of the federal award expenditures (96 percent) were from programs of 5 federal agencies.

Expenditures of Federal Awards by Federal Agency



Overall, the state expended federal awards in 301 different programs. These programs are listed in the accompanying Schedule of Expenditures of Federal Awards.

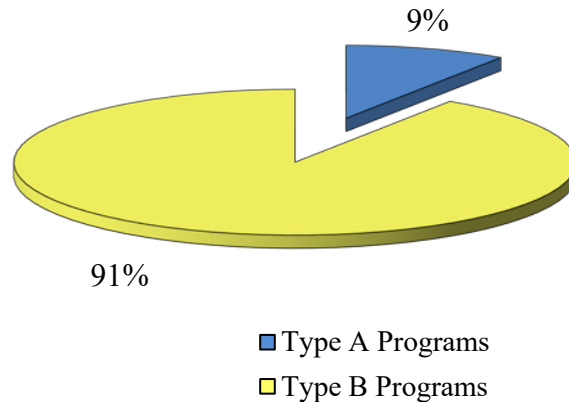


State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2017

The Uniform Guidance requires federal programs to be identified as Type A programs or Type B programs based on a dollar threshold. For the state of Missouri, the Uniform Guidance defines the dollar threshold as \$30 million since the federal award expenditures exceeded \$10 billion, but were less than or equal to \$20 billion.

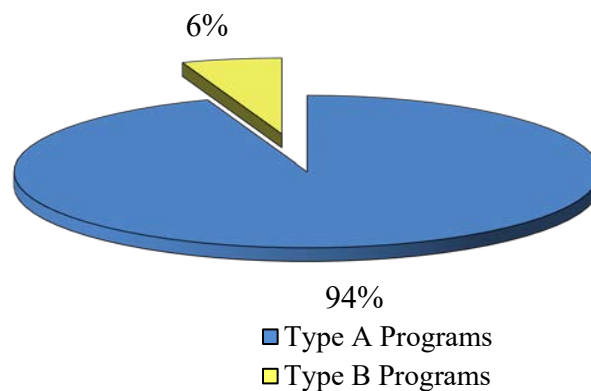
Programs with federal award expenditures over \$30 million are Type A programs and programs with federal award expenditures under \$30 million are Type B programs. Of the 301 federal programs, 28 were Type A programs and 273 were Type B programs.

**Type A and Type B Programs
Number of Programs**



The 28 Type A programs had expenditures totaling \$11.4 billion, or 94 percent of total expenditures. The 273 Type B programs had expenditures totaling \$664 million, or 6 percent of total expenditures.

**Type A and Type B Programs
Expenditures of Federal Awards**



The Uniform Guidance requires the auditor to perform risk assessments on the Type A programs and to audit as major each Type A program assessed as



State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2017

high risk based on specified risk factors. We performed a risk assessment on each Type A program and determined 18 of the 28 Type A programs were low risk and did not need to be audited as major. In accordance with the Uniform Guidance, we audited as major the 10 Type A programs assessed as high risk.

The Uniform Guidance also requires the auditor to perform risk assessments on larger Type B programs to determine which are high risk and need to be audited as major. The dollar threshold to determine the larger Type B programs is 25 percent of the Type A threshold, or \$7.5 million. We performed risk assessments on the 23 larger Type B programs and determined 1 program was high risk. In accordance with the Uniform Guidance, we audited the program as major.

The programs audited as major are listed in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. We audited 65 percent of total state fiscal year 2017 federal expenditures.

Major and Non-major Federal Programs

Type of Programs	Number of Programs	Expenditures	Percentage of Expenditures
<u>Programs Audited</u>			
Type A major programs	10	\$ 7,824,327,255	
Type B major programs	1	13,347,511	
Total major programs	11	7,837,674,766	65%
<u>Programs not Audited</u>			
Type A non-major programs	18	3,543,323,466	
Type B non-major programs	272	650,600,705	
Total non-major programs	290	4,193,924,171	35%
Total programs	301	\$ 12,031,598,937	100%

Correspondence with State Agencies

The various issues associated with the new UInteract computerized system at the Department of Labor and Industrial Relations (as discussed in finding number 2017-001) led to delays in completing the Comprehensive Annual Financial Report (CAFR) audit. See appendix A for a copy of the letter to the Office of Administration regarding these delays.

In addition, the Department of Natural Resources (DNR) did not timely submit certain required acknowledgments and representations to us for the CAFR audit and the Single Audit. See Appendixes B-1 and B-2 for copies of the letters sent to the DNR regarding these delays. The DNR subsequently submitted these items on February 16, 2018 and March 20, 2018.

State of Missouri
Summary of Type A Programs and Total Expenditures of Federal Awards
Year Ended June 30, 2017

CFDA Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	Agriculture	\$ 1,119,417,055
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	47,490,689
	Total SNAP Cluster		1,166,907,744
	Child Nutrition Cluster:		
10.553	School Breakfast Program	Agriculture	84,064,323
10.555	National School Lunch Program	Agriculture	245,344,099
10.556	Special Milk Program for Children	Agriculture	445,277
10.559	Summer Food Service Program for Children	Agriculture	14,709,863
	Total Child Nutrition Cluster		344,563,562
10.557	WIC Special Supplemental Nutrition Program for Woman, Infants, and Children	Agriculture	81,280,532
10.558	Child and Adult Care Food Program	Agriculture	54,619,303
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense	32,681,395
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	31,507,094
17.225	Unemployment Insurance	Labor	351,364,706
	WIOA Cluster:		
17.258	WIOA Adult Program	Labor	13,997,488
17.259	WIOA Youth Activities	Labor	15,273,559
17.278	WIOA Dislocated Workers Formula Grants	Labor	14,708,431
	Total WIOA Cluster		43,979,478
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	Transportation	841,010,247
20.219	Recreational Trails Program	Transportation	2,285,287
20.224	Federal Lands Access Program	Transportation	3,740,607
	Total Highway Planning and Construction Cluster		847,036,141
64.015	Veterans State Nursing Home Care	Veterans Affairs	72,597,884
	Clean Water State Revolving Fund Cluster:		
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	41,357,922
	Total Clean Water State Revolving Fund Cluster		41,357,922
84.010	Title I Grants to Local Educational Agencies	Education	245,273,300
	Special Education Cluster (IDEA):		
84.027	Special Education Grants to States	Education	227,827,502
84.173	Special Education Preschool Grants	Education	5,791,746
	Total Special Education Cluster (IDEA)		233,619,248
84.032	Federal Family Education Loans	Education	79,408,383
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Education	68,765,253
84.367	Supporting Effective Instruction State Grant	Education	40,603,216
93.268	Immunization Cooperative Agreements	Health and Human Services	69,605,697
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	Health and Human Services	221,310,804
	Total TANF Cluster		221,310,804
93.563	Child Support Enforcement	Health and Human Services	40,425,975
93.568	Low-Income Home Energy Assistance	Health and Human Services	65,026,314
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	Health and Human Services	69,459,217
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services	56,058,248
	Total CCDF Cluster		125,517,465
93.658	Foster Care - Title IV-E	Health and Human Services	73,451,073
93.659	Adoption Assistance	Health and Human Services	37,360,692
93.667	Social Services Block Grant	Health and Human Services	51,533,528
93.767	Children's Health Insurance Program	Health and Human Services	211,395,352

State of Missouri
Summary of Type A Programs and Total Expenditures of Federal Awards
Year Ended June 30, 2017

CFDA Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	Health and Human Services	1,819,540
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII)		
	Medicare	Health and Human Services	19,304,502
93.778	Medical Assistance Program	Health and Human Services	6,620,982,171
	Total Medicaid Cluster		<u>6,642,106,213</u>
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	Social Security Administration	44,857,503
	Total Disability Insurance/SSI Cluster		<u>44,857,503</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Homeland Security	<u>49,494,944</u>
	Total Type A Programs (expenditures greater than \$30,000,000)		<u>11,367,650,721</u>
	Total Type B Programs (expenditures less than \$30,000,000)		<u>663,948,216</u>
	Total Expenditures of Federal Awards		<u>\$ 12,031,598,937</u>



NICOLE GALLOWAY, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 25, 2018. Our report expressed qualified opinions on the governmental activities and the General Fund, a major fund, because we were not allowed access to tax returns and related source documents for income taxes. Approximately 28 percent of governmental activity revenues and 33 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded. Our report expressed unmodified opinions on all remaining opinion units.

Our report on the state of Missouri's financial statements also includes a reference to other auditors who audited the financial statements of:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan which represent 77 percent of the assets and 11 percent of the revenues of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund which are both major funds and represent 14 percent of the assets and 69 percent of the revenues of the business-type activities.
3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation agency funds which represent 93 percent of the assets and 97 percent of the additions of the fiduciary funds.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and the Missouri Agricultural and Small Business Development Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these entities.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the state of Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state's internal control. Accordingly, we do not express an opinion on the effectiveness of the state's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the state's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as finding 2017-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as finding 2017-002 to be a significant deficiency.

Compliance and Other Matters

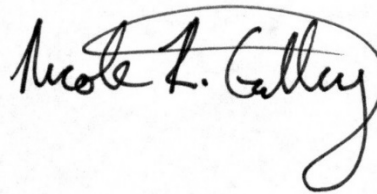
As part of obtaining reasonable assurance about whether the state of Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 2017-003.

State's Responses to Findings

The state of Missouri's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan. The state's responses were not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.

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Nicole R. Galloway, CPA
State Auditor

January 25, 2018



NICOLE GALLOWAY, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly

Report on Compliance for Each Major Federal Program

We have audited the state of Missouri's compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the state's major federal programs for the year ended June 30, 2017. The state of Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

The state of Missouri's basic financial statements include the operations of the public universities and other component units whose expenditures of federal awards are not included in the state's Schedule of Expenditures of Federal Awards during the year ended June 30, 2017. Our audit, described below, did not include the operations of these component units because they were responsible for engaging other auditors to perform audits in accordance with the Uniform Guidance, if required.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the state of Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the state's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the state's compliance.

Basis for Qualified Opinion on Certain Major Federal Programs

As described in the findings listed in the table below and in the accompanying Schedule of Findings and Questioned Costs, the state of Missouri did not comply with requirements regarding the following:

Finding Number	CFDA Number(s)	Program (or Cluster) Name	Compliance Requirement(s)
2017-004	17.225	Unemployment Insurance	Reporting
2017-010	93.575 93.596	Child Care and Development Fund (CCDF) Cluster	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
2017-013	93.767 93.775 93.777 93.778	Children's Health Insurance Program and Medicaid Cluster	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Special Tests and Provisions

Compliance with such requirements is necessary, in our opinion, for the state of Missouri to comply with the requirements applicable to these programs.

Qualified Opinion on Certain Major Federal Programs

In our opinion, except for the noncompliance described in the "Basis for Qualified Opinion" paragraph, the state of Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Unemployment Insurance program, the Child Care and Development Fund (CCDF) Cluster, the Children's Health Insurance Program, and the Medicaid Cluster for the year ended June 30, 2017.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the state of Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2017-006 through 2017-008, 2017-012, 2017-015, and 2017-017. Our opinion on each major federal program is not modified with respect to these matters.

The state of Missouri's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan prepared for each finding by the applicable agency. The state's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the state of Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the state's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to

determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over compliance.

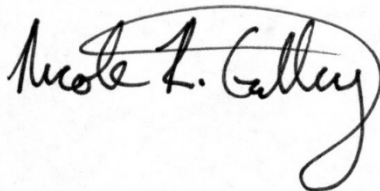
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2017-004, 2017-005, 2017-010, and 2017-012 through 2017-014 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2017-006 through 2017-009, 2017-011, 2017-015, and 2017-016 to be significant deficiencies.

The state of Missouri's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plan. The state's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

March 14, 2018



NICOLE GALLOWAY, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 25, 2018. Our report expressed qualified opinions on the governmental activities and the General Fund, a major fund, because we were not allowed access to tax returns and related source documents for income taxes. Approximately 28 percent of governmental activity revenues and 33 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded. Our report expressed unmodified opinions on all remaining opinion units.

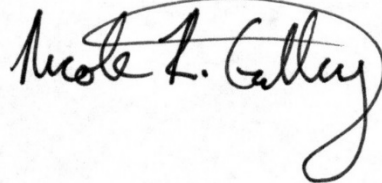
Our report on the state of Missouri's financial statements also includes a reference to other auditors who audited the financial statements of:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan which represent 77 percent of the assets and 11 percent of the revenues of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund which are both major funds and represent 14 percent of the assets and 69 percent of the revenues of the business-type activities.
3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation agency funds which represent 93 percent of the assets and 97 percent of the additions of the fiduciary funds.

The financial statements of the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and the Missouri Agricultural and Small Business Development Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements. As described in Note 1 to the Schedule of Expenditures of Federal Awards, the accompanying Schedule of Expenditures of Federal Awards does not include the public universities and other component units. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the audit procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report is solely to provide an opinion on the Schedule of Expenditures of Federal Awards in relation to the basic financial statements as a whole based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

January 25, 2018

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Agriculture			
10.U01	School Lunch Commodity Refund	\$ 6,675	6,675
10.025	Plant and Animal Disease, Pest Control, and Animal Care	738,239	0
10.028	Wildlife Services	26,511	0
10.069	Conservation Reserve Program	392,678	0
10.117	Biofuel Infrastructure Partnership	488,702	488,702
10.153	Market News	10,573	0
10.163	Market Protection and Promotion	38,306	0
10.170	Specialty Crop Block Grant Program - Farm Bill	266,928	243,799
10.171	Organic Certification Cost Share Programs	82,620	0
10.435	State Mediation Grants	14,932	0
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,035,034	0
10.479	Food Safety Cooperative Agreements	256,226	0
10.547	Professional Standards for School Nutrition Employees	6,783	0
SNAP Cluster:			
10.551	Supplemental Nutrition Assistance Program	1,119,417,055	0
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	47,490,689	11,597,025
	Total SNAP Cluster	1,166,907,744	11,597,025
Child Nutrition Cluster:			
10.553	School Breakfast Program	84,064,323	84,064,323
10.555	National School Lunch Program	245,344,099	245,344,099
10.556	Special Milk Program for Children	445,277	445,277
10.559	Summer Food Service Program for Children	14,709,863	14,099,875
	Total Child Nutrition Cluster	344,563,562	343,953,574
10.557	WIC Special Supplemental Nutrition Program for Woman, Infants, and Children	81,280,532	24,594,781
10.558	Child and Adult Care Food Program	54,619,303	53,990,698
10.560	State Administrative Expenses for Child Nutrition	5,047,906	2,082,785
Food Distribution Cluster:			
10.565	Commodity Supplemental Food Program	5,745,171	1,467,889
10.568	Emergency Food Assistance Program (Administrative Costs)	1,531,549	1,477,905
10.569	Emergency Food Assistance Program (Food Commodities)	12,153,187	0
	Total Food Distribution Cluster	19,429,907	2,945,794
10.574	Team Nutrition Grants	333,410	59,739
10.578	WIC Grants to States (WGS)	1,594,971	0
10.579	Child Nutrition Discretionary Grants Limited Availability	1,304,877	984,079
10.582	Fresh Fruit and Vegetable Program	3,641,894	3,641,894
10.664	Cooperative Forestry Assistance	1,427,465	251,039
Forest Service Schools and Roads Cluster:			
10.665	Schools and Roads - Grants to States	2,756,490	2,756,490
	Total Forest Service Schools and Roads Cluster	2,756,490	2,756,490
10.680	Forest Health Protection	11,120	0
10.902	Soil and Water Conservation	328,170	299,163
10.932	Regional Conservation Partnership Program	1,144,843	1,138,184
	Total Department of Agriculture	1,687,756,401	449,034,421
Department of Commerce			
11.555	Public Safety Interoperable Communications Grant Program	367,276	0
	Total Department of Commerce	367,276	0
Department of Defense			
12.U01	Excess Property Program	550,646	0
12.U02	Troops to Teachers	86,715	0

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
12.112	Payments to States in Lieu of Real Estate Taxes	39,714	39,714
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	755,427	0
12.401	National Guard Military Operations and Maintenance (O&M) Projects	32,681,395	0
12.620	Troops to Teachers Grant Program	67	0
Total Department of Defense		34,113,964	39,714
Department of Housing and Urban Development			
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	31,507,094	30,616,843
14.231	Emergency Solutions Grants Program	2,515,778	2,514,277
14.238	Shelter Plus Care	348,511	348,511
14.241	Housing Opportunities for Persons with AIDS	165,363	165,363
14.267	Continuum of Care Program	12,021,436	12,013,072
14.401	Fair Housing Assistance Program - State and Local	472,442	0
14.416	Education and Outreach Initiatives	25,318	0
Total Department of Housing and Urban Development		47,055,942	45,658,066
Department of the Interior			
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	148,583	0
15.252	Abandoned Mine Land Reclamation (AMLR)	2,705,648	0
Fish and Wildlife Cluster:			
15.605	Sport Fish Restoration Program	8,098,374	0
15.611	Wildlife Restoration and Basic Hunter Education	12,973,187	0
Total Fish and Wildlife Cluster		21,071,561	0
15.608	Fish and Wildlife Management Assistance	462,436	0
15.615	Cooperative Endangered Species Conservation Fund	119,356	0
15.623	North American Wetlands Conservation Fund	183,071	0
15.634	State Wildlife Grants	991,510	0
15.657	Endangered Species Conservation - Recovery Implementation Funds	14,059	0
15.808	U.S. Geological Survey - Research and Data Collection	45,374	0
15.810	National Cooperative Geologic Mapping	150,727	0
15.814	National Geological and Geophysical Data Preservation	41,546	0
15.819	Energy Cooperatives to Support the National Coal Resources Data System	15,516	0
15.904	Historic Preservation Fund Grants-In-Aid	1,041,219	173,582
15.916	Outdoor Recreation - Acquisition, Development and Planning	601,269	245,676
15.978	Upper Mississippi River System Long Term Resource Monitoring	385,783	0
15.980	National Ground-Water Monitoring Network	22,562	0
Total Department of the Interior		28,000,220	419,258
Department of Justice			
16.U01	Violent Offender Task Force	4,990	0
16.U02	FBI Joint Terrorism Task Force	46,381	0
16.017	Sexual Assault Services Formula Program	258,378	252,766
16.523	Juvenile Accountability Block Grants	102,222	92,742
16.540	Juvenile Justice and Delinquency Prevention	450,036	210,108
16.554	National Criminal History Improvement Program (NCHIP)	1,036,253	940,042
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	296,949	79,705
16.575	Crime Victim Assistance	15,677,681	15,261,216
16.576	Crime Victim Compensation	2,571,033	2,492,601
16.585	Drug Court Discretionary Grant Program	373,776	0
16.588	Violence Against Women Formula Grants	2,220,509	2,076,042
16.593	Residential Substance Abuse Treatment for State Prisoners	302,026	68,627
16.606	State Criminal Alien Assistance Program	338,274	0
16.710	Public Safety Partnership and Community Policing Grants	258,810	0
16.734	Special Data Collections and Statistical Studies	160,466	0

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CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
16.738	Edward Byrne Memorial Justice Assistance Grant Program	3,837,215	3,262,203
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	17,117	0
16.741	DNA Backlog Reduction Program	421,230	0
16.751	Edward Byrne Memorial Competitive Grant Program	14,060	0
16.813	NICS Act Record Improvement Program	814,580	814,580
16.816	John R. Justice Prosecutors and Defenders Incentive Act	37,027	35,327
16.922	Equitable Sharing Program	139,396	0
	Total Department of Justice	29,378,409	25,585,959
Department of Labor			
17.002	Labor Force Statistics	1,067,042	0
17.005	Compensation and Working Conditions	256,097	0
	Employment Service Cluster:		
17.207	Employment Service/Wagner-Peyser Funded Activities	13,492,103	0
17.801	Disabled Veterans' Outreach Program (DVOP)	1,994,384	0
17.804	Local Veterans' Employment Representative Program	980,496	0
	Total Employment Service Cluster	16,466,983	0
17.225	Unemployment Insurance	351,364,706	0
17.235	Senior Community Service Employment Program	2,078,552	2,025,025
17.245	Trade Adjustment Assistance	7,313,100	0
	WIOA Cluster:		
17.258	WIOA Adult Program	13,997,488	13,480,496
17.259	WIOA Youth Activities	15,273,559	13,509,507
17.278	WIOA Dislocated Workers Formula Grants	14,708,431	13,403,945
	Total WIOA Cluster	43,979,478	40,393,948
17.268	H-1B Job Training Grants	170,207	154,869
17.271	Work Opportunity Tax Credit Program (WOTC)	415,341	0
17.273	Temporary Labor Certification for Foreign Workers	176,738	0
17.277	WIOA National Dislocated Worker Grants/WIA National Emergency Grants	2,853,592	2,743,980
17.280	WIOA Dislocated Worker National Reserve Demonstration Grants	2,126,412	2,077,006
17.285	Apprenticeship USA	345,534	315,904
17.504	Consultation Agreements	1,286,416	0
17.600	Mine Health and Safety Grants	340,342	0
	Total Department of Labor	430,240,540	47,710,732
Department of Transportation			
20.106	Airport Improvement Program	29,961,289	29,961,188
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	841,010,247	137,397,287
20.219	Recreational Trails Program	2,285,287	1,093,283
20.224	Federal Lands Access Program	3,740,607	1,937,863
	Total Highway Planning and Construction Cluster	847,036,141	140,428,433
20.218	Motor Carrier Safety Assistance	4,014,254	0
20.231	Performance and Registration Information Systems Management	3,132	0
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	609,967	0
20.240	Fuel Tax Evasion - Intergovernmental Enforcement Effort	39,915	0
20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants	6,577,367	6,577,367
	Federal Transit Cluster:		
20.500	Federal Transit Capital Investment Grants	124,711	124,711
20.526	Bus and Bus Facilities Formula Program	1,000,464	1,000,464
	Total Federal Transit Cluster	1,125,175	1,125,175

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CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	170,029	55,577
20.509	Formula Grants for Rural Areas	18,845,693	17,789,802
	Transit Services Programs Cluster:		
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	3,970,411	3,689,526
20.516	Job Access and Reverse Commute Program	199,491	199,491
20.521	New Freedom Program	378,867	378,867
	Total Transit Services Programs Cluster	4,548,769	4,267,884
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant	335,246	183,196
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	5,700,605	3,908,047
20.616	National Priority Safety Programs	5,770,490	478,177
	Total Highway Safety Cluster	11,471,095	4,386,224
20.607	Alcohol Open Container Requirements	5,311,331	3,835,318
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	194,539	0
20.700	Pipeline Safety Program State Base Grant	486,386	0
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	406,264	100,049
20.720	State Damage Prevention Program Grants	66,821	0
20.721	PHMSA Pipeline Safety Program One Call Grant	10,000	0
	Total Department of Transportation	931,213,413	208,710,213
Department of the Treasury			
21.016	Equitable Sharing	42,921	0
	Total Department of the Treasury	42,921	0
Equal Employment Opportunity Commission			
30.U01	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	688,260	0
	Total Equal Employment Opportunity Commission	688,260	0
General Services Administration			
39.003	Donation of Federal Surplus Personal Property	1,817,313	1,498,137
39.011	Election Reform Payments	760,762	632,103
	Total General Services Administration	2,578,075	2,130,240
National Foundation on the Arts and the Humanities			
45.025	Promotion of the Arts Partnership Agreements	791,052	432,494
45.310	Grants to States	2,943,874	1,820,391
	Total National Foundation on the Arts and the Humanities	3,734,926	2,252,885
Small Business Administration			
59.061	State Trade Expansion	467,753	163,508
	Total Small Business Administration	467,753	163,508
Department of Veterans Affairs			
64.005	Grants to States for Construction of State Home Facilities	531,408	0
64.015	Veterans State Nursing Home Care	72,597,884	0
64.024	VA Homeless Providers Grant and Per Diem Program	719,139	719,139
64.101	Burial Expenses Allowance for Veterans	825,517	0
64.115	Veterans Information and Assistance	401,660	0
	Total Department of Veterans Affairs	75,075,608	719,139
Environmental Protection Agency			
66.032	State Indoor Radon Grants	186,436	0

State of Missouri
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CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities	728,258	0
66.040	State Clean Diesel Grant Program	125,824	100,285
66.202	Congressionally Mandated Projects	2,029	0
66.204	Multipurpose Grants to States and Tribes	5,236	0
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	258,448	52,007
66.433	State Underground Water Source Protection	110,607	0
66.454	Water Quality Management Planning	398,906	194,372
	Clean Water State Revolving Fund Cluster:		
66.458	Capitalization Grants for Clean Water State Revolving Funds	41,357,922	33,802,079
	Total Clean Water State Revolving Fund Cluster	41,357,922	33,802,079
66.460	Nonpoint Source Implementation Grants	1,337,843	1,010,055
66.461	Regional Wetland Program Development Grants	137,134	45,833
	Drinking Water State Revolving Fund Cluster:		
66.468	Capitalization Grants for Drinking Water State Revolving Funds	28,502,941	20,556,738
	Total Drinking Water State Revolving Fund Cluster	28,502,941	20,556,738
66.605	Performance Partnership Grants	13,347,511	193,816
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	526,993	0
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	346,592	0
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	1,637,634	329,795
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	492,671	0
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	997,992	70,014
66.817	State and Tribal Response Program Grants	968,918	0
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	85,841	0
	Total Environmental Protection Agency	91,555,736	56,354,994
Department of Energy			
81.041	State Energy Program	801,053	2,500
81.042	Weatherization Assistance for Low-Income Persons	5,949,664	5,126,211
81.092	Environmental Restoration	312,844	0
81.104	Environmental Remediation and Waste Processing Disposal	150,330	0
81.119	State Energy Program Special Projects	172,531	125,183
81.136	Long-Term Surveillance and Maintenance	58,790	0
81.138	State Heating Oil and Propane Program	3,496	0
	Total Department of Energy	7,448,708	5,253,894
Department of Education			
84.U01	Cooperative System Grant	21,183	0
84.002	Adult Education - Basic Grants to States	8,816,840	7,663,292
84.010	Title I Grants to Local Educational Agencies	245,273,300	243,726,585
84.011	Migrant Education State Grant Program	2,045,682	1,973,488
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	1,159,553	1,159,553
	Special Education Cluster (IDEA):		
84.027	Special Education Grants to States	227,827,502	202,836,011
84.173	Special Education Preschool Grants	5,791,746	5,791,746
	Total Special Education Cluster (IDEA)	233,619,248	208,627,757
84.032	Federal Family Education Loans	79,408,383	0
84.048	Career and Technical Education - Basic Grants to States	22,641,035	20,861,697
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	68,765,253	0
84.144	Migrant Education Coordination Program	41,748	39,778
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	510,631	0
84.181	Special Education - Grants for Infants and Families	10,979,059	0
84.184	School Safety National Activities	767,813	0

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CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	796,776	0
84.196	Education for Homeless Children and Youth	1,126,163	1,104,561
84.224	Assistive Technology	154,390	154,390
84.282	Charter Schools	1,067,515	1,065,435
84.287	Twenty-First Century Community Learning Centers	15,698,533	15,334,644
84.323	Special Education - State Personnel Development	1,781,915	1,781,915
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	34,559	5,384
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	153,621	0
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	227,784	227,784
84.358	Rural Education	3,320,314	3,320,314
84.365	English Language Acquisition State Grants	5,465,729	5,293,352
84.366	Mathematics and Science Partnerships	2,870,111	2,868,628
84.367	Supporting Effective Instruction State Grant	40,603,216	39,557,934
84.369	Grants for State Assessments and Related Activities	6,961,922	0
84.377	School Improvement Grants	3,875,562	3,694,678
84.902	National Assessment of Educational Progress	101,419	0
Total Department of Education		758,289,257	558,461,169
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants	10,460	0
Total National Archives and Records Administration		10,460	0
Elections Assistance Commission			
90.401	Help America Vote Act Requirements Payments	900,602	361,551
Total Elections Assistance Commission		900,602	361,551
Department of Health and Human Services			
93.041	Special Programs for Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	88,583	37,910
93.042	Special Programs for Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	299,048	76,046
93.043	Special Programs for Aging, Title III, Part D, Disease Prevention and Health Promotion Aging Cluster:	298,843	283,265
93.044	Special Programs for Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	7,491,720	7,142,268
93.045	Special Programs for Aging, Title III, Part C, Nutrition Services	12,146,024	11,674,919
93.053	Nutrition Services Incentive Program	3,993,471	3,993,471
Total Aging Cluster		23,631,215	22,810,658
93.052	National Family Caregiver Support, Title III, Part E	2,752,077	2,637,384
93.069	Public Health Emergency Preparedness	10,780,657	5,875,642
93.070	Environmental Public Health and Emergency Response	1,709,911	397,002
93.071	Medicare Enrollment Assistance Program	414,729	105,895
93.073	Birth Defects and Developmental Disabilities-Prevention and Surveillance	90,293	0
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	790,586	689,369
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	28,707	28,707
93.090	Guardianship Assistance	5,357,433	0
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	718,582	588,819
93.093	Affordable Care Act (ACA) Health Profession Opportunity Grants	2,555,696	2,555,696
93.094	Well-Integrated Screening and Evaluation for Women Across the Nation	703,563	509,176
93.103	Food and Drug Administration Research	1,702,038	600

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CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional	361,569	347,302
93.110	Maternal and Child Health Federal Consolidated Programs	194,693	71,370
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	730,873	233,600
93.127	Emergency Medical Services for Children	113,585	54,014
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	306,973	61,808
93.136	Injury Prevention and Control Research and State and Community Based Programs	854,376	561,989
93.150	Projects for Assistance in Transition from Homelessness (PATH)	822,040	820,000
93.165	Grants to States for Loan Repayment Program	236,574	236,574
93.184	Disabilities Prevention	104,518	53,788
93.234	Traumatic Brain Injury State Demonstration Grant Program	253,177	197,434
93.235	Affordable Care Act (ACA) Abstinence Education Program	1,436,741	937,130
93.236	Grants to States to Support Oral Health Workforce Activities	75,168	72,205
93.240	State Capacity Building	314,285	0
93.241	State Rural Hospital Flexibility Program	555,477	377,158
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	7,731,613	7,198,678
93.251	Universal Newborn Hearing Screening	249,859	147,268
93.268	Immunization Cooperative Agreements	69,605,697	183,434
93.270	Adult Viral Hepatitis Prevention and Control	89,607	0
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	1,455,060	1,039,404
93.301	Small Rural Hospital Improvement Grant Program	367,569	350,427
93.305	National State Based Tobacco Control Programs	994,787	198,949
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	98,584	0
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	1,288,566	15,872
93.324	State Health Insurance Assistance Program	914,939	0
93.336	Behavioral Risk Factor Surveillance System	70,304	0
93.369	ACL Independent Living State Grants	281,171	206,913
93.464	ACL Assistive Technology	477,642	207,625
93.500	Pregnancy Assistance Fund Program	761,511	761,511
	Maternal, Infant, and Early Childhood Home Visiting Cluster:		
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting	2,445,333	2,212,352
93.870	Maternal, Infant, and Early Childhood Home Visiting Grant Program	1,099,480	870,948
	Total Maternal, Infant, and Early Childhood Home Visiting Cluster	3,544,813	3,083,300
93.506	ACA Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers	92,189	0
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	453,835	56,766
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health Funds	2,496,200	59,853
93.556	Promoting Safe and Stable Families	4,852,335	135,757
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	221,310,804	12,565,191
	Total TANF Cluster	221,310,804	12,565,191
93.563	Child Support Enforcement	40,425,975	16,032,532
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	4,700,165	2,004,986
93.568	Low-Income Home Energy Assistance	65,026,314	35,055,763
93.569	Community Services Block Grant	21,141,746	19,800,071
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	69,459,217	3,981,419
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	56,058,248	0
	Total CCDF Cluster	125,517,465	3,981,419

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93.576	Refugee and Entrant Assistance Discretionary Grants	266,123	264,665
93.586	State Court Improvement Program	590,924	0
93.590	Community-Based Child Abuse Prevention Grants	551,913	521,266
93.597	Grants to States for Access and Visitation Programs	142,104	142,104
93.599	Chafee Education and Training Vouchers Program (ETV)	1,180,311	0
93.603	Adoption and Legal Guardianship Incentive Payments	2,558,033	0
93.609	The Affordable Care Act - Medicaid Adult Quality Grants	104,346	0
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,418,124	520,002
93.643	Children's Justice Grants to States	443,295	0
93.645	Stephanie Tubbs Jones Child Welfare Services Program	6,988,350	0
93.658	Foster Care - Title IV-E	73,451,073	105,533
93.659	Adoption Assistance	37,360,692	0
93.667	Social Services Block Grant	51,533,528	9,383,624
93.669	Child Abuse and Neglect State Grants	777,496	0
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	2,001,378	2,001,378
93.674	Chafee Foster Care Independence Program	3,191,760	0
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF)	126,071	1,084
93.735	State Public Health Approaches for Ensuring Quiltline Capacity - Funded in part by Prevention and Public Health Funds (PPHF)	426,251	423,725
93.745	PPHF Health Care Surveillance/Health Statistics Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund	159,020	0
93.747	Elder Abuse Prevention Interventions Program	81,271	0
93.752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	2,553,581	1,673,806
93.753	Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	447,609	13,170
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	695,422	306,038
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	4,387,046	1,556,318
93.767	Children's Health Insurance Program Medicaid Cluster:	211,395,352	0
93.775	State Medicaid Fraud Control Units	1,819,540	0
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	19,304,502	0
93.778	Medical Assistance Program Total Medicaid Cluster	6,620,982,171 6,642,106,213	1,158,244 1,158,244
93.791	Money Follows the Person Rebalancing Demonstration	6,164,450	0
93.815	Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	151,016	129,567
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	57,270	57,270
93.829	Section 223 Demonstration Programs to Improve Community Mental Health Services	480,355	480,355
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens	78,058	0
93.889	National Bioterrorism Hospital Preparedness Program	3,785,416	3,058,095
93.913	Grants to States for Operation of State Offices of Rural Health	169,188	5,676
93.917	HIV Care Formula Grants	18,540,724	17,956,769
93.940	HIV Prevention Activities Health Department Based	4,375,668	2,383,431
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	643,918	253,864
93.945	Assistance Programs for Chronic Disease Prevention and Control	2,423,213	1,374,200
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	185,114	0

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.958	Block Grants for Community Mental Health Services	10,786,184	10,378,269
93.959	Block Grants for Prevention and Treatment of Substance Abuse	28,071,922	26,768,019
93.977	Preventive Health Services Sexually Transmitted Diseases Control Grants	1,763,205	420,008
93.982	Mental Health Disaster Assistance and Emergency Mental Health	717,855	669,315
93.994	Maternal and Child Health Services Block Grant to the States	13,538,471	8,024,051
	Total Department of Health and Human Services	7,769,100,073	233,736,106
Corporation for National and Community Service			
94.003	State Commissions	303,101	0
94.006	AmeriCorps	3,624,903	3,619,488
94.009	Training and Technical Assistance	51,261	1,153
	Total Corporation for National and Community Service	3,979,265	3,620,641
Executive Office of the President			
95.001	High Intensity Drug Trafficking Areas Program	3,023,280	2,546,151
	Total Executive Office of the President	3,023,280	2,546,151
Social Security Administration			
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	44,857,503	0
	Total Disability Insurance/SSI Cluster	44,857,503	0
	Total Social Security Administration	44,857,503	0
Department of Homeland Security			
97.008	Non-Profit Security Program	468,299	468,299
97.012	Boating Safety Financial Assistance	2,157,587	0
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	167,947	0
97.029	Flood Mitigation Assistance	468,691	468,691
97.032	Crisis Counseling	125,811	125,811
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	49,494,944	46,247,496
97.039	Hazard Mitigation Grant	9,266,613	8,624,853
97.041	National Dam Safety Program	95,223	66,218
97.042	Emergency Management Performance Grants	6,931,328	0
97.045	Cooperating Technical Partners	4,877,615	0
97.047	Pre-Disaster Mitigation	300,579	295,820
97.056	Port Security Grant Program	67,500	0
97.067	Homeland Security Grant Program	6,705,830	5,434,855
97.088	Disaster Assistance Projects	592,378	557,444
	Total Department of Homeland Security	81,720,345	62,289,487
	Total Expenditures of Federal Awards	\$ 12,031,598,937	1,705,048,128

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

1. Significant Accounting Policies

The following is a summary of the significant accounting policies used by the State of Missouri.

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards (Schedule) of the state of Missouri is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the state's basic financial statements. The Uniform Guidance requires a schedule that shows total federal awards expended for each federal financial assistance program, the Catalog of Federal Domestic Assistance (CFDA) number, and the total amount provided to subrecipients from each federal program. Federal financial assistance programs that have not been assigned a CFDA number are identified as CFDA Number XX.Uxx, where XX represents the federal grantor agency and Uxx represents an unknown extension number.

The Schedule includes all federal awards expended by the state during the year ended June 30, 2017, except for those programs administered by public universities and other component units, which are legally separate from the state and have been excluded from this audit. They are responsible for engaging other auditors to perform audits in accordance with the Uniform Guidance, if required.

To compile the Schedule, the Missouri State Auditor's Office required each department, agency, and office that expended direct and/or indirect federal funding during the state fiscal year to prepare a schedule of expenditures of federal awards. The schedules for the departments, agencies, and offices were combined to form the Schedule of Expenditures of Federal Awards for the state of Missouri.

B. Basis of Presentation

The accompanying Schedule includes the federal award activity of the state of Missouri for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance, which defines federal awards as federal financial assistance and cost-reimbursement contracts that non-federal entities receive or administer in the form of grants, loans, loan guarantees, non-cash assistance, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include other contracts that a federal agency uses to buy goods or services from a contractor. Because the Schedule presents only a selected portion of the operations of the state, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the state.



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Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

The Schedule presents both Type A and B federal programs administered by the state. The Uniform Guidance establishes levels to be used in defining Type A and B federal programs. Type A programs for the state are those programs that exceeded \$30 million in federal disbursements, expenditures, or distributions. The determination of major and non-major programs is based on the risk-based approach outlined in the Uniform Guidance.

C. Basis of Accounting

Most expenditures presented in the Schedule are reported on the cash basis of accounting, while some are presented on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

D. Indirect Cost Rate

The state agencies administering the federal programs presented in the Schedule did not elect to use the de minimis cost rate per the Uniform Guidance.

2. Unemployment Insurance Expenditures

The Unemployment Insurance program (CFDA No. 17.225) is administered by the Department of Labor and Industrial Relations through a unique federal-state partnership that was founded upon federal law but implemented through state law. Benefits are paid from federal funds and state unemployment taxes that are deposited into the state's account in the Federal Unemployment Trust Fund. The state's administrative expenditures incurred under this program are funded by federal grants. For the purposes of presenting the expenditures of this program in the Schedule, both state and federal funds have been considered federal awards expended. The breakdown of the state and federal portions of the total program expenditures for the fiscal year ended June 30, 2017, is as follows:

State Portion (Benefits Paid)	\$300,031,446
Federal Portion (Benefits Paid)	15,059,971
Federal Portion (Administrative Costs)	<u>36,273,289</u>
Total Program Expenditures	<u>\$351,364,706</u>

3. Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Rebates

The state received cash rebates from an infant formula manufacturer totaling \$36,085,020 on sales of formula to participants in the WIC program (CFDA No. 10.557) administered by the Department of Health and Senior Services (DHSS). This amount was excluded from total program expenditures. Rebate contracts with infant formula manufacturers are authorized by 7 CFR Section 246.16a as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. The state was able to extend program benefits to more persons than could have been served this fiscal year in the absence of the rebate contract.



State of Missouri - Single Audit
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

4. Medical Assistance Program (Medicaid) and Children's Health Insurance Program (CHIP) Prescription Drug Rebates

The state received cash rebates from drug manufacturers totaling \$315,180,911 (federal share) on purchases of covered outpatient drugs for participants in the Medicaid and the CHIP (CFDA Nos. 93.778 and 93.767) administered by the Department of Social Services - MO HealthNet Division. This amount was excluded from total program expenditures. Rebate contracts with drug manufacturers are authorized by 42 USC Section 1396r-8 as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for medical assistance costs.

5. HIV Care Formula Grants Prescription Drug Rebates

The state received cash rebates from drug manufacturers totaling \$28,968,426 on purchases of covered drugs for participants in the HIV Care Formula Grants program (CFDA No. 93.917) administered by the DHSS. This amount was excluded from total program expenditures. The allowable use of drug rebates is restricted by 42 USC Section 300ff-26(g). Rebates represent a reduction in expenditures previously incurred for program costs.

6. Federal Loan Guarantees

Because of the Healthcare and Education Affordability Reconciliation Act enacted March 30, 2010 (Public Law 111-152), the authority to make or ensure loans under the Federal Family Education Loans program (CFDA No. 84.032) ended June 30, 2010. The Department of Higher Education (DHE) will continue to act as the federal Department of Education's agent in fulfilling the responsibilities related to the outstanding guarantees. The original principal outstanding of all loans guaranteed by the DHE is \$1,416,223,417 as of June 30, 2017. The balance of defaulted loans (including principal and accrued interest) that the federal Department of Education imposes continuing compliance requirements of the DHE is \$266,916,444 as of June 30, 2017.

7. Non-cash Assistance

The Schedule contains values for non-cash assistance for several programs.

Supplementation Nutrition Assistance Program (CDFA No. 10.551) expenditures totaling \$1,119,417,055 represent actual disbursements for client purchases of authorized food products through the use of the electronic benefits card program administered by the Department of Social Services - Family Support Division (DSS-FSD).

The Department of Elementary and Secondary Education distributes food commodities to school districts under the National School Lunch Program (CFDA No. 10.555). Distributions are valued at the cost of the food paid by the federal government and totaled \$30,593,497.

The DSS-FSD, through the Summer Food Service Program for Children (CFDA No. 10.559), provides United States Department of Agriculture (USDA)-donated foods to providers who serve free healthy meals to children and teens in low-income areas during the summer months when school is not in session. The DSS-FSD, through the Emergency Food Assistance Program



State of Missouri - Single Audit
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

(CFDA No. 10.569), provides USDA-donated foods for disaster relief and to six non-profit food banks for distribution to food pantries and community groups for feeding those in need. Distributions are valued at the federally assigned value of the product distributed and totaled \$60,834 for the Summer Food Service Program for Children and \$12,153,187 for the Emergency Food Assistance Program.

The DHSS distributes food commodities to low-income persons under the Commodity Supplemental Food Program (CFDA No. 10.565). Distributions are valued at the cost of the food paid by the federal government and totaled \$4,251,271.

The Department of Public Safety distributes excess federal Department of Defense (DOD) equipment to state and local law enforcement agencies under the DOD Excess Property Program (CFDA No. 12.U01). Property distributions totaled \$2,450,583 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 22.47 percent of the historical cost, or \$550,646.

The State Agency for Surplus Property distributes federal surplus property to eligible donees under the Donation of Federal Surplus Personal Property program (CFDA No. 39.003). Property distributions totaled \$8,087,731 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 22.47 percent of the historical cost, or \$1,817,313.

The DHSS distributes vaccines to local health agencies and other health care professionals under the Immunization Cooperative Agreements program (CFDA No. 93.268). Distributions are valued at the cost of the vaccines paid by the federal government and totaled \$67,992,751.

State of Missouri - Single Audit

Schedule of Findings and Questioned Costs

Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Qualified

Unmodified for all opinion units except for the governmental activities and the General Fund, which were qualified.

Internal control over financial reporting:

- Material weaknesses identified? X yes no
- Significant deficiencies identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? X yes no
- Significant deficiencies identified? X yes none reported

Type of auditor's report issued on compliance for major federal programs:

Qualified

Unmodified for all major federal programs except for the following major programs that were qualified:

Unemployment Insurance
Child Care and Development Fund (CCDF) Cluster
Children's Health Insurance Program
Medicaid Cluster

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a))?

 X yes no



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Year Ended June 30, 2017

The following programs were audited as major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
17.225	Unemployment Insurance
	Clean Water State Revolving Fund Cluster:
66.458	Capitalization Grants for Clean Water Revolving Funds
66.605	Performance Partnership Grants
84.010	Title I Grants to Local Educational Agencies
84.032	Federal Family Education Loans
84.367	Supporting Effective Instruction State Grant
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.767	Children's Health Insurance Program
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program

Dollar threshold used to distinguish
between Type A and Type B programs: \$30,000,000

Auditee qualified as a low-risk auditee? yes X no



Section II - Financial Statement Findings

2017-001. Unemployment Compensation Fund - Financial Reporting and Benefit Payment Account Controls

The Department of Labor and Industrial Relations (DLIR) does not have adequate controls and procedures over financial reporting of Unemployment Compensation Fund (UCF) financial activities following the implementation of the computerized Unemployment Insurance (UI) system, UInteract, in November 2016. As a result, certain UCF financial data submitted to the Office of Administration - Division of Accounting (DOA) for the year ended June 30, 2017, was misstated. In addition, the DLIR did not reconcile the benefit payment bank account until over 1 year after UInteract system implementation.

The DLIR implemented the UInteract system, a web-based system, to automate the process for determining eligibility and making payments for the UI program. The UInteract system replaced the legacy mainframe system that had previously been used to perform these functions. The DLIR did not purchase the UInteract system financial reporting module from the vendor, and opted to prepare financial reports in-house through the Office of Administration, Information Technology Services Division (ITSD) or by requesting ad-hoc reports from the vendor.

To compile and submit UCF financial data to the DOA for inclusion in the *Missouri Comprehensive Annual Financial Report* (CAFR) for the year ended June 30, 2017, DLIR staff along with the ITSD and the UInteract vendor, prepared and compiled various reports from the UInteract system. The CAFR for the year ended June 30, 2017, reported UCF assets totaling \$922.5 million (cash and cash equivalents of \$793.7 million and net accounts receivable of \$128.8 million), liabilities of \$19.6 million, and ending net position of \$902.9 million.

A. Financial reporting

The DLIR implemented the UInteract system without fully developing and testing financial reports needed to manage and report UCF activities. Financial reports are critical for documenting, reporting, and reconciling UCF financial activities on a daily, monthly, quarterly, and annual basis. Many UCF financial reports were not fully developed and functional until November 2017, 1 year after system implementation. Some reports were initially inaccurate and multiple revisions were necessary to provide accurate information to the DOA for the CAFR. As noted below, some revised reports were still inaccurate and led to immaterial misstatements in the CAFR. Additional revisions to these financial reports were subsequently made, but as of January 2018, some reports were still inaccurate.

Our review noted the following UInteract system implementation issues that led to inaccurate and/or delayed financial reports:



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Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

- The prior legacy system was not maintained as a parallel fallback until the UCF financial reports could be developed, fully tested, and validated for use.
- Some financial reports prepared from the UInteract system were prepared using incorrect programming logic, and were inaccurate and/or incomplete as a result. In addition, DLIR staff only had a limited understanding of the logic used to produce legacy system reports, making it difficult to validate and utilize similar reports in the UInteract system. Furthermore, the UInteract system reporting logic could not be verified by comparing output results to similar reports from the legacy system due to data conversion issues noted below.
- Some data was not converted completely and accurately from the legacy system to the UInteract system. For example, some converted data fields were missing, some data fields contained incompatible data, and some records were missing historical data. To correct these data conversion errors, DLIR staff indicated master records were removed, updated, and/or inserted in the UInteract system. These corrections were made in a manner that was not subject to the system's logging capabilities. In addition, corrections made in the normal course of business were reflected in the UInteract system as of the original transaction dates, and not as of the dates the corrections were made. As a result of both of these issues, reports run from the UInteract system on different dates for the same period contained different data and there are no records or other audit trails to support changes made to master records.

Reliable data and proper functioning of the UInteract system are critical to ensure accurate financial reporting. In addition to the risk of inaccurate reporting, the failure to establish adequate controls and procedures for data conversions, data corrections, and the development of accurate and timely financial reports increases the risk that fraud and/or misappropriation of assets could occur without detection. In addition, according to the Government Accountability Office² (GAO), as part of the control of master data (including customer and vendor data and records), the organization should have an effective auditing capability which allows changes to master data records to be recorded and reviewed where necessary. The most important factor supporting the auditing capability is that activity is properly captured and maintained by an automated logging mechanism.

B. Accounts receivable reports Due to various UInteract system implementation and financial reporting problems noted above, net accounts receivable information submitted by the DLIR to the DOA was understated for the year ended June 30, 2017.

² Report GAO-09-232G, *Federal Information System Controls Audit Manual*, February 2009



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Finalized accounts receivable reports, which were not developed until 11 months after system implementation and 5 months after fiscal year end, were not adequately tested for accuracy prior to submission to the DOA. Consequently, net accounts receivable balances reported for the UCF were understated. The errors were not detected by DLIR staff and the incorrect financial information was used by the DOA to prepare the CAFR. These errors, which did not materially affect the CAFR, had not been corrected as of January 2018.

Our review of the Total Monetary Delinquencies by Year report, which supports employer receivable balances reported to the DOA as of June 30, 2017, noted the following:

- Our testing of 60 employer accounts receivable balances included in the Total Monetary Delinquencies by Year report as of June 30, 2017, identified 3 (5 percent) reimbursing employer account balances that were understated by a total of \$1,741. This understatement occurred because the receivable balances were incorrectly calculated in the Total Monetary Delinquencies by Year report. The programming logic used to prepare this report erroneously included refunds previously disbursed to some reimbursing employers. DLIR staff determined net employer receivables were understated by a total of \$573,733 during the year ended June 30, 2017, as a result of this error.
- We determined the accounts receivable balances reported in the Total Monetary Delinquencies by Year report were further misstated because the programming logic used to build the report used transaction data tables that were inaccurate due to data conversion errors. DLIR staff determined net employer receivables were understated by a total of \$208,030 during the year ended June 30, 2017, as a result of this error.
- The employer accounts receivable balances shown in the Total Monetary Delinquencies by Year report prepared on or around November 29, 2017, differed from the detailed employer accounts receivable balance data prepared on or around December 22, 2017, by approximately \$1.3 million. While both reports covered the same time period, DLIR staff indicated the reports differed due to corrections to system data made between the dates the two reports were generated.

It is essential the DLIR establish controls and procedures to prepare and submit accurate and timely UCF financial reports to the DOA. Adequate systems of internal controls include the design and operation of controls which allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements.



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C. Benefit payment account
internal controls

The DLIR has not implemented adequate controls and procedures for reporting and reconciling benefit payment bank account activity. As a result, the cash and disbursement information reported to the DOA was potentially misstated. Any misstatements, which would not materially affect the CAFR, had not been determined or corrected as of January 2018.

Cash journals

Daily UInteract transaction summary reports, which summarize benefit payments and cancellations, do not accurately reflect actual activity. These reports are used to create cash journals which are used to prepare federal financial reports and perform monthly bank reconciliations. As similarly noted above, because cancellations of claimant benefits are dated in the UInteract system as of the original transaction date, daily transaction reports run for the same period but on different days, will contain different data when corrections are made during the time period between the dates the reports are generated. These reports are constantly changing and DLIR staff have needed to rerun these reports and revise the cash journals multiple times. For example, payments and cancellations shown in the initial (prepared in February 2017) and final (prepared in November 2017) revised cash journals for February 2017 are as follows:

	Initial Cash	Final Revised	
	Journal	Cash Journal	Difference
Cancelled Checks	\$ 30,898	36,168	5,270
Cancelled Debit Card	211,273	218,381	7,108
Cancelled Direct Deposit	29,626	27,359	(2,267)
Checks Issued	1,692,961	1,692,961	0
Debit Card Payments	9,606,494	9,616,555	10,061
Direct Deposit Payments	17,507,583	17,669,017	161,434

According to DLIR staff, some of these differences resulted from canceled and reissued payments that occurred when corrections to claimant bank accounts or debit card information were made. When these cancellations are made, the UInteract system cancels the payment on the date the payment was initially authorized, instead of the date of cancellation. When the benefits are subsequently reissued, the payment is reported on the date of reissuance.

As of the June 30, 2017 bank reconciliation, cumulative benefit disbursements per the revised cash journals were \$277,042 less than actual benefit disbursements. These differences began accumulating at the time the UInteract system was implemented in November 2016. The DLIR could provide no further explanation or support for this difference.

Without accurate transaction summary reports and cash journals, the DLIR lacks sufficient records to accurately report cash and disbursements and reconcile the benefit payment bank account.



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Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Outstanding check listing

The DLIR has not prepared a listing of benefit payment account outstanding checks since implementation of the UInteract system in November 2016. Instead, each month DLIR staff estimate total outstanding checks using daily transaction reports and cash journals; however, as noted above, these reports are not accurate. In the revised benefit payment bank account reconciliation as of June 30, 2017, DLIR staff estimated outstanding checks totaling \$298,580; however, without an accurate listing of outstanding checks, this amount could not be verified.

Without an accurate outstanding checks listing, the DLIR lacks sufficient information to accurately reconcile the bank account.

Bank reconciliations

Benefit payment account bank reconciliations for the period November 2016 to October 2017 were not completed until November 2017, and these bank reconciliations contained numerous errors and were not reliable. This is due, in part, to the lack of accurate daily transaction summaries, cash journals, and outstanding check listings, as noted above. More accurate bank reconciliations were prepared in January 2018, but the bank reconciliations contained several reconciling items needing additional follow up.

The failure to perform accurate and timely bank reconciliations increases the risk of misstatements of cash balances in the CAFR, including misstatements due to fraud, and possible misappropriation of assets.

Internal controls

It is essential that the DLIR establish adequate controls and procedures over the benefit payment bank account. Federal regulation 2 CFR Section 200.302 requires that a non-Federal entity's financial management system provide effective controls over, and accountability for, all funds, property, and other assets and that the non-federal entity adequately safeguard all assets and assure the assets are used solely for authorized purposes. In addition, 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States and the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission." The *Standards for Internal Control in the Federal Government*, also known as the Green Book, provides that management should establish controls to periodically compare vulnerable assets to control records and secure and safeguard vulnerable assets.



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Recommendations

The DLIR:

- A. Develop a comprehensive plan to resolve the identified UInteract system financial reporting issues. In addition, procedures should be established to ensure corrections to UInteract system data occur in a manner subject to the system's logging capabilities.
- B. Implement controls and procedures to prepare and submit accurate and timely UCF accounts receivable reports to the DOA.
- C. Implement controls and procedures to prepare accurate reports for reporting and reconciling benefit payment bank account activity. In addition, the DLIR should ensure monthly reconciliations of the benefit payment account are performed timely and differences between accounting records and reconciliations are promptly investigated and resolved. Restatements should be made for any material misstatements identified.

Auditee's Response

Finding number 2017-001A,B,&C and finding number 2017-005 (which summarizes finding number 2017-001C in the federal awards section of the Schedule of Findings and Questioned Costs):

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

Finding Number 2017-001:

The DLIR Corrective Action Plan (CAP) states the DLIR partially agrees with the finding. The CAP indicates no disagreement with the finding, but indicates the DLIR does not agree with our classification of the finding as a material weakness.

Our decisions regarding the classification of the internal control deficiencies reported in this finding were made in accordance with AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*. AU-C Section 265.07 provides the following definitions regarding internal control deficiencies: A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively. A



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material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable. *Reasonably possible* is the chance of the future event or events occurring that is more than remote but less than likely. *Probable* means the future event or events are likely to occur.

As explained in the finding, the failure to design and implement adequate controls and procedures over financial reporting when the new UInteract system was developed in November 2016 led to various reporting and reconciliation problems and misstatements. The finding outlines extensive deficiencies in the DLIR's implementation of financial reporting procedures, the lack of controls to ensure completeness and accuracy of financial reports, and the lack of proper reconciliation procedures. The DLIR did not fully develop financial reports and did not complete bank reconciliations until 1 year after system implementation. Furthermore, because the reports were not adequately validated, tested, or reviewed, some reports were initially inaccurate and required revision; and as of January 2018, some reports were still inaccurate. In addition, the revised bank reconciliations prepared in January 2018 still contained several items needing follow up.

Due to the severity of these internal control deficiencies, we believe there is a reasonable possibility the DLIR's controls will fail to prevent, or detect and correct, a material misstatement on a timely basis. Even though the misstatements we identified were not material to the state's CAFR, because the deficiencies are extensive and have not yet been resolved, there is a reasonable possibility of additional unidentified misstatements during the audit period or in future periods. Examples of our consideration of risk factors outlined in AU-C Section 265.A8 during our assessment of the severity of the internal control deficiencies include (1) the controls in question cover the financial reporting for the entire UCF, (2) the controls were new due to implementation of a new system, (3) the controls were not operating during most of the audit period, (4) the deficiencies have not been resolved and future misstatements are likely, and (5) there were no compensating controls. For these reasons, we consider this finding to be a material weakness.

One of the DLIR's arguments that a material weakness does not exist is that the financial reports contain no material misstatement. However, AU-C Section 265.A5 states significant deficiencies and material weaknesses may exist even when the auditor does not identify misstatements. The DLIR also cites the indicators of material weaknesses outlined in AU-C Section 265.A11, and states "none of the above indicators are known to exist nor have been communicated to DLIR by the SAO, thus there is no evidence that any deficiency in controls rise to a level of material weakness." However, the last



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indicator, "ineffective oversight of the entity's financial reporting and internal control by those charged with governance," describes the internal control deficiencies cited in the finding. The finding discusses various examples of how DLIR management's lack of oversight led to the reporting and reconciliation problems and misstatements. Furthermore, the indicators listed at AU-C Section 265.A11 are examples and are not considered an exhaustive list of indicators of a material weakness.

Finding Number 2017-005:

The DLIR disagrees with our decision to classify the finding related to the benefit payment bank account, also reported in finding 2017-005 of the federal awards section of the Schedule of Findings and Questioned Costs, as a material weakness.

As stated in the finding, federal regulations require the DLIR to maintain effective controls over, and accountability for, all funds of the Unemployment Insurance program. Because bank reconciliations serve as an essential internal control in the management of the Unemployment Insurance program and this control was not operating for the majority of the audit period, this finding is considered a material weakness.

2017-002.
Unemployment
Compensation Fund -
Segregation of Duties

The Department of Labor and Industrial Relations (DLIR) did not adequately segregate the duties of administering Unemployment Insurance (UI) benefits and authorizing transactions from the benefit payment bank account.

The Division of Employment Security (DES) determines claimant eligibility and authorizes UI benefit payments, and the DLIR Administration - Financial Management Unit (FM) maintains the various bank accounts of the Unemployment Compensation Fund and works with the bank to manage these accounts. However, a DES Benefits Analyst occasionally contacted the bank directly to authorize and reverse UI benefit payments from the benefit payment bank account. These bank transactions were made without any independent supervisory review, which increases the risk of misappropriation. In addition, the FM was not notified of these transactions. DLIR officials indicated these transactions occurred during November and December 2016, after implementation of the new UInteract computerized system. In January 2018, following our inquiry about the Benefits Analyst's access to the benefit payment bank account, the DES contacted the bank to remove this employee's access to the account.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by ensuring DES employees do not have access to authorize transactions from UI bank accounts. In addition, 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective



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internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States and the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission." The *Standards for Internal Control in the Federal Government*, also known as the Green Book, provides that management should consider segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, design alternative control activities to address the risk.

Recommendation

The DLIR, through the DES and the FM, restrict employee access to UI bank accounts and adequately segregate duties related to administering UI benefits and authorizing transactions from the UI bank accounts.

Auditee's Response

Finding number 2017-002 and finding number 2017-009 (which summarizes finding number 2017-002 in the federal awards section of the Schedule of Findings and Questioned Costs):

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2017-003.
Unemployment
Compensation Fund -
Transfers

The Department of Labor and Industrial Relations (DLIR) did not establish procedures to transfer interest and penalty collections to the Special Employment Security Fund (SESF) as required by state law. As of June 30, 2017, the DLIR had not transferred interest and penalties totaling approximately \$3.4 million held in the Unemployment Compensation Fund (UCF) to the SESF.

The DLIR, Division of Employment Security deposits Unemployment Insurance program interest and penalty collections into the UCF. Prior to implementation of the new UInteract computerized system in November 2016, DLIR Administration - Financial Management Unit (FM) personnel made monthly and quarterly transfers of interest and penalties from the UCF to the SESF to comply with state law. However, as of February 2018, the last transfer to the SESF was for a portion of the November 2016 collections. According to FM personnel, the UInteract system does not have the capability of producing manual checks necessary to transfer the funds, and alternate procedures to transfer the funds have not been developed.

Section 288.310, RSMo, requires all penalties and interest collected under the provisions of the Missouri Employment Security Law be paid to the SESF. The DLIR receives appropriations from the SESF for various administrative



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expenses. To comply with state law and make these monies available for intended purposes, the FM needs to establish procedures to make the required transfers.

Recommendation

The DLIR establish procedures to ensure interest and penalty collections are transferred to the SESF, as required by state law.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.



Section III - Federal Award Findings and Questioned Costs

2017-004. Unemployment Insurance Federal Reporting

Federal Agency:	U.S. Department of Labor (USDOL)
Federal Program:	17.225 Unemployment Insurance 2014 - UI-25214-14-55-A-29 2016 - UI-27986-16-55-A-29 2017 - UI-29906-17-55-A-29
State Agency:	Department of Labor and Industrial Relations (DLIR)
Type of Finding:	Internal Control (Material Weakness) and Noncompliance

The DLIR has not established adequate controls and procedures to prepare and submit accurate, complete, and timely federal reports for the Unemployment Insurance (UI) program. Our review of various federal reports identified several federal financial reports that were not accurate and/or were not submitted within the required timeframes.

The DLIR is required to prepare and submit various reports to the USDOL, Employment and Training Administration (ETA), on a monthly or quarterly basis. ET Handbooks³, published by the USDOL, outline the requirements for reporting financial and/or program activities. DLIR personnel pull data from the DLIR's UInteract computerized system to enter into the USDOL's computerized reporting systems to create the various reports. Similar to the problems regarding financial reporting noted in finding number 2017-001, the DLIR has encountered difficulties and delays in preparing accurate federal reports since implementation of the new UInteract system in November 2016.

Inaccurate reporting

Our review of certain federally-required reports noted three financial reports were inaccurate. While DLIR personnel, along with the UInteract system vendor, developed various queries and reports to pull data from the UInteract system, the DLIR did not perform sufficient testing or review the data to validate its accuracy and completeness prior to reporting the data in federal reports. In addition, each of these reports was prepared using system data and/or reports we identified in finding number 2017-001 as being inaccurate. Furthermore, some information in these federal reports was not supported by adequate supporting documentation. Because accurate and complete supporting documentation was not prepared, we were unable to confirm or verify some information in the reports or determine the extent of the reporting errors.

Below are some examples of the inaccuracies identified during our review of federal reports submitted for the year ended June 30, 2017.

³ *ET Handbook No. 336*, 18th Edition; *ET Handbook No. 401*, 4th Edition; and *ET Handbook No. 356*



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- The beginning overpayment receivables balances (April 1, 2017) shown in the UInteract report supporting the *ETA 227 - Overpayment Detection and Recovery Activity* (ETA 227) report for the quarter ended (QE) June 30, 2017, did not match the ending overpayment receivables balances in the UInteract report supporting the previous QE March 31, 2017, ETA 227 report as shown in the table below.

Overpayment Type(1)	QE June 30, 2017	QE March 31, 2017
	Beginning Balance (April 1, 2017)	Ending Balance
Fraud - UI	\$8,937,160	\$18,807,046
Fraud - UCFE/UCX	117,042	108,469
Fraud - EB	4,020	270,659
Non-fraud - UI	7,901,265	8,304,247
Non-fraud - UCFE/UCX	120,795	123,076
Non-fraud - EB	0	(574)

(1) UI = Unemployment Insurance; UCFE/UCX = Unemployment Compensation for Federal Employees and Ex-service members; EB = Extended Benefits

In addition, according to DLIR personnel, upon UInteract system implementation, the ending overpayment receivables balances reported in the legacy system for the QE September 30, 2016, did not agree to the beginning overpayment receivables balances reported in the UInteract system for the QE December 31, 2016. To try to address this and subsequent balance issues, when preparing ETA 227 reports, DLIR personnel made adjustments to the amounts shown in the UInteract reports in an attempt to more accurately state the ending balances in the ETA 227 report. DLIR personnel could not provide documentation to support how the adjustments were determined or explain why the beginning and previous ending balances did not agree.

- The beginning employer receivables balances (January 1, 2017) shown in the UInteract report supporting *ETA 581 - Contribution Operations* (ETA 581) report for the QE March 31, 2017, did not match the ending employer receivables balances in the UInteract report supporting the previous QE December 31, 2016, ETA 581 report as shown in the table below.

Employer Type	QE March 31, 2017	QE December 31, 2016
	Beginning Balance (January 1, 2017)	Ending Balance
Contributory	\$7,989,632	\$5,920,001
Reimbursing	894,659	876,701



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DLIR personnel acknowledged the report was inaccurate, but could not explain why the balances did not agree.

- Beginning in November 2016, monthly *ETA 2112 - UI Financial Transaction Summary* (ETA 2112) reports do not include amounts received from reimbursing employers. Because these amounts are not reported, Net UI Contributions reported are overstated and other amounts calculated using Net UI Contributions are misstated. DLIR personnel indicated they have not yet developed UInteract system reports to show the amounts received from reimbursing employers or to properly calculate Net UI Contributions. In addition, the Net UI Contributions reported are likely further misstated because the ETA 2112 reports were prepared using inaccurate daily transaction summary reports (see finding number 2017-001C).

DLIR personnel acknowledged each of these federal financial reports are inaccurate and indicated they are working to develop accurate reports that will be resubmitted to the USDOL when finalized.

Untimely reporting

In addition, the DLIR submitted the ETA 227 report for the QE December 31, 2016, more than 2 months late; the ETA 227 report for QE March 31, 2017, 1 week late; and the ETA 581 report for QE December 31, 2016, 2 weeks late. The *ET Handbook No. 401*, 4th Edition, requires states to submit quarterly ETA 227 reports by the first day of the second month after the quarter, and quarterly ETA 581 reports by the 20th day of the second month following the quarter.

Conclusion

It is essential the DLIR establish controls and procedures to prepare and submit accurate and timely federal reports as required. Federal regulation 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." Such controls include designing and programming queries and reports that are complete and accurate and used to prepare reliable federal reports.

Recommendation

The DLIR establish controls and procedures to ensure required federal reports are accurately prepared and submitted in accordance with federal requirements. These procedures should ensure the UInteract system supporting queries and reports are properly designed and programmed to achieve federal reporting objectives. In addition, the DLIR should continue to review, revise, and resubmit previously submitted inaccurate federal reports.



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Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DLIR Corrective Action Plan (CAP) states the DLIR partially agrees with the finding. The CAP indicates no disagreement with the finding, but indicates the DLIR does not agree with our classification of the finding as a material weakness.

Our decisions regarding the classification of the internal control deficiencies reported in this finding were made in accordance with AU-C Section 935, *Compliance Audits* and the *Audit Guide Government Auditing Standards and Single Audits (Audit Guide)*, published by the AICPA. The Audit Guide adapts and applies the guidance in AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*, to a Uniform Guidance audit. The Audit Guide paragraph 9.47 provides the following definitions regarding internal control deficiencies: a *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable. *Reasonably possible* is the chance of the future event or events occurring that is more than remote but less than likely. *Probable* means the future event or events are likely to occur.

As explained in the finding, the failure to design and implement adequate controls and procedures to prepare and submit accurate, complete, and timely federal reports led to the submission of inaccurate and untimely reports to the USDOL. This instance of noncompliance with federal reporting requirements is considered material noncompliance due to the significance and frequency of report types and reporting periods submitted with inaccuracies. In addition, as stated in the finding, we were unable to confirm or verify some information in the reports or determine the extent of the reporting errors. The finding explains the DLIR, along with its vendor, developed various queries to pull data from the new UInteract system, but did not perform sufficient testing or review the data to validate its accuracy and completeness prior to reporting the data in federal reports. In addition, the reports were prepared using data and/or reports we identified in finding number 2017-001 (also a material weakness) as being inaccurate.



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As noted in the finding, the DLIR's controls failed to prevent and correct the material noncompliance identified. Because the internal control deficiencies have not been corrected, there is a reasonable possibility future reports will also be inaccurately submitted. Examples of our consideration of risk factors outlined in the Audit Guide paragraph 9.51 during our assessment of the severity of the internal control deficiencies include (1) the controls in question cover many types of required federal reports that together report all activities of the UI program, (2) the controls were new due to implementation of a new system, (3) the controls are related to financial reporting controls which were also identified as a material weakness, (4) there were no compensating controls, and (5) the deficiencies have not been resolved and future noncompliance is likely. In addition, the failure to submit accurate federal reports could affect the DLIR's future funding for the administration of the UI program. Further, when federal reports are not accurate, the USDOL and the DLIR cannot effectively monitor the integrity of UI program benefit processes. For these reasons, we consider this finding to be a material weakness.

The DLIR's CAP cites the four indicators of material weaknesses outlined in AU-C Section 265.A11, and states "none of the above indicators are known to exist nor have been communicated to DLIR by the SAO, thus there is no evidence that any deficiency in controls rise to a level of material weakness." However, the last indicator, "ineffective oversight of the entity's financial reporting and internal control by those charged with governance," which is adapted for Uniform Guidance audits in the Audit Guide paragraph 9.57 to "ineffective oversight by management, or those charged with governance, over compliance with program requirements where the activity is subject to a type of compliance requirement (for example, lack of adequate review of federal financial reports prior to submission to the grantor)," is specifically addressed in the audit finding. Furthermore, the indicators listed at AU-C Section 265.A11 and Audit Guide paragraph 9.57 are examples and are not considered an exhaustive list of indicators of material weakness.

2017-005.
Unemployment Insurance
Benefit Payment Bank
Account Internal Controls

Federal Agency:	U.S. Department of Labor
Federal Program:	17.225 Unemployment Insurance
	2014 - UI-25214-14-55-A-29
	2016 - UI-27986-16-55-A-29
	2017 - UI-29906-17-55-A-29
State Agency:	Department of Labor and Industrial Relations (DLIR)
Type of Finding:	Internal Control (Material Weakness)

The DLIR has not implemented adequate controls and procedures for reporting and reconciling the activities of the Unemployment Insurance benefit payment bank account. See Financial Statement Finding number 2017-001C.



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2017-006.

**Unemployment Insurance
Wage Cross-matches**

Federal Agency: U.S. Department of Labor (USDOL)
Federal Program: 17.225 Unemployment Insurance
2014 - UI-25214-14-55-A-29
2016 - UI-27986-16-55-A-29
2017 - UI-29906-17-55-A-29
State Agency: Department of Labor and Industrial Relations (DLIR)
- Division of Employment Security (DES)
Type of Finding: Internal Control (Significant Deficiency) and
Noncompliance

The DES did not follow established controls over Unemployment Insurance (UI) program eligibility and payments related to wage cross-matches, and as a result, federally-required wage cross-matches were not performed during the 9-month period after implementation of the new UInteract computerized system.

The DES is charged with the administration of the UI program, including determining claimant eligibility and making benefit payments, as required by Missouri Employment Security laws and regulations. To monitor claimants' continued eligibility and ensure payments are proper, DES staff, in coordination with the Office of Administration - Information Technology Services Division, perform various periodic wage cross-matches of UI system claimant data to data obtained from third parties. Unemployment Insurance Program Letter (UIPL) 19-11 requires wage cross-matches to the National Directory of New Hires (NDNH). The mandatory use of the NDNH is based on the USDOL's authority granted under 42 USC Section 503(a)(1) and 26 USC Sections 3306(h) and 3304(a)(4). The federal guidance recommends weekly NDNH wage cross-matches and daily State Directory of New Hires (SDNH) wage cross-matches. DES procedures require the NDNH wage cross-matches be performed weekly and SDNH wage cross-matches be performed twice per week. DES staff investigate wage cross-match results to identify claimants who are ineligible and/or received improper payments. For the claimants determined to be ineligible, DES staff stop future benefit payments, establish overpayments in the UInteract system, and initiate recoupment efforts.

The DES stopped performing NDNH and SDNH wage cross-matches in October 2016, approximately 1 month prior to implementation of the new computerized system, UInteract, on November 14, 2016. The DES resumed the SDNH wage cross-matches in November 2016, but due to various system programming issues, the DES did not resume the NDNH wage cross-matches until July 2017. Because the required NDNH wage cross-matches were not performed during the 9-month period, DES staff could not timely investigate wage cross-match results for ineligible claimants and/or improper payments.



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In addition to noncompliance with federal requirements, the failure to follow established controls to perform wage cross-matches increases the risk that payments will be made to ineligible claimants, and/or improper payments will go undetected. In addition, the failure to perform prompt investigations can adversely affect the DES's ability to perform the investigations and recoup identified overpayments. Federal regulation 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DLIR, through the DES, ensure wage cross-matches are performed in accordance with federal requirements.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2017-007.
Unemployment Insurance
Benefit Accuracy
Measurement Program

Federal Agency:	U.S. Department of Labor (USDOL)
Federal Program:	17.225 Unemployment Insurance
	2014 - UI-25214-14-55-A-29
	2016 - UI-27986-16-55-A-29
	2017 - UI-29906-17-55-A-29
State Agency:	Department of Labor and Industrial Relations (DLIR) - Division of Employment Security (DES)
Type of Finding:	A - Internal Control (Significant Deficiency) and Noncompliance
	B - Internal Control (Significant Deficiency) and Noncompliance
	C - Internal Control (Significant Deficiency)

The DES did not comply with Unemployment Insurance (UI) program Benefit Accuracy Measurement (BAM) case investigation requirements. In addition, the DES has not established written policies and procedures regarding supervisory reviews of BAM case investigations.

The UI BAM program, administered by the DES's BAM unit, serves as a control over UI eligibility and benefit payments. The BAM program provides the basis for assessing the accuracy of UI benefit payments and denied claims, assessing improvements in program accuracy and integrity, and encouraging more efficient administration of the UI program.

Federal regulation 20 CFR Section 602.21(c) requires each state to complete prompt and in-depth BAM case investigations to determine the degree of accuracy and timeliness in the administration of the state UI law and the federal UI program with respect to benefit determinations, benefit payments, and revenue collections. The *ET Handbook No. 395*, 5th Edition, published



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by the USDOL, Employment and Training Administration establishes time limits for completion of all case investigations and mandates the use of National Directory of New Hires (NDNH) cross-matches as part of BAM paid claim case investigations. The results of the BAM investigations are entered into the Data Collection Instrument in the USDOL's Sun computerized system.

A. Timeliness

According to DES reports of BAM paid and denied claim case investigations performed during state fiscal year 2017, the DES did not complete investigations within the required timeframes as noted in the following table:

Claims Type	Percentage of Cases Completed within 60 Days		Percentage of Cases Completed within 90 Days	
	Required %	Actual %	Required %	Actual %
Paid Claims	70	23	95	32
Denied Claims - Monetary	60	42	85	52
Denied Claims - Separation	60	32	85	41
Denied Claims - Nonseparation	60	30	85	38

DES's State Quality Service Plan for the federal fiscal year ending September 30, 2018, indicated the BAM unit experienced backlogs of BAM investigations because the BAM unit was unable to select and assign cases to BAM auditors during the period November 2016 to March 2017 due to system issues associated with the implementation of the UInteract computerized system. While this case assignment issue was being corrected, the BAM investigators were reassigned to assist with other duties. The DES hired two additional investigators in May 2017 to help reduce the backlog. In addition to noncompliance with federal requirements, the failure to complete BAM case investigations timely can adversely affect the DES's ability to recoup identified overpayments.

B. NDNH cross-matches

BAM paid claim case investigations performed during the period October 2016 to July 2017 did not include NDNH wage cross-matches. Our sample of 60 BAM case investigations during state fiscal year 2017 included 27 paid claims, of which 18 (67 percent) were not cross-matched with the NDNH.

As noted in finding number 2017-006, the DES did not perform cross-matches to the NDNH during the 9-month period due to issues with the new UInteract system. In addition to noncompliance with federal requirements, the failure to perform wage cross-matches during BAM paid claim case investigations increases the risk that payments will be made to ineligible claimants, and/or improper payments will go undetected.

C. Supervisory reviews

The DES has not established written policies and procedures regarding supervisory reviews of BAM case investigations. Supervisory reviews are a



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control to ensure BAM case investigations are performed properly and in compliance with federal requirements, and to ensure proper resolution of identified problems.

BAM unit supervisors are not required to review each BAM case investigation, but are instructed to perform "spot checks" of these investigations. The DES has not established written criteria or guidance regarding the extent supervisory reviews should be performed. Our sample of 60 BAM case investigations noted 20 (33 percent) were not reviewed by a supervisor.

An August 2017 National BAM Peer Review conducted by the USDOL, found 7 of 15 (47 percent) BAM denied claim case investigations reviewed contained procedural issues, including not properly pursuing an issue to a supportable conclusion, not properly resolving an issue, or not applying BAM procedures correctly. Requiring supervisory reviews of all or more BAM case investigations than are currently being reviewed could help identify errors in BAM case investigations and prevent future errors.

Conclusion

Federal regulation 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." When supervisory reviews of BAM case investigations are not performed, the effectiveness of the BAM program is diminished, and there is decreased assurance case reviews are accurate and an increased risk of errors going undetected. To ensure controls over BAM case investigations are adequate, the DES should establish policies and procedures regarding the extent supervisory reviews should be performed.

Recommendations

The DLIR, through the DES:

- A. Ensure BAM case investigations are completed within federally-required time frames.
- B. Ensure BAM case investigations include NDNH cross-matches as required.
- C. Establish written policies and procedures regarding supervisory reviews of BAM case investigations.

Auditee's Response

- A. *We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*



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B. *We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*

C. *We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*

2017-008.
Unemployment Insurance
Maximum Benefit Amount

Federal Agency:	U.S. Department of Labor
Federal Program:	17.225 Unemployment Insurance
	2014 - UI-25214-14-55-A-29
	2016 - UI-27986-16-55-A-29
	2017 - UI-29906-17-55-A-29
State Agency:	Department of Labor and Industrial Relations (DLIR) - Division of Employment Security (DES)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance
Questioned Costs:	\$134,388 ⁴

The DES did not properly design and implement internal controls to ensure the new Unemployment Insurance (UI) computerized system (UInteract) correctly calculates claimant Maximum Benefit Amounts (MBA). As a result, the MBA for some claimants was incorrectly calculated and some claimants received overpayments. The DLIR made unemployment benefit payments totaling approximately \$315 million during the year ended June 30, 2017.

The DES is charged with the administration of the UI program, including determining claimant eligibility and making benefit payments, as required by Missouri Employment Security laws and regulations. Section 288.060.4, RSMo, states the maximum total amount of benefits payable to any insured worker during any benefit year shall not exceed twenty times his or her weekly benefit amount, or thirty-three and one-third percent of his or her wage credits, whichever is lesser. This is termed the Maximum Benefit Amount (MBA).

On November 17, 2017, approximately 1 year after the November 2016 implementation of the new UInteract computerized system, DES personnel discovered the system was not properly calculating the MBAs for some claimants. In January 2018, the system was reprogrammed to correctly calculate these claimants' MBAs, overpayments were identified in the system, and collection efforts were initiated. DES staff provided documentation as of December 15, 2017, showing the MBA was incorrectly calculated for 3,721 of 144,623 (2.6 percent) claims since implementation of the UInteract system, and 491 of these claims resulted in overpayments. Claimants were paid a total

⁴ Questioned costs include overpayments for the period November 2016 to December 2017.



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of \$134,388 in excess of the actual MBAs allowed by law. We question this entire overpayment amount (100 percent federal share).

The MBA calculation errors occurred because the UInteract system was not adequately tested before implementation for all situations that may affect the MBA calculation, and the errors were not detected timely because the DES did not establish adequate controls to timely monitor MBA calculations. Federal regulation 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States and the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission." The *Standards for Internal Control in the Federal Government*, also known as the Green Book, states that when new controls are designed and implemented, management should ensure the controls are capable of achieving the objective and addressing related risks. In addition, management should perform ongoing monitoring to determine the effectiveness of the internal controls.

Recommendation

The DLIR through the DES continue to establish and monitor controls to ensure the UInteract system properly calculates claimant MBA and continue efforts to collect identified overpayments.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2017-009.
Unemployment Insurance
Segregation of Duties

Federal Agency:	U.S. Department of Labor
Federal Program:	17.225 Unemployment Insurance
	2014 - UI-25214-14-55-A-29
	2016 - UI-27986-16-55-A-29
	2017 - UI-29906-17-55-A-29
State Agency:	Department of Labor and Industrial Relations (DLIR) - Division of Employment Security and DLIR Administration - Financial Management Unit
Type of Finding:	Internal Control (Significant Deficiency)

The DLIR did not adequately segregate the duties of administering Unemployment Insurance benefits and authorizing transactions from the benefit payment bank account. See Financial Statement Finding number 2017-002.



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2017-010.
Child Care Eligibility and
Payments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2016 - G1601MOCCDF 2017 - G1701MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2016 - G1601MOCCDF 2017 - G1701MOCCDF
State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Material Weakness) and Noncompliance
Questioned Costs:	\$1,659

As noted in our prior seven audit reports,⁵ weaknesses continue to exist in DSS controls over Child Care and Development Fund (Child Care) subsidy eligibility and provider payments. Controls are not sufficient to prevent and/or detect payments on behalf of ineligible clients or improper payments to child care providers. Payments were made on behalf of one ineligible client and overpayments were made to some providers. The DSS has only limited procedures to review eligibility determinations and monitor payments to providers. During the year ended June 30, 2017, the DSS paid approximately 5,600 child care providers approximately \$150 million for services provided to approximately 63,300 children of eligible clients.

The DSS provides funds to child care providers who serve eligible clients (parents/caregivers). Clients apply to CD or FSD case workers for participation in the Child Care subsidy program. Federal regulation 45 CFR Section 98.20 provides that to be eligible for services the child must (1) be under 13 years old, or at the option of the DSS under age 19 and physically or mentally incapable of caring for himself/herself or under court supervision, (2) live with a family who meets certain income guidelines, and (3) have parents who are working or attending a job training or educational program or receive, or need to receive, protective services. Parents who are searching for a job are considered to have a need for child care for up to 90 days or the end of the month in which the 90th day occurs.

Once approved, the client selects a child care provider and the DSS enters into an agreement/contract with the provider for child care services. The DSS Income Maintenance (IM) manual requires that case workers set maximum authorized service units for the amount and type of care that best meets the family's need; maintain case file documentation, including the Child Care

⁵ *State of Missouri Single Audit*, finding numbers 2016-002A, 2015-002, 2014-005, 2013-009, 2012-11A&B, 2011-14A, and 2010-16A.



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subsidy application; and verify the need for child care to support the eligibility determination. Case workers enter the maximum authorized child care service units into the Family Assistance Management Information System (FAMIS) for each child.

The IM manual and provider agreements require providers to submit monthly invoices electronically through the Child Care Online Invoicing System (CCOIS) or manually through the Child Care Provider Relations Unit. The CCOIS interfaces with the FAMIS to process provider payments. Additionally, providers are required to maintain detailed attendance records documenting daily arrival and departure times and containing client signatures verifying the children received the services. Although all providers are required to retain attendance records for 5 years, the DSS only requires registered (license exempt) providers that submit manual invoices to submit attendance records for payment.

To test compliance with program requirements, we selected a sample of 60 children. We reviewed eligibility case documentation, related provider agreements, and payment documentation supporting one payment for each of these children. The department made payments totaling approximately \$18,740 to child care providers on behalf of these 60 children during the month reviewed. We noted the following:

- Child Care subsidy payments were made on behalf of a child when there was not a valid need for child care services for 1 of 60 (2 percent) cases reviewed. The client's employment ended in October 2016 and the client was authorized to receive child care subsidy for 90 days, through the end of January 2017, during the client's job search. The provider invoiced and received payments through the end of February 2017, 1 month after the job search period expired. Payments totaling \$1,085, made on behalf of this child and the child's siblings for the month of February 2017, were unallowable. We question the federal share of \$846 (77.99 percent).
- Documentation was not adequate to support payments for 13 of 60 (20 percent) cases reviewed. Attendance records for 2 cases were not provided by the child care provider upon our request and provider invoices did not agree to the corresponding attendance records for the other 11 cases. Unsupported payments for these 13 cases totaled \$1,043. We question the federal share of \$813 (77.99 percent). Known questioned costs for unsupported payments to child care providers represent approximately 5.6 percent of payments reviewed. If similar errors were made on the remaining population of Child Care subsidy payments, questioned costs could be significant.

The various errors noted above occurred because the DSS had limited controls to ensure eligibility determinations were accurate and payments were proper and adequately supported. At least three significant factors contributed



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to the weak control system including: (1) limited supervisory review of Child Care subsidy eligibility determinations, (2) limited compliance reviews of child care providers, and (3) minimal other procedures in place to review provider attendance records.

In response to deficiencies identified in previous audits, the DSS implemented various controls over eligibility determinations and provider payments. During the period November 2015 to April 2017, the DSS required eligibility supervisors to review a minimum of three Child Care subsidy cases each month in the case review system. In April 2017, the DSS restructured this review process by requiring eligibility supervisors to complete 20 targeted case reviews each month, focusing on areas identified as needing improvement. The number of ineligible clients identified by our audits has declined in recent years since the DSS implemented additional controls over eligibility. In addition, federal and state reductions in eligibility restrictions when a client is not working or attending classes have reduced the potential errors in eligibility due to changes in client work or education status. In September 2013, the DSS created the Child Care Review Team (CCRT) within the Division of Finance and Administrative Services, and began performing reviews of child care providers. Although the CCRT reviews noted similar provider payment issues to those noted above, the CCRT's follow up on identified provider noncompliance is not sufficient (see finding number 2017-011).

An audit performed by the federal Department of Health and Human Services (DHHS) - Office of Inspector General (OIG), *Not All of Missouri's Child Care Subsidy Program Payments Complied With Federal and State Requirements*, released in November 2017, identified similar concerns with unsupported provider payments. The DHSS-OIG audit noted attendance records were not adequately documented for 124 of 128 provider service months reviewed and projected total overpayments of \$19.1 million for federal fiscal years 2014 and 2015. The audit reported the deficiencies occurred because the DSS did not exercise sufficient oversight over its Child Care subsidy program.

In January 2017, the DHHS, Administration for Children and Families (ACF), Office of Child Care issued a decision letter stating it concurred with our fiscal year 2015 audit finding and the DSS had not fully implemented corrective actions to address the repeating finding. The ACF further required, beginning in the quarter ended March 31, 2017, the DSS to provide quarterly updates of corrective actions taken and planned until the issues are resolved. The DSS's quarterly corrective action updates for March and June 2017 indicated the department continued to review procedures and monitor case reviews, and was in the process of contracting for an electronic timekeeping and attendance system. Subsequent updates had not been prepared as of February 2018.



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Effective September 30, 2016, 45 CFR Section 98.68 requires the DSS to document in its Child Care subsidy state plan that it has effective controls to ensure integrity and accountability in the program. To ensure controls are effective, the DSS needs to continue to review, strengthen, and enforce policies and procedures to ensure Child Care subsidy payments are made only on behalf of eligible clients, invoices agree to the corresponding attendance records, and attendance records are complete. These procedures should include sufficient monitoring of eligibility determinations and provider payments, and follow up on errors identified.

Recommendation

The DSS, through the CD and the FSD, continue to review, strengthen and enforce policies and procedures regarding Child Care subsidy eligibility determinations and provider payments. These procedures should include sufficient monitoring of eligibility determinations and provider payments and follow up on errors identified.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS partially agrees with the finding that controls are not sufficient to prevent and/or detect payments on behalf of ineligible clients. The DSS believes no further improvements to control processes over eligibility are possible. As acknowledged in the finding, improved controls and reductions in eligibility restrictions have led to fewer eligibility errors in recent audits; however, our sample did identify 1 error out of 60 cases tested, or 2 percent. During the audit, DSS officials agreed with this error and the related questioned costs; therefore, this finding remains valid.

In the CAP, the DSS states "one error does not represent a material internal control weakness nor warrant an audit finding of noncompliance." As discussed with DSS officials during the audit, the finding was not classified as a material control weakness due to the internal control deficiencies over eligibility, but due to the internal control deficiencies over provider payments. The DSS payment to an ineligible client identified in our sample is considered noncompliance under federal guidelines.

2017-011.
Child Care Provider
Monitoring

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2016 - G1601MOCCDF 2017 - G1701MOCCDF
	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2016 - G1601MOCCDF 2017 - G1701MOCCDF



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State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)
Type of Finding:	Internal Control (Significant Deficiency)

As noted in our prior audit report,⁶ the DSS's procedures to follow up on provider noncompliance identified during Child Care Review Team (CCRT) reviews are not sufficient.

The CCRT is responsible for conducting compliance reviews of child care providers using a risk-based approach to identify and monitor providers determined to be at high risk of noncompliance with Child Care subsidy provider requirements. CCRT staff perform on-site and desk reviews to evaluate provider billing practices, compare attendance records to amounts invoiced, and review facility staffing ratios and fire safety. CCRT staffing levels have varied over the years due to turnover. At June 30, 2017, the CCRT consisted of one manager and three staff. The CCRT completed 576 reviews, including 133 desk reviews and 443 on-site reviews during the year ended June 30, 2017.

When the CCRT identifies provider noncompliance, the provider is required to repay any related overpayments identified; and depending on the severity of the noncompliance, the provider may also (1) be referred to provider training or (2) have its provider contract/agreement terminated. The CCRT notifies the CD if a provider should be referred for training or if a provider's contract/agreement should be terminated. The CD is responsible for contacting the provider with the necessary training or termination information. After a provider attends the required training, the CCRT may conduct a follow-up review. Providers referred to training have 45 days to complete the training. If the provider does not complete the required training timely, CD personnel notify the provider it has 10 to 15 days to complete the training or the provider's contract will be terminated.

The CCRT and the CD have not established criteria or guidance for determining the type and extent of follow-up action, if any, to address identified provider noncompliance. We reviewed documentation supporting 60 CCRT compliance reviews (49 initial reviews and 11 follow-up reviews) finalized during the year ended June 30, 2017. The CCRT determined 42 of these 60 providers were noncompliant. Two of these providers had their provider contracts terminated due to failure to cooperate with the review. Of the remaining 40 reviews, 35 had significant problems including overpayments or significant technical issues and appeared to require follow up to prevent future noncompliance, and 5 had technical issues and further

⁶ *State of Missouri Single Audit*, finding number 2016-002B.



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follow up did not appear necessary. Our review of cases requiring follow up by the CCRT or the CD noted the following:

- In 16 (15 initial and 1 follow-up) of the 35 (46 percent) reviews that appeared to require follow up, the CCRT required the providers to repay the overpayments, but took no further action to address the provider noncompliance, such as referring the provider to the CD for training or other corrective action, or conducting another follow-up review. The average identified overpayment amount for these 16 providers was \$263 for the 2-month period the CCRT reviewed. The overpayment to one of the providers exceeded \$1,000. CCRT officials indicated additional follow up was not required for these reviews and that any additional action is at the discretion of CCRT personnel.
- In 10 (5 initial and 5 follow-up) of the 19 (53 percent) reviews in which the provider was referred to the CD for training or other corrective action, the provider did not complete training within the required 45 days and the CD did not follow up timely with the provider or terminate the contract. For 3 of these reviews, including 2 with overpayments over \$13,000, the CD was unable to confirm whether the provider ever attended training.

CCRT and CD monitoring of providers serves as a control to ensure provider payments are allowable. Effective September 30, 2016, 45 CFR Section 98.68 requires the DSS to document in its Child Care subsidy state plan that it has effective controls to ensure integrity and accountability in the program. Effective monitoring procedures include adequate follow up and resolution of identified provider noncompliance. The CCRT and the CD should establish procedures to address noncompliant providers and provide for a final resolution of provider compliance. Without continued monitoring of these providers, continued noncompliance and overpayments are likely.

Recommendation

The DSS, through the DFAS and the CD, establish and enforce procedures to ensure proper follow up on noncompliance identified during CCRT reviews is performed. These procedures should include criteria for determining the type and extent of follow-up action that should be taken, and provide for continued monitoring and final resolution of provider compliance.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2017-012. Child Care Provider Eligibility

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2016 - G1601MOCCDF 2017 - G1701MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund



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2017 - G1701MOCCDF

State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Family Support Division
Type of Finding:	Internal Control (Material Weakness) and Noncompliance
Questioned Costs:	\$1,189

As noted in our prior four audit reports,⁷ the DSS does not have adequate controls and procedures in place to ensure "four-or-less" child care providers participating in the Child Care and Development Fund (Child Care) subsidy program comply with statutory requirements for license-exempt status. According to Section 210.211.1, RSMo, child care providers are exempt from licensing requirements if they care for four or less unrelated children, known as "four-or-less" (FOL) providers. For some FOL providers reviewed, DSS employees did not follow the department's procedures to ensure the providers do not care for more than four unrelated Child Care subsidy children. As a result, the DSS classified the children as related to their FOL child care providers and made Child Care subsidy payments to the providers without obtaining the required documentation to support the relationships. During the year ended June 30, 2017, the DSS paid 2,774 FOL child care providers approximately \$15.9 million for child care services. The DSS paid 922 of these FOL providers to care for a total of more than four children for at least 1 month during the fiscal year.

Child care providers must be licensed, or exempt from licensure by state statute, to participate in the Child Care subsidy program. FOL providers must sign a registration agreement with the CD attesting they understand the health and safety requirements of the program, will comply with such requirements, and will report true and accurate information. Once the FOL provider registers with the DSS, parents/caregivers (clients) participating in the Child Care subsidy program may select the provider to care for their children. FSD Eligibility Specialists (ES) authorize child care for each eligible child by provider in the Family Assistance Management Information System (FAMIS).

In March 2015, the DSS revised its procedures to identify and document provider-children relationships. The DSS Child Care policy requires clients and FOL providers of related children to complete and sign a Child to Provider Relationship form listing and attesting to the relationships between related children and the provider. The policy requires the client provide verification of listed relationships (birth certificates, marriage licenses, etc.) upon request. During the authorization process, the ES enters the

⁷ *State of Missouri Single Audit*, finding numbers 2016-001, 2015-003, 2014-006 and 2013-010.



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corresponding relationship code into the FAMIS. System edits allow the ES to authorize a maximum of four unrelated children to a FOL provider at a time, and an unlimited number of related children. However, when relationships are not supported by Child to Provider Relationship forms and/or relationship codes are not entered correctly, the system will not prevent child care authorizations and payments to FOL providers caring for more than four unrelated Child Care subsidy children.

Our prior audit (the first audit performed after the Child to Provider Relationship form was fully implemented) found the DSS had not obtained the required forms for most children reviewed; and for almost half of the FOL providers reviewed, the DSS paid for more than a total of four unrelated children and children whose relationship was not supported by a Child to Provider Relationship form. In June 2016, due to concerns regarding the implementation of the Child to Provider Relationship form, the FSD performed a review of applicable case files for the required forms. DSS officials indicated they identified many missing forms, and subsequently obtained the forms when applicable. Effective April 2017, the DSS Child Care policy requires ES to enter a relationship code of unrelated until the Child to Provider Relationship form is received. Also in April 2017, the DSS implemented procedures requiring supervisors to review a daily report of all FOL authorizations processed the previous day and make corrections as needed. Because child care authorizations are often for 12 months, and these reviews only include new authorizations, it will take a year (April 2018) to review all FOL provider authorizations.

We sampled relationship documentation for 60 FOL providers that received payments during the year ended June 30, 2017, to test the department's control and compliance with FOL requirements. We randomly selected 1 service month for each provider to determine if the Child to Provider Relationship form was completed to support the relationship for children coded in the FAMIS as related and if the provider cared for more than four unrelated Child Care subsidy children. Of the 60 providers, 17 were paid to care for related children. These providers were paid to care for 2 to 12 unrelated and related Child Care subsidy children during the month reviewed, a total of 83 children. Of the 83 children, 57 were coded in the FAMIS as related (45 with authorizations before, and 12 with authorizations after, April 2017 when additional controls were implemented).

For 3 of the 17 (18 percent) FOL providers paid to care for the 57 related children, 9 (16 percent) children were coded in the FAMIS as related, but the relationship was not supported by a Child to Provider Relationship form signed at the time of the child care authorization. The authorizations for each of these children were before April 2017 when the DSS implemented daily supervisory reviews of FOL authorizations. Of the 17 providers, 1 (6 percent) was paid for more than a total of four unrelated children and children whose



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relationships were not supported by Child to Provider Relationship forms. Without obtaining the required forms, the DSS did not perform required procedures to verify relationships and ensure these providers complied with child care licensing laws regarding number of children served. The DSS paid this provider \$1,524 for caring for 7 children during the month. Authorizations for 6 of these children ended after the test month and there were no subsequent payments to the provider for these children. We question the federal share of the total payments when the provider cared for more than four unrelated or unverified children during the year ended June 30, 2017. We question the federal share, or \$1,189 (77.99 percent).

An eligible child care provider is defined by 45 CFR Section 98.2 as a provider for child care services for compensation that is licensed, regulated, or registered under applicable state or local law and satisfies state and local requirements, including health and safety requirements. As described in the Child Care subsidy state plan, Section 210.211.1, RSMo, states it is unlawful for any person to establish, maintain, or operate a child care facility without a valid license issued by the Missouri Department of Health and Senior Services unless the provider meets one of the listed exemptions. Section 210.211.1(1), RSMo, exempts from licensure any person who is caring for four or fewer unrelated children. Children related to the provider by blood, marriage, or adoption within the third degree are not considered in the total number of children being provided care.

In January 2017, the Department of Health and Human Services, Administration for Children and Families (ACF), Office of Child Care issued a decision letter stating it concurred with our year ended June 30, 2015, audit finding and the DSS had not fully implemented corrective actions to address the repeating finding. The ACF further required, beginning in the quarter ended March 31, 2017, the DSS to provide quarterly updates of corrective actions taken and planned until the issues are resolved. The DSS's quarterly corrective action updates for March and June 2017 indicated the department implemented system changes in FAMIS, implemented reviews of daily reports of FOL providers, and continues to review procedures.

In addition to noncompliance with state and federal laws, the failure to follow established controls to obtain Child to Provider Relationship forms can result in child care services provided by, and payments made to, ineligible providers. Federal regulation 45 CFR Section 98.11 requires the state to ensure the Child Care subsidy program complies with the approved state plan and federal requirements. Effective September 30, 2016, 45 CFR Section 98.68 requires the DSS to document in its Child Care subsidy state plan that it has effective controls to ensure integrity and accountability in the program. To ensure controls are effective, the DSS needs to continue to review, strengthen, and enforce policies and procedures to ensure clients and FOL providers comply with DSS policy and state law. These procedures should



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ensure adequate receipt of, and proper recording of information on, Client to Provider Relationship forms in the FAMIS as required by DSS policy.

Recommendation

The DSS through the CD and the FSD continue to improve controls and procedures to ensure clients and FOL child care providers participating in the Child Care subsidy program comply with DSS policy, and FOL providers comply with state licensing requirements.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DSS disagrees with the finding because the DSS believes no further improvements to controls are possible and no corrective action is needed. The DSS's new control of supervisory review of all new authorizations was implemented in April 2017. This control was only in effect during the last 3 months of our audit period and will not be fully effective until April 2018 when all new authorizations since implementation have been reviewed. As stated in the finding, the authorizations for each of the 9 unsupported relationships noted during our audit were before April 2017. During the audit, DSS officials confirmed these relationships were not supported by the required Child to Provider Relationship form signed at the time of the child care authorization; therefore, this finding remains valid. Future audits that cover periods after the new control is fully or substantially implemented will evaluate the adequacy and effectiveness of the new control.

The DSS's Corrective Action Plan also indicates the DSS does not agree with our classification of the finding as a material weakness and a finding of noncompliance. Our decisions regarding the classification of the internal control deficiencies were made in accordance with AU-C Section 935, *Compliance Audits* and the *Audit Guide Government Auditing Standards and Single Audits*, published by the AICPA. The Audit Guide adapts and applies the guidance in AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*, to a Uniform Guidance audit. The Audit Guide paragraph 9.47 provides the following definitions regarding internal control deficiencies: a *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. The control tested (the existence of the Child to Provider Relationship form) is the DSS's only key control over child-provider relationships. Because the forms were not on file for 16 percent of the relationships reviewed and payments to FOL providers are material to the program (over \$15 million during the year), there is a reasonable possibility that material noncompliance was not prevented, or detected and corrected, on a timely basis during the audit period.



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The finding is classified as noncompliance because our testing of support for provider relationships found one provider was paid to care for more than four children whose relationships were not supported by the Child to Provider Relationship forms.

2017-013.
MO HealthNet Division
Provider Eligibility

Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program 2015 - 1505MO5021 2016 - 1605MO5021 93.778 Medical Assistance Program 2016 - 1605MO5MAP and 1605MO5ADM 2017 - 1705MO5MAP and 1705MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Missouri Medicaid Audit and Compliance (MMAC)
Type of Finding:	Internal Control (Material Weakness) and Noncompliance
Questioned Costs:	\$223,188,969

As noted in our prior audit report,⁸ the DSS did not fully implement federal revalidation requirements for providers participating in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). As of June 30, 2017, the DSS had not performed required revalidations for 71 percent of Medicaid and CHIP providers requiring revalidation. There were approximately 57,900 Medicaid and CHIP providers enrolled as of June 30, 2017.

To enroll in the Medicaid and CHIP programs, providers of medical services apply to the MMAC Provider Enrollment Unit, which is responsible for determining the eligibility of Medicaid and CHIP providers and performing eligibility revalidations. Federal regulation 42 CFR Section 455.412⁹ specifies the enrollment screening (eligibility determination) requirements. Provider revalidations are performed in the same manner as enrollment screenings.

Federal regulation 42 CFR Section 455.414⁹ established additional requirements regarding provider eligibility, requiring states to revalidate the eligibility of all Medicaid and CHIP providers, regardless of provider type, at least every 5 years. Sub-regulatory Guidance published by the Centers for Medicare and Medicaid Services (CMS) on December 23, 2011, required

⁸ *State of Missouri Single Audit*, finding number 2016-003A.

⁹ Federal regulation 42 CFR Section 457.990 requires the same enrollment and revalidation requirements for CHIP providers as Medicaid providers, established at 42 CFR Part 455, subpart E, which includes Sections 455.412 and 455.414.



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implementation of the new revalidation requirements by September 24, 2016; specifically revalidations for all providers enrolled on or before September 25, 2011, were to be completed by September 24, 2016. In addition, the CMS issued the Medicaid Provider Enrollment Compendium on January 4, 2017, to clarify how states are expected to comply with the federal regulations. To implement the new requirements, the DSS established state regulation 13 CSR Section 65-2.020, which gave the DSS authority to implement provider revalidations, effective July 30, 2014; and contracted with a vendor to modify the provider enrollment system for revalidations. The system modifications were finalized July 1, 2016. MMAC Provider Enrollment Unit personnel began manually performing revalidations in April 2015, and began using the system in the revalidation process in July 2016.

As explained in our prior audit report, the DSS established procedures for performing revalidations, but as of September 24, 2016, the revalidations had not been performed for 87 percent of the Medicaid and CHIP providers requiring revalidation. According to DSS reports, as of June 30, 2017, there were approximately 33,200 active providers enrolled in the Medicaid and CHIP on or before June 30, 2012, that required revalidation. At that time, the MMAC had completed revalidations for approximately 9,700 providers, but had not completed revalidations for the remaining 23,500 providers (71 percent). DSS officials indicated the backlog of revalidations continued to occur because of difficulties associated with the system modifications and shortages of staff to handle the volume of revalidations and new enrollments. MMAC officials indicated they plan to have all revalidations completed and on a rotational 5-year schedule by December 31, 2019.

We tested 43 providers paid during the year ended June 30, 2017, to test compliance with federal revalidation requirements. We determined revalidations had not been completed for all 43 providers selected. As a result, the DSS did not comply with federal regulations established to ensure these providers continued to meet the requirements to participate in these programs. Medicaid and CHIP payments made to these 43 providers during the period of September 25, 2016 to June 30, 2017, totaled \$347,483,994. We question the federal share, or \$223,188,969 (64.23 percent).

In addition to noncompliance with federal regulations, the failure to follow established controls to perform revalidations can result in medical services performed by, and payments made to, ineligible providers. Federal regulation 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."



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Recommendation	The DSS through the MHD and MMAC revalidate Medicaid and CHIP providers every 5 years as required by federal regulations.
Auditee's Response	<i>We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.</i>
Auditor's Comment	The DSS Corrective Action Plan indicates the DSS agrees the revalidations were not performed as required but disagrees the DSS had not ensured providers continued to meet eligibility requirements. Specifically, the CAP states the DSS "strongly disagrees that DSS had not ensured these providers continued to meet the eligibility requirements to participate in Missouri Medicaid programs," and in reference to the revalidations not performed, "it is inaccurate to state it resulted in a lack of assurance of overall provider eligibility." However, the finding does not question the DSS's overall procedures to ensure eligibility of providers, but focuses on compliance with the federal regulation requiring revalidation of providers. The DSS agreed all 43 providers tested had not been revalidated as required; therefore, this finding remains valid.

2017-014.
MO HealthNet Division
Cash Receipt Controls

Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program 2015 - 1505MO5021 2016 - 1605MO5021 93.778 Medical Assistance Program 2016 - 1605MO5MAP and 1605MO5ADM 2017 - 1705MO5MAP and 1705MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)
Type of Finding:	Internal Control (Material Weakness)

As similarly noted in our prior two audit reports,¹⁰ the MHD did not have adequate controls in place to ensure the proper management of receipts received by the division, which totaled approximately \$1 billion during the year ended June 30, 2017. Approximately \$699 million of this amount (69 percent) was received by the MHD in the form of checks, money orders, and cash. The remaining amount was received through a contractor lockbox. These receipts include monies received from participants, providers, and insurance companies for items such as premiums, reimbursements, and taxes related to the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP).

¹⁰ *State of Missouri Single Audit*, finding numbers 2016-004A&C and 2015-009A&C.



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The MHD Financial Services Unit receives monies, posts the receipts to the Medicaid Management Information System (MMIS), and prepares deposits. MHD program staff apply the receipts to the applicable accounts receivable balances in the MMIS. For receipts received through a lockbox, a contractor posts and applies these receipts to accounts receivable balances in the MMIS and prepares the deposits.

The MHD does not adequately restrict user access within the cash receipts and accounts receivable modules of the MMIS. The Fiscal and Administration Manager Band 1 and the Accountant III continue to have the ability to record and delete receipts and update or close the related accounts receivable in the MMIS. In addition, there was no documented independent or supervisory review of the MMIS entries and changes made by these employees during the year ended June 30, 2017, which increases the risk of misappropriation. MHD officials indicated these two employees need full access to the MMIS in case of unit employee absences or turnover. The Summary Schedule of Prior Audit Findings for prior audit finding number 2016-004C indicated a regular report of instances for which transactions were entered and approved by the same user has been and will be ordered and reviewed; however, such a report was not created until January 2018, after the current audit period. In addition, the Summary Schedule of Prior Audit Findings for prior audit finding number 2016-004A indicated additional policies have been instituted to ensure cash control numbers are not deleted and the accuracy of the cash control number log is verified. However, such procedures, which include monitoring deleted cash control numbers and removing the ability to delete cash control numbers, were not performed until we made inquiries after the current audit period.

Proper segregation of duties for user access in the MMIS should separate duties involving the recording and deletion of receipts and modification of accounts receivable records. If proper segregation of duties cannot be achieved, it is essential to document independent or supervisory reviews of MMIS entries and changes made by employees whose duties are not segregated.

Federal regulation 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States and the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission." The *Standards for Internal Control in the Federal Government*, also known as the Green Book, provides that management should establish physical controls to periodically



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compare vulnerable assets to control records; secure and safeguard vulnerable assets; and consider segregation of duties in designing control activity responsibilities so that incompatible duties are segregated and, where such segregation is not practical, design alternative control activities to address the risk.

Recommendation

The DSS through the MHD continue to restrict user access within the MMIS and adequately segregate duties related to record keeping and asset custody, or perform documented supervisory reviews of MMIS entries and changes.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2017-015.
Medicaid Physician-
Administered Drugs

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.778 Medical Assistance Program 2016-1605MO5MAP and 1605MO5ADM 2017-1705MO5MAP and 1705MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance
Questioned Costs:	\$242,656

As noted in a prior audit report,¹¹ the MHD did not establish controls to comply with Medical Assistance Program (Medicaid) requirements to invoice prescription drug manufacturers for rebates for certain physician-administered drugs. As a result, the MHD claimed costs of physician-administered drugs that were not allowable costs of the program because rebates were not billed for the drugs.

The Deficit Reduction Act of 2005 amended section 1927 of the Social Security Act to address rebates for physician-administered drugs, which are medications administered by a physician in an outpatient hospital setting. Effective January 2008, the Social Security Act, 42 USC Section 1396r-8(a)(7) requires states to capture drug utilization data using National Drug Codes (NDCs), for single-source and top-20 multiple-source drugs from the provider when the claim is submitted to the state. As required by 42 USC Section 1396r-8, NDCs are used to identify and bill the drug manufactures for rebates for applicable drug purchases. Federal regulation 42 CFR Section 447.520 prohibits federal reimbursement for physician-administered drugs for which the state has not required the submission of claims using NDCs to identify the drugs. Based on data from manufacturers, the Department of Health and Human Services - Centers for Medicare and Medicaid Services

¹¹ *State of Missouri Single Audit*, finding number 2015-010.



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(CMS) calculates a per-unit rebate amount states can bill for each drug administered. The states are required to report the applicable drug utilization information by NDC to the manufacturers and bill the manufacturers quarterly for the drug rebate amounts. States are required by 42 USC Section 1396r-8 to offset the Medicaid prescription drug claims by the rebate amounts.

Our state fiscal year 2015 audit reported many providers did not provide the required NDCs when they submitted physician-administered drug claims through the Medicaid Management Information System (MMIS), and the MHD had not modified the MMIS to deny claims that lacked this data. Subsequent audits found the MHD established controls to ensure claims include the required NDCs and are allowable Medicaid and Children's Health Insurance Program costs. However, our testing found these new controls and procedures were not implemented for certain physician-administered drug claims for participants of the Medicaid "Gateway to Better Health" waiver. In addition, the MHD did not recoup or reimburse the DHHS for some physician-administered drug claims the MHD identified as incorrectly submitted without the required NDCs.

- For the year ended June 30, 2017, the MHD paid \$239,540 for physician-administered drug claims submitted without NDCs for participants of the Medicaid "Gateway to Better Health" waiver. Because these claims lacked the required NDCs, the MHD could not bill the prescription drug manufacturers for rebates as required by federal regulations. Therefore, these claims were not allowable for federal reimbursement. We question the federal share, or \$151,437 (63.22 percent).
- MHD personnel identified some physician-administered drug claims, totaling \$144,152, incorrectly submitted as procedural claims (which do not include NDCs) from July through October 2016. The MHD identified the erroneous claims and modified the MMIS to prevent the submission of physician-administered drug claims as procedural claims, thereby ensuring NDCs are submitted as required. However, the MHD did not recoup these identified improper payments or reimburse the DHHS for the unallowable costs. We question the federal share, or \$91,219 (63.28 percent).

Federal regulation 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." Such controls should ensure NDCs are collected for all physician-administered drug claims, prescription drug manufacturers are billed for rebates, and only allowable costs are



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claimed for federal reimbursement. In addition, controls should be established to recoup and reimburse the DHHS for claims identified as noncompliant.

Recommendation

The DSS through the MHD continue to establish controls to ensure the required drug utilization data is obtained for all physician-administered drug claims and claim only allowable costs for the Medicaid. These controls should include procedures to recoup and reimburse the DHHS for claims identified as noncompliant.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

Regarding the first bullet point in the finding, the DSS's Corrective Action Plan (CAP) states the DSS disagrees with the finding because physician-administered drug claims for the Medicaid "Gateway to Better Health" waiver are reimbursed by an alternate payment methodology established at 100 percent of Medicare rates, in accordance with federally-approved terms and conditions. Because Medicare does not collect drug rebates, the DSS contends the NDCs are not included on claims and rebates are not billed. However, in our review of documents provided by the DSS supporting this position, the DSS could not demonstrate the drug rebate requirement does not apply to this waiver program. Therefore, this finding is still valid.

Regarding the second bullet point in the finding, the CAP indicates no disagreement with the finding, but states the DSS disagrees with our recommendation to recoup and reimburse the DHHS for claims identified as noncompliant. The MHD determined it would not be cost-effective to require the collection of the NDCs for the small amount of these claims. Because the MHD did not recoup or reimburse the DHHS for the claims incorrectly submitted without the required NDCs, this finding is still valid.

2017-016.
Medicaid Aged, Blind, and
Disabled Eligibility

Federal Agency:	Department of Health and Human Services
Federal Program:	93.778 Medical Assistance Program 2016 - 1605MO5MAP and 1605MO5ADM 2017 - 1705MO5MAP and 1705MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency)

As similarly noted in our prior three audit reports,¹² the DSS does not ensure monthly supervisory call reviews are completed as required for call center employees who perform eligibility determinations for aged, blind, and

¹²State of Missouri Single Audit, finding numbers 2016-005, 2015-012A, and 2014-013A.



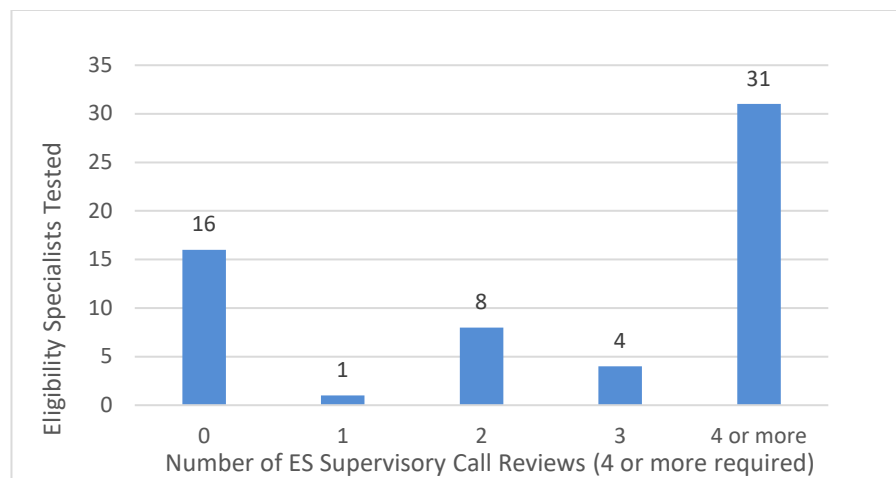
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disabled individuals in the Medical Assistance Program (Medicaid). The MO HealthNet for the Aged, Blind and Disabled (MHABD) are Medicaid-funded programs administered by the MHD. Approximately 236,000 of the approximately 1 million Medicaid participants as of June 30, 2017, were MHABD participants.

FSD eligibility specialists (ES) located in processing centers and call centers, and their supervisors, are responsible for determining the eligibility of MHABD participants. Call center ES receive calls and provide support for various DSS programs, including performing eligibility determinations for some MHABD participants. FSD officials estimated 10 percent of the 570 ES working in call centers perform eligibility determinations. Call center supervisors are required to perform monthly supervisory reviews of calls to ensure compliance with federal eligibility requirements and to verify information is properly and accurately entered into the Family Assistance Management Information System (FAMIS). On January 1, 2016, the DSS issued a policy requiring call center supervisors to complete 4 reviews of calls handled by each ES monthly. The results of the supervisory reviews are used to train ES.

We sampled 60 call center ES¹³ to test the DSS's call review control and compliance with DSS policy. We randomly selected 1 month for each call center ES sampled. Documentation was not maintained to support required supervisory call reviews for 29 of 60 (48 percent) ES reviewed. Figure 1 shows the number of supervisory call reviews performed in the month selected for the 60 call center ES tested.

Figure 1: Number of ES supervisory call reviews during the month tested



¹³ We selected the sample from the population of all call center ES instead of from the population of call center ES who perform eligibility determinations because the DSS does not maintain a list of ES who perform eligibility determinations.



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DSS officials indicated reviews were likely performed as required, but documentation of some reviews could not be located due to supervisor turnover and the lack of a record retention policy. Supervisors were responsible for keeping records of reviews they performed, and the DSS did not monitor the process to ensure records were maintained. Without documentation, it is unclear if the reviews had actually been performed.

Federal regulation 2 CFR Section 200.303 requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." When supervisory call reviews are not performed as required, the department's established controls to ensure compliance with eligibility requirements are diminished, and there is decreased assurance eligibility determinations are accurate and an increased risk of errors going undetected. To demonstrate and ensure internal controls are effective, supervisory call reviews should be documented and monitored for compliance with DSS policy.

Recommendation

The DSS through the MHD and the FSD ensure supervisory call reviews are performed and documented as required by DSS policy.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

**2017-017.
Medicaid Developmental
Disabilities -
Comprehensive Waiver Per
Diem Rates**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.778 Medical Assistance Program 2016-1605MO5MAP and 1605MO5ADM 2017-1705MO5MAP and 1705MO5ADM
State Agency:	Department of Mental Health (DMH) - Division of Developmental Disabilities (DD)
Type of Finding:	Noncompliance
Questioned Costs:	\$416,966

As noted in our prior two audit reports,¹⁴ the DD did not retain documentation to support the per diem rates paid to some providers for residential habilitation services provided to participants of the Home and Community Based Services (HCBS), Developmental Disabilities Comprehensive Waiver (Comprehensive Waiver) program. As a result, the DD could not demonstrate amounts paid to some providers were allowable costs of the Comprehensive Waiver Program.

¹⁴ State of Missouri Single Audit, finding numbers 2016-006 and 2015-015.



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The DD with its 11 regional offices is responsible for the direct administration of various Medical Assistance Program (Medicaid)-funded HCBS programs for children and adults with disabilities, including the Comprehensive Waiver program. Various types of services are allowed under the waiver, including residential habilitation services provided to 1,848 participants in group homes and 4,713 participants served by individualized supported living (ISL) providers during the year ended June 30, 2017. Residential habilitation services include care, supervision, and skills training in activities of daily living, home management, and community integration. Providers are paid a per diem rate for each participant receiving these services, based on the individual's needs. Certain costs, such as room and board, are not allowed to be included in per diem rates under the waiver program.

Prior to October 2013, residential habilitation services per diem rates were established for all providers (historical per diem rates); however, the DD did not retain documentation of how these rates were determined or what costs were included in the rates. In October 2013, the DD began implementation of a new acuity-based system for establishing individualized per diem rates for each participant based on various factors including the participant's rate allocation score, which measures participant needs and market-based costs of services. To address prior audit findings regarding unsupported historical per diem rates, in December 2016, the DMH received a residential rate study from an outside vendor with updated acuity-based per diem rates. These updated rates are being phased in to replace existing acuity-based and historical per diem rates. The DD officials indicated the updated rates should be mostly implemented within the next few years. For participants that received residential habilitation services during the year ended June 30, 2017, DD officials indicated the DMH paid acuity-based per diem rates for approximately half the participants and historical per diem rates for the other half. During the year ended 2017, per diem payments for group home services totaled approximately \$143 million, and per diem payments for ISL services totaled approximately \$490 million.

To test compliance with various Comprehensive Waiver program requirements, we tested 60 payments to service providers during the year ended 2017. Of these 60 payments, 34 were to ISL providers and 15 were to group homes for habilitation services. The DD did not retain documentation to support per diem rates, paid at historical rates, for 7 of the 34 ISL habilitation service payments tested. The only documentation retained by the DD was the cost of living allowance (COLA) notices supporting some per diem rate increases. These notices did not support the various costs included in the per diem rates, and the DD did not retain documentation to support the original rates. The remaining 27 ISL and 15 group home payments were based on acuity-based per diem rates or historical rates that were less than or equal to acuity-based rates. Payments to providers for habilitation services provided to the 7 participants during the year ended June 30, 2017, for which the



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historical per diem rates were not supported or exceeded acuity-based rates, totaled \$663,641. We question the federal share, or \$416,966 (62.83 percent).

Audits performed by the federal Department of Health and Human Services (DHHS) - Office of Inspector General (OIG), *Missouri Claimed Unallowable and Unsupported Medicaid Payments for Group Home Habilitation Services*, released in August 2015, and *Missouri Claimed Unallowable and Unsupported Medicaid Payments for Individualized Supported Living Habilitation Services*, released in March 2016, noted similar concerns with unsupported per diem rates for some group home payments and noted some ISL payments included unapproved and unallowable costs. The DHHS-OIG audits also determined several per diem rates that were supported by adequate documentation included room and board costs, which are not allowable under the Comprehensive Waiver program.

Without proper documentation of the payment rates, the DD cannot demonstrate that payments based on these rates are proper and only include allowable costs. Federal regulation 42 CFR Section 447.203(a) states "The agency must maintain documentation of payment rates. . . ." Federal regulation 2 CFR Section 200.403(g) states costs must be adequately documented to be allowable. Also, the approved DD Comprehensive Waiver Program Application, Appendix I: Financial Accountability, section I-2(e), states "Records documenting the audit trail of adjudicated claims (including supporting documentation) are maintained by the Medicaid agency, the operating agency (if applicable), and providers of the waiver services for a minimum period of 3 years as required in 45 CFR [section] 92.42." Adequate documentation of habilitation services per diem rates is necessary to ensure compliance with the federal requirements related to the Comprehensive Waiver program and to ensure only allowable costs are included in the per diem rates.

Recommendation

The DMH through the DD ensure documentation to support habilitation services per diem rates is maintained to support Comprehensive Waiver program payments for these services as required, and ensure the rates only include allowable costs.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DMH Corrective Action Plan states the DMH disagrees with the finding because the OIG, in the audit released in March 2016, accepted the ISL budgets supporting the historical rates reviewed as sufficient documentation to support the per diem rates. However, as noted in our audit finding, the documentation provided by the DMH to support the rates for the 7 payments in question during our audit did not show how those rates were determined or what costs were included in the rates. Federal regulations require such



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documentation. During the audit, DMH officials confirmed they had not retained documentation to support the various costs included in the original per diem rates for these 7 payments; therefore, this finding remains valid.

**Additional State Auditor's
Reports**

The Missouri State Auditor's Office regularly issues audit reports on various programs, agencies, and divisions of the state of Missouri. Audit reports may include issues relating to the administration of federal programs. We reviewed the reports issued from April 2017 to March 2018 and noted there were no reports that relate to a federal program and were required to be reported in the Schedule of Findings and Questioned Costs in accordance with the Uniform Guidance.

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Summary Schedule of Prior Audit Findings

Year Ended June 30, 2017

The Uniform Guidance requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs. The schedule is also to report the status of findings included in the prior audit's Summary Schedule of Prior Audit Findings, except those that were corrected, no longer valid, or not warranting further action.

The Uniform Guidance requires the auditor to follow up on prior audit findings; perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and report, as a current year audit finding, when the auditor concludes the schedule materially misrepresents the status of any prior audit finding.



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Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017

Eric R. Greitens
Governor



Sarah H. Steelman
Commissioner

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Stacy Neal
Director

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

The Uniform Guidance requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs. The Schedule is also to report the status of findings included in the prior audit's Summary Schedule of Prior Audit Findings, except those that were corrected, no longer valid, or not warranting further action.

The attached documents are the Summary Schedule of Prior Audit Findings for the year ended June 30, 2017, and includes all findings from the audit for the Fiscal Years ended June 30, 2016, and certain similar findings from the audits for the Fiscal Years ended June 30, 2015, 2014, 2013, 2012, 2011, and 2010.

These documents were prepared by the applicable State agencies as noted with each prior year finding.



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Summary Schedule of Prior Audit Findings
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2016-001. Child Care Provider Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
 93.596 Child Care Mandatory and Matching Funds of the Child Care
 and Development Fund
State Agency: Department of Social Services (DSS) - Children's Division (CD) and
 Family Support Division (FSD)
Questioned Costs: \$15,145 (2016)
Similar Findings: 2015-003, 2014-006, and 2013-010

The DSS did not have adequate controls and procedures in place to ensure "four-or-less" (FOL) child care providers participating in the Child Care Development Fund (Child Care) subsidy program complied with statutory requirements for license-exempt status. For most children reviewed, DSS employees did not follow the department's recently revised procedures to ensure FOL providers do not care for more than four unrelated Child Care subsidy children. As a result, the DSS classified the children as related to their FOL child care providers and made Child Care subsidy payments to the providers without obtaining the required documentation to support the relationships.

Recommendation:

The DSS through the CD and the FSD improve controls and procedures to ensure clients and FOL child care providers participating in the Child Care subsidy program comply with DSS policy and FOL providers comply with state licensing requirements.

Status of Findings:

The FSD receives a daily report that lists all 4-or-less authorizations from the day before. A supervisor at the Temporary Assistance/Child Care Processing Center corrects any case actions that are not completed following correct policy and/or documentation is not adequate. This list is sent to all managers on a weekly basis to share findings. FSD also keeps a master list to track if a particular office or Eligibility Specialists has a training need and advise the manager of these findings. FSD will continue to monitor to ensure policy is followed.

Contact Person: Marianne Dawson
Phone Number: 573-522-2294



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2016-002A. Child Care Eligibility and Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care
and Development Fund
State Agency: Department of Social Services (DSS) - Children's Division (CD), Family
Support Division (FSD), and Division of Finance and Administrative
Services
Questioned Costs: \$5,100 (2016)
Similar Findings: 2015-002, 2014-005, 2013-009, 2012-11A&B, 2011-14A, and 2010-16A

The DSS controls over Child Care Development Fund (Child Care) subsidy eligibility and provider payments were not sufficient to prevent and/or detect payments made on behalf of ineligible clients or improper payments to child care providers. Payments were made on behalf of some ineligible clients and overpayments were made to some providers.

Recommendation:

The DSS through the CD and the FSD, continue to review, strengthen and enforce policies and procedures regarding Child Care subsidy eligibility determinations, authorizations, and provider payments. These procedures should include sufficient monitoring of eligibility determinations, authorizations, and provider payments, and follow-up on errors identified.

Status of Findings:

The DSS continues to review and strengthen policies and procedures regarding child care eligibility determinations and child and provider payments.

The updated eligibility and authorization manual outlines changes that will eliminate the error for a client to be over-authorized because of a change in status through the eligibility period.

FSD began to follow the new process outlined in Memorandum OEC-6 for case review actions completed in April and May 2017. Monitoring is in place to ensure objectives are met and areas of strength or deficiency are addressed. Targeted reviews completed in April and May were evaluated and identified a training need. FSD training created an online training course that was to be completed by all staff who determine childcare eligibility. FSD continues to follow the processes outlined in Memorandum OEC-6 for case reviews.

To address documentation for payments to child care providers, the DSS issued a contract for an electronic time and attendance system on September 28, 2017.

Contact Person: Marianne Dawson
Phone Number: 522-2294



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Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017

2016-002B. Child Care Eligibility and Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care Development Block Grant
 93.596 Child are Mandatory and Matching Fund of the Child Care
 and Development Fund

State Agency: Department of Social Services (DSS) - Children's Division (CD), Family
 Support Division (FSD), and Division of Finance and Administrative
 Services

The DSS' procedures to follow up on provider non-compliance identified during Child Care Review Team (CCRT) reviews were not sufficient. For some follow up reviews, the CCRT determined the providers continued to be non-compliant and received overpayments; but took no further action to address the continued non-compliance, such as requiring the provider to implement corrective action or conducting another follow-up review.

Recommendation:

The DSS through the CD, establish procedures to address continued provider non-compliance identified during CCRT reviews.

Status of Finding:

The CD has promulgated rules to address new child care provider requirements. CD will be reviewing its processes for follow up with CCRT regarding compliance issues noted during reviews to ensure child care providers are held accountable to comply with their contracts.

Contact Person: Marianne Dawson
Phone Number: 522-2294



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Summary Schedule of Prior Audit Findings
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2016-003A. MO HealthNet Division Provider Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
 and Missouri Medicaid Audit and Compliance (MMAC)

The DSS did not fully implement federal revalidation requirements for providers participating in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). The DSS had significant backlogs of provider revalidations that had not been completed as required.

Recommendation:

The DSS through the MHD and the MMAC ensure Medicaid and CHIP provider revalidations are completed every 5 years as required.

Status of Finding:

DSS has revalidated 12,170 providers out of 32,521 requiring revalidation per 42 CFR 455.414. The providers that have gone through the revalidation process thus far have shown zero instances of any improper billing. MMAC has had numerous communications with CMS regarding this issue and has a timeline in place by which to complete all enrolled provider revalidations. MMAC will have all revalidations done and up to date on a rotational five year schedule by December 31, 2019.

Contact Person: Dale Carr
Phone Number: (573) 751-5296



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2016-003B. MO HealthNet Division Provider Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
and Missouri Medicaid Audit and Compliance (MMAC)

The DSS did not timely review and follow up on Missouri Division of Professional Registration provider reports to determine if the providers continued to meet licensure requirements and remained eligible to participate in the Medical Assistance Program (Medicaid) and Children's Health Insurance Program (CHIP). The DSS had significant backlogs of identified provider licensure issues that had not been reviewed.

Recommendation:

The DSS through the MHD and the MMAC timely review and follow up on reports of identified provider licensure issues to ensure Medicaid and CHIP providers remain eligible to receive program payments.

Status of Finding:

DSS did follow up on the reports provided by Professional Registration during the audit period. DSS was not notified by Professional Registration of 14 providers with expired licenses and had begun the termination process for another 21 of the providers. The remaining providers had minor keying errors in MMIS which resulted in their being missed in the review process.

The risk that an improper payment will be made to a pharmacy with an expired license is mitigated significantly because Professional Registration is also monitoring expired licensees to ensure they are no longer operating. As noted in the audit, no payments were made to the 39 pharmacies with expired licenses.

MMAC is working with the MMIS Vendor and one of their subcontractors to receive more detailed screening and monitoring results on the licenses for applying or enrolled health care providers.

DSS continues to allocate its scarce resources to most effectively ensure the integrity of the Medicaid/CHIP program.

Contact Person: Dale Carr
Phone Number: (573) 751-5296



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2016-004A. MO HealthNet Division Receipt Controls

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Similar Finding: 2015-009A

The MHD's reconciliations of cash control numbers to deposits and monies on hand were not sufficient to account for all cash control numbers to ensure all Medical Assistance Program and Children Health Insurance Program monies received were properly deposited or returned to senders.

Recommendation:

The DSS through the MHD continue to review, strengthen, and enforce controls to ensure all receipts are deposited or returned to senders.

Status of Findings:

MHD current procedures account for monies received daily through established processes in order to ensure all receipts are properly accounted for. Additional policies have been instituted to ensure that cash control numbers are not deleted, and accuracy of the cash control number log is verified.

Contact Person: Jeremiah Harcourt
Phone Number: (573) 751-8985



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2016-004B. MO HealthNet Division Receipt Controls

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Similar Finding: 2015-009B

The MHD did not restrictively endorse money orders immediately upon receipt.

Recommendation:

The DSS through the MHD establish controls to restrictively endorse money orders immediately upon receipt.

Status of Findings:

MHD's policy is to wait one business day before endorsing all money orders. As stated in previous audits, money orders when endorsed must be deposited. On average five money orders a day are returned to the sender. If MHD endorses the money order without review, a refund check would need to be issued for money orders received in error. This would further elongate the process of financial restoration to the most in need citizens of the state.

Contact Person: Jeremiah Harcourt
Phone Number: (753) 751-8985



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2016-004C. MO HealthNet Division Receipt Controls

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Similar Finding: 2015-009C

The MHD did not adequately restrict user access within the cash receipts and accounts receivable modules of the Medicaid Management Information System (MMIS).

Recommendation:

The DSS through the MHD restrict user access within the MMIS and adequately segregate duties related to record keeping and asset custody, or ensure documented supervisory reviews of MMIS entities and changes are performed.

Status of Findings:

MHD has segregation of duties and user access is restricted on varying levels for the Account Clerks, Medicaid Clerks and Accountant I's in the unit. Only the Accountant III and Fiscal Band Manager or Supervisor of the unit has full access. Full access for these roles is needed to ensure operations continue to function timely in the event of absences and turnover. A Medical Management Information Systems report has been and will be regularly ordered and reviewed identifying any instances where transactions were entered and approved by an individual.

Contact Person: Jeremiah Harcourt
Phone Number: (573) 751-8985



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017

2016-005. Medicaid Aged, Blind and Disabled Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
 and Family Support Division (FSD)
Similar Findings: 2015-012A and 2014-013A

The DSS did not ensure monthly supervisory case reviews for MO HealthNet for the Aged, Blind, and Disabled (MHABD) participants were completed as required.

Recommendation:

The DSS through the MHD and the FSD follow established DSS policy to ensure monthly supervisory case reviews of MHABD cases are performed.

Status of Findings:

In order to ensure case reviews are regularly completed and to assure eligibility determinations are accurate, FSD issued policy EMAIL-IM-#67 Memorandum, repealing Memorandum IM-43 (2006). The revision requires an average of 24 targeted case reviews per supervisor who supervise eligibility specialists that determine eligibility to be completed, instead of 4 full reviews per ES, effective November 1, 2016.

Between November 1, 2016 and June 30, 2017, FSD MHABD supervisors completed an average of 24 MHABD case reviews per month.

The FSD continues to monitor MHABD case review completion to ensure case reviews are completed as directed by EMAIL IM-#67.

Contact Person: Heather Atkins

Phone Number: 573-751-4269



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2016-006. Medicaid Development Disabilities Comprehensive Waiver Group Home Rates
Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
State Agency: Department of Mental Health (DMH) - Division of Developmental Disabilities (DD)
Questioned Costs: \$937,867 (2016)
Similar Finding: 2015-015

The DD did not retain documentation to support per diem rates paid to some group homes for residential habilitation services provided to participants of the Home and Community Based Services, Developmental Disabilities Waiver (Comprehensive Waiver) program. As a result, the DD could not demonstrate amounts paid to some group homes were allowable costs of Comprehensive Waiver program.

Recommendation:

The DMH through the DD ensure documentation to support group home habitation services per diem rates is maintained to support Comprehensive Waiver program payments for these services as required, and ensure the rates only include allowable costs.

Status of Findings:

Since moving to an acuity-based rate methodology in FY 2014, the Division has updated the Comprehensive Waiver upon renewal in July 2016 and has obtained a rate study from Mercer in December 2016, which demonstrates the gap between existing rates paid and market costs. The Division is in the process of formalizing its rate methodology in the Code of State Regulations and no longer negotiates cost-based rates. New individuals placed in group homes follow the new rate methodology and the Division has developed funding proposals that would standardize existing rates.

Contact Person: Bryan Connell
Phone Number: 573-751-8041

State of Missouri - Single Audit
Letter to the Office of Administration Regarding Comprehensive
Annual Financial Report Audit Delays
Year Ended June 30, 2017



NICOLE GALLOWAY, CPA
Missouri State Auditor

January 16, 2018

Ms. Sarah Steelman, Commissioner
Office of Administration
State Capitol Building
201 W. Capitol Avenue, Room 125
Jefferson City, MO 65101

Dear Commissioner Steelman:

As previously communicated to your staff, we continue to experience delays in issuing our opinion on the state's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017. These delays result from our audit of the significant accounts of the Unemployment Compensation Fund, a major fund administered by the Department of Labor and Industrial Relations (DOLIR). Throughout the course of the audit, our DOLIR audit crew has experienced numerous delays of information requests, inaccurate reports, incorrect data, and other issues which have caused delays in finalizing audit fieldwork related to the Unemployment Compensation Fund. These issues appear to be to the result of weaknesses in the DOLIR's policies and procedures over financial reporting associated with the implementation of the new UInteract system.

As of today, there are still some outstanding issues our DOLIR audit crew is working with DOLIR staff to resolve. We will issue our opinion on the CAFR once these outstanding issues are resolved and we can assure ourselves the significant accounts of the Unemployment Compensation Fund are materially accurate.

If you have any questions, please contact Josh Allen, Audit Manager, at 573-751-4213.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Moorefield", is written over a horizontal line.

Michael A. Moorefield
Chief of Staff and Counsel

cc: Acting Director Anna S. Hui, Department of Labor and Industrial Relations

State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain Audit
Acknowledgments and Representations
Year Ended June 30, 2017



NICOLE GALLOWAY, CPA
Missouri State Auditor

February 6, 2018

Director Carol Comer
Department of Natural Resources
1101 Riverside Drive
Jefferson City, MO 65102

Dear Director Comer:

I wanted to follow-up again as an office to determine whether the Department of Natural Resources (DNR) is intending to sign and return the Single Audit engagement letter and the Schedule of Expenditures of Federal Awards management representation letter. Government Auditing Standards require that we have these letters before we can issue an opinion on the programs.

This year's Single Audit contains two major programs under DNR's purview.¹ As is standard practice, DNR is billed for the audit of these programs, DNR has appropriation authority to pay for these programs, and DNR is reimbursed for the cost of the audit from the federal government. SAO covers the state portion of the cost to audit out of current appropriations.

The engagement letter was discussed with your staff in November 2017 and provided to DNR on November 29, 2017. SAO staff have inquired about the status of this letter with your staff multiple times since November 29th, expressing our concern with the unnecessary delay. Additionally, over the last few weeks, SAO staff have attempted to reach out to you directly by contacting your office. We have been able to confirm that you have the letter in your possession, but you have yet to sign it.

Along with the engagement letter, I am also inquiring about the status of the management representation letter for the Schedule of Expenditures of Federal Awards, which is part of the Single Audit. DNR had possession of this letter on December 20, 2017. We received a verbal commitment from DNR staff that the Department will be signing the letter but as of today have yet to receive confirmation that this occurred.

¹ The two major programs being audited this year are: (1) CFDA #66.458 Capitalization Grants for Clean Water State Revolving Funds; and (2) CFDA #66.605 Performance Partnership Grants.



State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain
Audit Acknowledgments and Representations
Year Ended June 30, 2017

We have significant concerns with the delays we are experiencing. DNR is the only state agency that has not returned the engagement letter and we are nearing completion of the audit. This is the second year in a row that we have experienced significant delays. We work with the Office of Administration to closely coordinate the release of both the CAFR and the Single Audit, and it is incumbent upon departments to timely sign engagement and management representation letters in order to ensure SAO's work is complete.

As a courtesy, the engagement letter and management representation letter are again attached. I ask that you respond by Friday February 9th concerning whether you intend to sign these documents. If you are going to sign, please return them by Friday February 16, 2018.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Moorefield", is written over a horizontal line.

Michael A. Moorefield
Chief of Staff and Counsel

cc: Commissioner Sarah Steelman, Office of Administration



State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain
Audit Acknowledgments and Representations
Year Ended June 30, 2017



NICOLE GALLOWAY, CPA
Missouri State Auditor

November 29, 2017

Carol S. Comer, Director
Department of Natural Resources
1101 Riverside Drive
Post Office Box 176
Jefferson City, MO 65102-0176

Dear Director Comer,

This letter, when returned with your approval, will confirm the audit services we are to provide the Department of Natural Resources for the year ended June 30, 2017. This audit is a part of the Statewide Single Audit of the State of Missouri.

Audit Objectives

An objective of our audit is the expression of an opinion about whether the State of Missouri's Schedule of Expenditures of Federal Awards (SEFA) is fairly presented, in all material respects, in relation to the financial statements presented in the Comprehensive Annual Financial Report as a whole. The objectives also include reporting on internal control over compliance related to major federal award programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and terms and conditions of federal awards that could have a direct and material effect on each major federal award program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). It is our responsibility to determine the state's major federal award programs using risk assessment criteria and other guidance included in the Uniform Guidance.

The report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. The paragraph will also state that the report is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, the report is a matter of public record and its distribution is not limited.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of the accounting records of major federal award programs and other procedures we consider necessary to enable us to express an opinion. We will issue written reports upon completion of our audit. Our reports will be addressed to the Governor and members of the General Assembly. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinion on the SEFA or our opinion on compliance is other than unmodified, we will discuss the reasons with you in advance.



State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain
Audit Acknowledgments and Representations
Year Ended June 30, 2017

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the SEFA; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the SEFA. We will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the SEFA is free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or government regulations that are attributable to the agency or to acts by management or employees acting on behalf of the agency. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the SEFA or on the major federal award programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods which we are not auditing.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the audit. At the conclusion of our audit, we will request certain written representations from you about your responsibilities for the SEFA; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by general accepted auditing standards.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the agency and its environment, including internal control, sufficient to assess the risks of material misstatement of the SEFA and to design the nature, timing, and extent of further audit procedures. As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether the agency has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards. Our procedures will consist of tests of transactions and other applicable



State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain
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Year Ended June 30, 2017

procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each major federal award program. The purpose of those procedures will be to express an opinion on the department's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the SEFA of the Department of Natural Resources in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements).

Management is also responsible for making all program financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the SEFA, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons with the agency from whom we determine it necessary to obtain evidence.

Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the agency involving: (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the SEFA. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the agency and received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the agency complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the SEFA (including notes and noncash assistance received) in conformity with the Uniform Guidance. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for the presentation of the SEFA in accordance with the Uniform Guidance; (2) you believe the SEFA, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the SEFA.



State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain
Audit Acknowledgments and Representations
Year Ended June 30, 2017

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the **Audit Objectives** section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation, engagements, performance audits, or studies. You also are responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and the timing and format for providing that information. You are responsible for submitting a corrective action plan to the OA timely to ensure the Statewide Single Audit deadline can be met.

Audit Administration, Fees, and Other

At the conclusion of the audit, the information for your agency will be added to our Statewide Single Audit report which is required to be submitted to the federal government by March 31, 2018. We will also complete the appropriate sections of the Data Collection Form that summarizes our audit findings for the State of Missouri. The Office of Administration (OA) is responsible for submitting the reporting package (including financial statements, the Statewide Single Audit report, and corrective action plans) along with the Data Collection Form to the federal audit clearinghouse by the above deadline. We will coordinate with the OA the electronic submission and certification.

The Statewide Single Audit report is intended for the information and use of the management of the state of Missouri; federal awarding agencies, pass-through entities, and federal auditing agencies; and other applicable government officials. However, pursuant to Section 29.200, RSMo, the report will be a matter of public record and its distribution will not be limited. Audit working papers are considered closed records; however, access to those working papers may be made available as necessary to federal awarding or oversight agencies when deemed appropriate by the Office of Missouri State Auditor.

For our services relating to the federal audit work required by the Single Audit Act Amendments of 1996 and the Uniform Guidance, we will request payment be made from funds received by your agency from federal sources. We estimate the federal share of the cost for our services to be approximately \$80,700. This billing does not include audit services related to the Parks Sales Tax and Soil and Water Sales Tax funds, which are paid from State Auditor's Office appropriations from those funds. Should unforeseen circumstances develop during our audit, you request additional services, or significant delays occur in obtaining requested documentation, we will discuss the situation with you, and if necessary, we will bill you for the additional costs. We will request payment of 90 percent of our fee when fieldwork on federal audit work is complete. We will bill the remainder after the audit report is delivered.

If the contents of this letter are acceptable to you, please acknowledge by signing in the space provided and returning it to us. If you have any questions, please contact Wayne Kauffman of my office at 751-4213.

Sincerely,

Kim Spraggs, CPA
Assistant Director of Audits

ACCEPTED BY: _____
(Name and title)

DATE: _____



State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain
Audit Acknowledgments and Representations
Year Ended June 30, 2017

[Date of CAFR Audit Report]

Honorable Nicole R. Galloway
Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Ms. Galloway:

This representation letter is provided in connection with your audit of the federal awards administered by the Department of Natural Resources, which is part of the Statewide Single Audit of the State of Missouri for the year ended June 30, 2017.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of **(Date of CAFR Audit Report)**, the following representations made to you during your audit.

Schedule of Expenditures of Federal Awards (SEFA)

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 29, 2017, including our responsibility for the preparation and fair presentation of the SEFA.
2. The SEFA is fairly presented in conformity with the accounting basis required by the federal agency.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the SEFA that is free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.



State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain
Audit Acknowledgments and Representations
Year Ended June 30, 2017

6. Related party relationships and transactions have been appropriately accounted for and disclosed.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to June 30, 2017, that would require adjustment to or disclosure in the SEFA or in the Schedule of Findings and Questioned Costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed.
9. Guarantees, whether written or oral, under which the department is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the SEFA, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the department from whom you determined it necessary to obtain audit evidence.
11. All material transactions have been recorded in the accounting records and are reflected in the SEFA.
12. We have disclosed to you the results of our assessment of the risk that the SEFA may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the department and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the SEFA.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the department's SEFA communicated by employees, former employees, regulators, or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing the SEFA.



State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain
Audit Acknowledgments and Representations
Year Ended June 30, 2017

16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the SEFA.
17. The department has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
18. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the state's financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
19. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
20. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
21. There are no violations or possible violations of laws, regulations, provisions of contracts and grant agreements whose effects should be considered for disclosure in the SEFA, or as a basis for recording a loss contingency, or for reporting on noncompliance.
22. The department has satisfactory title to all owned assets purchased with federal funds, and there are no unauthorized liens or encumbrances on such assets nor has any asset been pledged as collateral.
23. With respect to federal award programs:
 - a. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the SEFA.
 - b. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have identified and included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
 - c. We acknowledge our responsibility for presenting the SEFA and related notes in accordance with the requirements of the Uniform Guidance, and we believe the



State of Missouri - Single Audit
First Letter to the Department of Natural Resources Regarding Certain
Audit Acknowledgments and Representations
Year Ended June 30, 2017

SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

Chief Executive Officer and Title

Chief Financial Officer and Title

State of Missouri - Single Audit
Second Letter to the Department of Natural Resources Regarding the Compliance
Management Representation Letter
Year Ended June 30, 2017



NICOLE GALLOWAY, CPA
Missouri State Auditor

February 14, 2018

Director Carol Comer
Department of Natural Resources
1101 Riverside Drive
Jefferson City, MO 65102

Dear Director Comer:

This letter serves as additional communication regarding the compliance management representation letter for the Single Audit. Audit staff provided the letter to DNR staff on Thursday, February 8, 2018, and gave instructions for signing and returning the letter. Similar to the engagement letter and the management representation letter for the Schedule of Expenditures of Federal Awards, the compliance management representation letter contains written management representations necessary to provide our opinions on the two major programs audited at the DNR¹.

As discussed with your staff, the compliance management representation letter should be dated and signed as of the date of fieldwork completion for the overall Statewide Single Audit. At this time, our expected fieldwork completion is around March 9, 2018. Once the exact date is known, our staff will contact the DNR with the date for the letter.

As discussed with your staff, here is the timeline of expectations for the compliance management representation letter:

February 8, 2018 - DNR management review the letter and contact our office regarding any concerns with the contents of the letter. DNR management identify who will provide verbal communication to our office in early March (see below), and establish a plan to ensure the letter will be signed as of the letter date and submitted to the State Auditor's office.

Early March - Our staff will contact the DNR with the date for the letter. At that time, the DNR will be asked to provide oral confirmation that management has reviewed the representation letter and will sign the letter without exception, as of the date of the letter.

Letter Date - DNR management sign the letter and return it to our office within 1 week of the letter date.

¹ The two major programs being audited this year are: (1) CFDA #66.458 Capitalization Grants for Clean Water State Revolving Funds; and (2) CFDA #66.605 Performance Partnership Grants.



State of Missouri - Single Audit
Second Letter to the Department of Natural Resources Regarding the
Compliance Management Representation Letter
Year Ended June 30, 2017

Because the written representations contained in the letter are necessary to provide our audit opinions, and because we have a deadline under federal law for issuing the Single Audit report, it is critical that the DNR sign and return the compliance management representation letter in a timely manner. If the DNR does not provide the compliance management representation letter within 1 week of the letter date communicated by our staff, we will consider such action as the department's refusal to furnish the written representations, and will express our opinions accordingly.

As a courtesy, the compliance management representation letter is again attached.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Moorefield", is written over a horizontal line.

Michael A. Moorefield
Chief of Staff and Counsel

cc: Commissioner Sarah Steelman, Office of Administration



State of Missouri - Single Audit
Second Letter to the Department of Natural Resources Regarding the
Compliance Management Representation Letter
Year Ended June 30, 2017

[Date of Single Audit Report]

Honorable Nicole R. Galloway
Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Ms. Galloway:

This representation letter is provided in connection with your audit of the federal awards administered by the Department of Natural Resources, which is part of the Statewide Single Audit of the State of Missouri for the year ended June 30, 2017.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of [Date of Single Audit Report], the following representations made to you during your audit.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the SEFA, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the department from whom you determined it necessary to obtain audit evidence.
2. We have disclosed to you the identity of the department's related parties and all the related party relationships and transactions of which we are aware.



State of Missouri - Single Audit
Second Letter to the Department of Natural Resources Regarding the
Compliance Management Representation Letter
Year Ended June 30, 2017

3. We have made available to you all financial records and related data relative to the federal programs and all audit or relevant monitoring reports, if any, received from funding sources.
4. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices relative to the federal programs.
5. We have identified to you any financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
6. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
7. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the state's financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
8. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
9. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
10. There are no violations or possible violations of laws, regulations, provisions of contracts and grant agreements whose effects should be considered for disclosure in the SEFA, or as a basis for recording a loss contingency, or for reporting on noncompliance.
11. The department has satisfactory title to all owned assets purchased with federal funds, and there are no unauthorized liens or encumbrances on such assets nor has any asset been pledged as collateral.
12. With respect to federal award programs:
 - a. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
 - b. We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of the federal awards and have identified and disclosed to you the requirements of



State of Missouri - Single Audit
Second Letter to the Department of Natural Resources Regarding the
Compliance Management Representation Letter
Year Ended June 30, 2017

federal statutes, regulations, and the terms and conditions of the federal awards that are considered to have a direct and material effect on the programs.

- c. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing the programs in compliance with federal statutes, regulations, and the terms and conditions of the federal awards that could have a material effect on the programs. We believe the internal control system is adequate and is functioning as intended.
- d. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to the programs and related activities.
- e. We have complied with the direct and material compliance requirements including when applicable, those set forth in the *OMB Compliance Supplement*, relating to the programs and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- f. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- g. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the audit to the date of the auditor's report.
- h. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- i. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- j. We have made available to you all documentation related to compliance with direct and material compliance requirements, including information related to program financial reports and claims for advances and reimbursements.
- k. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- l. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- m. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we



State of Missouri - Single Audit
Second Letter to the Department of Natural Resources Regarding the
Compliance Management Representation Letter
Year Ended June 30, 2017

have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

- n. The program financial reports and claims for advances and reimbursements are supported by the books and records from which the SEFA has been prepared.
- o. The copies of program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- p. We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- q. We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- r. We have considered the results of subrecipient audits and made any necessary adjustments to our books and records.
- s. We have charged costs to federal awards in accordance with applicable cost principles.

Chief Executive Officer and Title

Chief Financial Officer and Title



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

Montgomery County

Report No. 2018-015
March 2018

auditor.mo.gov

Montgomery County

Follow-Up Report on Audit Findings

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Status of Findings*

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6.	Electronic Data Security	7

*Includes selected findings



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Montgomery County

We have conducted follow-up work on certain audit report findings contained in Report No. 2016-125, *Montgomery County* (rated as Poor), issued in November 2016, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the county about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by county officials and held discussions with county officials to verify the status of implementation for the recommendations. Documentation provided by the county included bank statements, reconciliations, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during February 2018.

Nicole R. Galloway, CPA
State Auditor

Montgomery County

Follow-Up Report on Audit Findings

Status of Findings

- | | |
|------------------------------------|--|
| 1. Sales Tax Procedures | We identified various concerns related to county sales taxes. |
| 1.1 Capital improvements sales tax | Some capital improvement sales tax revenue was spent for purposes not allowable under state law. The county used capital improvement sales tax revenue to purchase equipment and other items that were not capital improvement-related costs and were not allowable purchases based on the ballot language. In addition, \$250,000 in loans made during 2013 from the Capital Improvements (CI) Fund to the General Revenue (GR) Fund had not been repaid. For the years ended December 31, 2015, and 2014, the county budgeted loan repayments of \$5,000; however, no loan repayments occurred. The county did not budget a loan repayment for the year ended December 31, 2016. |

Recommendation

The County Commission discontinue using capital improvement sales tax revenue for non-capital improvement related costs and repay the Capital Improvements Fund for loans made to the General Revenue Fund.

Status

In Progress

We reviewed 7 of the 66 expenditures for equipment, projects, and repair and maintenance paid from the CI Fund during 2017. Based on the expenditures reviewed, the County Commission is using capital improvement sales tax revenue for capital improvement-related costs. In 2016 and 2017, the County Commission made payments of \$10,000 each year from the GR Fund to the CI Fund to partially repay the loan. Another loan payment of \$10,000 is budgeted for 2018. Partial loan payments are being made because the county does not have sufficient monies available in the GR Fund to fully reimburse the CI Fund.

- | |
|--------------------------------------|
| 1.2 Reduction of property tax levies |
|--------------------------------------|

The county had not sufficiently reduced the property tax levy to offset 50 percent of sales tax monies received by approximately \$106,000 at December 31, 2015, and county officials did not accurately calculate property tax reduction amounts. As a result, increased property tax levy rollbacks will be required in future years to offset this liability.

Recommendation

The County Commission and the County Clerk properly calculate property tax rate reductions, adequately reduce property tax levies for 50 percent of sales tax revenue, and develop a plan to correct for the prior year's over collection of property taxes.

Status

Implemented

We reviewed the County Clerk's property tax rate reduction calculations for 2017. The calculations adequately reduced the property tax levy for 50 percent of sales tax revenue. In addition, the property tax levy for 2017 was reduced to recover the insufficient reduction amounts from previous years.



Montgomery County
Follow-up Report on Audit Findings
Status of Findings

1.3 Excess sales tax

The county had imposed 2 sales taxes, totaling 3/4-cent, which exceeded the statutory maximum allowed for general sales taxes per Section 67.547, RSMo, by 1/4-cent. The county received approximately \$265,000 from the excess sales tax during the year ended December 31, 2015. County records provided the following information:

- In November 1993, voters approved a 1/4-cent general sales tax under Section 67.547, RSMo. The GR Fund received approximately \$265,000 in 2015 from this tax. The sales tax was primarily used for operating the county-wide dispatch center and the tax does not have an expiration date.
- In February 2007, voters approved an additional 1/2-cent general sales tax under Section 67.547, RSMo. The GR Fund received approximately \$530,000 in 2015 from this tax. The sales tax was used for general operations of the county and was renewed by voters in April 2013. The sales tax has an expiration date of December 31, 2019.

Recommendation

The County Commission review the current sales taxes imposed, research the statutory requirements for current sales taxes, and determine an allowable sales tax statute to ensure sales tax levies do not exceed statutory limits prior to submitting any future sales tax proposals to voters for approval.

Status

Partially Implemented

The 1/2-cent general sales tax approved by voters in April 2013 under Section 67.547, RSMo, was, and continues to be, in excess of the statutory maximum. The passage of Senate Bill 49, First Regular Session, 99th General Assembly (2017), added a provision to Section 67.547.3, RSMo, that states beginning August 28, 2017, no county shall submit to the voters any proposal that results in a combined rate of sales taxes adopted under this section in excess of one percent. This provision increased the statutory maximum allowed for general sales taxes per Section 67.547, RSMo, by 1/2-cent, for proposals submitted after August 28, 2017. The County Commissioners indicated they followed the progress of this legislation during 2017 and determined no further action is necessary until submitting future sales tax proposals to voters for approval.

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office needed improvement.

2.1 Segregation of duties

The Sheriff had not adequately segregated accounting duties and did not ensure adequate supervisory reviews of detailed accounting and bank records were performed.

Recommendation

The Sheriff segregate accounting duties or ensure independent or supervisory reviews of accounting and bank records are performed and documented.



Montgomery County
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

Independent reviews of accounting and bank records have been established. The Office Manager reviews the Office Assistant's deposits, monthly reports, and bank reconciliations of the inmate commissary account while the Office Assistant reviews the Office Manager's deposits, monthly reports, and bank reconciliations of the fee account.

2.2 Liabilities

Neither the Office Manager nor the Office Assistant prepared monthly lists of liabilities for the fee and inmate commissary accounts, and consequently, liabilities were not agreed to the reconciled bank balances.

Recommendation

The Sheriff prepare monthly lists of liabilities for all accounts and agree the totals to the reconciled bank balances. Any differences should be promptly investigated and resolved.

Status

Implemented

A monthly list of liabilities is now prepared for the fee account and compared to the reconciled bank balance. However an unreconciled difference existed for November and December 2017. This difference is being investigated and resolved. The Office Manager indicated liabilities are reviewed and compared to the reconciled bank balance for the inmate commissary account. However, a list of liabilities was not printed from the inmate commissary system and attached to the monthly bank reconciliation. On February 22, 2018, a list of liabilities for the inmate commissary account was printed and agreed to the book balance. In the future, the list of liabilities will be printed and attached to the bank reconciliation.

2.3 Commissary net
proceeds and purchases

The Sheriff had not turned over commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. In addition, the Sheriff used commissary net proceeds to purchase items for jail operations outside the normal county procurement or budget process and bid documentation was not retained for all applicable purchases.

Recommendation

The Sheriff ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund. In addition, the Sheriff should ensure bids are documented for all applicable purchases in accordance with state law.

Status

Implemented

The Sheriff now disburses commissary net proceeds not necessary to meet cash flow needs or current operating expenses to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund on a monthly basis.



Montgomery County
Follow-up Report on Audit Findings
Status of Findings

We reviewed the Sheriff's financial records for October 2017 and November 2017 and noted commissary net proceeds were disbursed to the County Treasurer for each month. Commissary net proceeds totaling \$18,533 were disbursed to the County Treasurer for the year ending December 31, 2017. In addition, we scanned expenditures made from the Inmate Prisoner Detainee Security Fund during 2017 and noted the Sheriff is obtaining bids or purchasing from state approved vendors, when applicable, in accordance with state law.

2.4 Civil paper service fees The Sheriff's office charged \$5 more for serving civil garnishments than allowed by state law.

Recommendation The Sheriff discontinue collecting the additional fee on civil garnishments.

Status **Implemented**

The Sheriff indicated he has discontinued collecting the additional fee on civil garnishments. Our review of civil garnishments collected in October, November, and December 2017 noted a fee of \$30 was collected in accordance with state law.

2.5 Phone cards The Sheriff's office did not maintain records to account for phone cards purchased and sold to inmates, and inventory remaining on hand, or conduct periodic physical inventory counts.

Recommendation The Sheriff maintain inventory records of phone cards, reconcile these records to phone cards purchased and sold, and perform periodic physical inventory counts.

Status **In Progress**

Records are now maintained to account for phone cards purchased and sold to inmates, and as of February 22, 2018, the Sheriff's office has implemented procedures to reconcile these records and identify inventory remaining on hand. Physical inventory counts to compare to inventory records will be performed on a monthly basis.

3. County Assessor's Controls and Procedures Controls and procedures in the County Assessor's office needed improvement.

3.1 Segregation of duties The County Assessor had not adequately segregated accounting duties and did not perform adequate supervisory reviews of detailed accounting records.

Recommendation The County Assessor segregate accounting duties or ensure independent or supervisory reviews of accounting records are performed and documented.



Montgomery County
Follow-up Report on Audit Findings
Status of Findings

Status

Implemented

The County Assessor indicated accounting duties have now been segregated. Three clerks are responsible for collecting and receipting monies. A fourth clerk is now responsible for preparing the monthly transmittal report and reconciling receipt slips to the monies transmitted to the County Treasurer. The County Assessor also indicated he performs a periodic review of the monthly transmittal report and the receipt slips; however, this review is not documented.

3.2 Receipting and
transmitting

The County Assessor had not established proper controls or procedures for receipting and transmitting monies. Receipt slips were not issued for all monies received, monies received were not always transmitted timely to the County Treasurer, and checks were not restrictively endorsed immediately upon receipt.

Recommendation

The County Assessor issue prenumbered receipt slips for all monies received, transmit receipts timely, and restrictively endorse checks immediately upon receipt.

Status

In Progress

The County Assessor indicated procedures have been implemented to issue prenumbered receipt slips for all monies received and to transmit receipts to the County Treasurer timely. However, during our review of the monthly transmittal reports for September, October, and November 2017, we noted receipt slips were not issued for 5 receipts recorded. We also noted the receipts for September and October 2017 were transmitted timely to the County Treasurer; however, the receipts for November 2017 were not transmitted until January 2018. While progress in implementing the recommendation was noted, continued improvement is needed to ensure receipt slips are issued for all monies received and all monies are transmitted timely. In addition, during our review on February 22, 2018, we noted all checks on hand had been restrictively endorsed.

6. Electronic Data Security

The County Assessor and Recorder of Deeds had not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices were not required to change passwords periodically to help ensure passwords remain known only to the assigned user.

Recommendation

The County Commission work with other county officials to require confidential passwords for each employee that are periodically changed to prevent unauthorized access to county's computers and data.



Montgomery County
Follow-up Report on Audit Findings
Status of Findings

Status

Partially Implemented

The County Commissioners indicated they remind other county officials during the budget process of the importance of proper security measures regarding the county's computers and data. The Recorder of Deeds indicated that following a system programming change in 2017, passwords are now required to be changed monthly. The County Assessor indicated he does not require employees in his office to change passwords periodically, but he will consider this in the future.



Office of Missouri State Auditor
Nicole Galloway, CPA

Office of State Treasurer



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of State Treasurer

Background

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits at Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, in short-term U.S. government securities, or in certain allowable commercial paper and banker's acceptances.

The State Treasurer operates in four major functional areas (1) accounting and banking services, (2) disbursements and records, (3) investments and deposit programs, and (4) unclaimed property. Auditors reviewed policies and procedures and financial records, interviewed personnel, and reviewed selected transactions related to those four major areas.

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from this audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Office of State Treasurer

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric Schmitt, State Treasurer
Jefferson City, Missouri

We have audited certain operations of the Office of State Treasurer, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2017. The objectives of our audit were to:

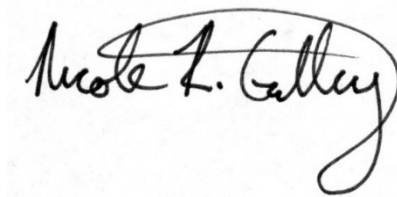
1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Office of State Treasurer.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Gayle Garrison
Audit Staff:	Albert Borde-Koufie, MBA
	Emily Warren, CPA
	Tori L. Brandt

Office of State Treasurer

Organization and Statistical Information

The office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits at Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, short-term U.S. government securities, or certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas (1) accounting and banking services, (2) disbursements and records, (3) investments and deposit programs, and (4) unclaimed property.

The accounting and banking services area (1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds, (2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances, (3) controls receipt of state monies collected by state agencies and deposited in local banks throughout the state, (4) reconciles bank activity to receipt and disbursement activity reflected on the state books, (5) determines the amount of state monies not needed for current operating expenses, and (6) confirms daily disbursements with the bank as certified by the Office of Administration.

The disbursements and records area provides processing support to other areas of the office by (1) retrieving state checks and (2) controlling and processing outlawed checks and processing and verifying claims for replacement checks.

The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447, RSMo). The Unclaimed Property Division is responsible for (1) ensuring unclaimed property is reported, (2) receiving and recording reports of unclaimed property, (3) depositing unclaimed funds to the Abandoned Fund Account Fund, (4) maintaining custody and safekeeping of abandoned or unclaimed physical property, and (5) processing owner claims for abandoned funds or physical property.

On January 14, 2013, Clint Zweifel was inaugurated for his second term as the forty-fifth Treasurer of the state of Missouri. His term expired on January 9, 2017.



Office of State Treasurer Organization and Statistical Information

On January 9, 2017, Eric Schmitt was inaugurated as the forty-sixth Treasurer of the state of Missouri. His term will expire in January 2021.

As of June 30, 2017, the office had 45 full-time positions to assist in the accomplishment of its mission.

Financial Activity

A summary of the office's operating financial activity, cash and investment balances, and investment income is presented in the following Appendixes and in the Notes to the Appendixes.

Appendix A

Office of State Treasurer Statement of Receipts, Disbursements, and Changes in Cash and Investments Year Ended June 30, 2017

STATE TREASURER'S GENERAL OPERATIONS FUND

Receipts	\$	2,536,622
Disbursements		<u>1,984,291</u>
Receipts Over (Under) Disbursements		<u>552,331</u>
Transfers In		0
Transfers Out ¹		<u>(698,677)</u>
Receipts Over (Under) Disbursements and Transfers		<u>(146,346)</u>
Cash and Investments, July 1		<u>1,826,625</u>
Cash and Investments, June 30	\$	<u><u>1,680,279</u></u>

TREASURER'S INFORMATION FUND

Receipts	\$	374
Disbursements		<u>177</u>
Receipts Over (Under) Disbursements		<u>197</u>
Transfers In		0
Transfers Out		<u>0</u>
Receipts Over (Under) Disbursements and Transfers		<u>197</u>
Cash and Investments, July 1		<u>1,507</u>
Cash and Investments, June 30	\$	<u><u>1,704</u></u>

CENTRAL CHECK MAILING SERVICE REVOLVING FUND

Receipts	\$	95,122
Disbursements		<u>84,332</u>
Receipts Over (Under) Disbursements		<u>10,790</u>
Transfers In		0
Transfers Out ¹		<u>(7,375)</u>
Receipts Over (Under) Disbursements and Transfers		<u>3,415</u>
Cash and Investments, July 1		<u>7,632</u>
Cash and Investments, June 30	\$	<u><u>11,047</u></u>

Appendix A

Office of State Treasurer
Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2017

ABANDONED FUND ACCOUNT FUND

Receipts	\$ 95,985,078
Disbursements	<u>45,193,131</u>
Receipts Over (Under) Disbursements	<u>50,791,947</u>
Transfers In ²	3,889,807
Transfers Out ³	<u>(64,559,969)</u>
Receipts Over (Under) Disbursements and Transfers	<u>(9,878,215)</u>
Cash and Investments, July 1	<u>35,555,125</u>
Cash and Investments, June 30	<u><u>\$ 25,676,910</u></u>
 Total Cash and Investments, June 30, All Funds	 <u><u>\$ 27,369,940</u></u>

¹ Transfers Out generally include payments for fringe benefits and the state's cost allocation plan.

² Transfers In generally include the receipt of outdated state checks by the Abandoned Fund Account Fund.

³ Transfers Out generally include payments for fringe benefits, distribution of excess cash balance of the Abandoned Fund Account Fund to the General Revenue Fund and the State Public School Fund, and distribution of certain unclaimed property values to the Mental Health Trust Fund in accordance with state laws.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix B

Office of State Treasurer
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2017			2016		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Issuing duplicate/outlawed checks	\$ 3,115,000	3,101,374	13,626	2,150,000	2,136,558	13,442
Debt service and maintenance on the Edward Jones Dome project in St. Louis ¹	12,000,000	12,000,000	0	0	0	0
Refunds of excess interest from the linked deposit program	2,500	0	2,500	2,500	290	2,210
Funding a department data feed with the Missouri Law Enforcement Data Exchange	0	0	0	250,000	0	250,000
Total General Revenue Fund	15,117,500	15,101,374	16,126	2,402,500	2,136,848	265,652
STATE TREASURER'S GENERAL OPERATIONS FUND						
Personal service	1,649,870	1,548,562	101,308	1,619,632	1,436,735	182,897
Expense and equipment	270,672	254,617	16,055	270,672	236,908	33,764
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - expense and equipment	181,227	181,113	114	179,681	179,681	0
Total State Treasurer's General Operations Fund	2,101,769	1,984,292	117,477	2,069,985	1,853,324	216,661
TREASURER'S INFORMATION FUND						
Preparation and dissemination of information or publications, or for refunding overpayments	8,000	177	7,823	8,000	927	7,073
Total Treasurer's Information Fund	8,000	177	7,823	8,000	927	7,073
CENTRAL CHECK MAILING SERVICE REVOLVING FUND						
Personal service	12,382	11,678	704	12,139	10,616	1,523
Expense and equipment	225,000	72,655	152,345	225,000	71,908	153,092
Total Central Check Mailing Service Revolving Fund	237,382	84,333	153,049	237,139	82,524	154,615

Appendix B

Office of State Treasurer Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2017			2016		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
ABANDONED FUND ACCOUNT FUND						
Personal service	597,664	572,263	25,401	569,256	528,211	41,045
Expense and equipment	98,600	67,325	31,275	98,600	67,179	31,421
Advertising and auctions	1,475,000	1,469,143	5,857	1,475,000	1,337,314	137,686
Payment of claims for abandoned property transferred by holders to the state	43,400,000	43,082,600	317,400	41,000,000	38,888,067	2,111,933
Total Abandoned Fund Account Fund	45,571,264	45,191,331	379,933	43,142,856	40,820,771	2,322,085
Total All Funds	\$ 63,035,915	62,361,507	674,408	47,860,480	44,894,394	2,966,086

The lapsed balances include the following withholding made at the Governor's request:

	Year Ended June 30, 2016
General Revenue Fund	
Funding a department data feed with the Missouri Law Enforcement Data Exchange	\$ 250,000

¹ In the fiscal year 2017 budget, the General Assembly moved the appropriation for the state's share of debt service and maintenance payments for the Edward Jones Dome from the Office of Administration to the Office of State Treasurer. At the Office of State Treasurer's request, the appropriation was moved back to the Office of Administration in the fiscal year 2018 budget.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix C

Office of State Treasurer

Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2017	2016	2015	2014	2013
Salaries and wages	\$ 2,132,503	1,975,562	1,977,508	1,990,012	1,958,311
Travel, in-state	7,970	12,155	27,744	16,337	11,851
Travel, out-of-state	16,941	17,562	11,891	10,695	3,515
Supplies	224,035	238,068	235,324	226,417	197,414
Professional development	24,543	25,167	33,606	19,293	17,161
Communication services and supplies	93,507	90,920	95,845	92,383	87,840
Services:					
Professional	1,328,315	1,071,939	956,632	1,102,332	790,085
Housekeeping and janitorial	1,980	1,980	1,980	1,980	2,060
Maintenance and repair	78,979	70,556	67,226	63,940	77,044
Equipment:					
Computer	16,968	149,959	20,367	19,017	46,482
Office	57,827	17,817	2,367	9,066	23,166
Other	823	10,882	832	1,265	0
Debt service ¹	10,000,000	0	0	0	0
Building lease payments	185,113	183,883	189,533	203,266	195,937
Equipment rental and leases	3,470	0	1,260	1,188	1,188
Miscellaneous expenses	4,559	3,029	3,222	4,200	2,224
Refunds	0	290	2,463	530	405
Program distributions:					
Aid to local governments ¹	2,000,000	0	0	0	0
Abandoned funds claim payments	43,082,600	38,888,067	39,309,427	38,604,634	38,155,002
Replacement of outlawed checks	3,101,374	2,136,558	1,886,854	1,614,309	2,586,752
Other	0	0	14,020	225,596	0
Total Expenditures	\$ 62,361,507	44,894,394	44,838,101	44,206,460	44,156,437

¹ In the fiscal year 2017 budget, the General Assembly moved the appropriation for the state's share of debt service and maintenance payments for the Edward Jones Dome from the Office of Administration to the Office of State Treasurer. At the Office of State Treasurer's request, the appropriation was moved back to the Office of Administration in the fiscal year 2018 budget.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix D

Office of State Treasurer
Comparative Statement of Funds in Custody of State Treasurer

	June 30,				
	2017	2016	2015	2014	2013
APPROPRIATED FUNDS					
Demand Deposits:					
US Bank	\$ 1,006,127	2,718,966	2,550,938	89,043	21,066
Central Bank	(84,118,802)	(25,866,224)	44,588,087	25,777,485	72,111,952
Wells Fargo Bank	5,384	75,028,840	75,005,354	75,008,898	75,026,626
Commerce Bank	3,611,892	10,843,993	8,823,746	8,049,837	8,637,503
UMB Bank	93,945	16,425	124,063	36,741	13,939
Collection bank accounts	3,059,751	3,061,899	2,567,900	2,097,687	1,958,119
Total Demand Deposits	<u>(76,341,703)</u>	<u>65,803,899</u>	<u>133,660,088</u>	<u>111,059,691</u>	<u>157,769,205</u>
Pooled Investments:					
Time deposits	454,627,838	461,744,279	496,858,052	531,748,998	559,725,267
U.S. government securities	2,367,934,784	2,232,541,484	2,185,298,465	2,100,914,983	2,300,958,056
Repurchase agreements	780,508,000	1,088,870,000	877,952,000	833,101,000	846,675,000
Total Pooled Investments	<u>3,603,070,622</u>	<u>3,783,155,763</u>	<u>3,560,108,517</u>	<u>3,465,764,981</u>	<u>3,707,358,323</u>
Total Demand Deposits and Pooled Investments	<u>3,526,728,919</u>	<u>3,848,959,662</u>	<u>3,693,768,605</u>	<u>3,576,824,672</u>	<u>3,865,127,528</u>
Special Fund Dedicated Investments:					
U.S. government securities	52,812,899	51,886,441	49,265,012	46,998,293	41,280,359
Donated corporate stock	5,130	5,130	5,130	5,130	5,130
Total Special Fund Dedicated Investments	<u>52,818,029</u>	<u>51,891,571</u>	<u>49,270,142</u>	<u>47,003,423</u>	<u>41,285,489</u>
Total Appropriated Funds	<u>3,579,546,948</u>	<u>3,900,851,233</u>	<u>3,743,038,747</u>	<u>3,623,828,095</u>	<u>3,906,413,017</u>
NONAPPROPRIATED FUNDS					
Demand deposits	13,003,465	12,553,715	13,505,558	12,721,952	12,375,296
Repurchase agreements	0	0	0	1,012,000	1,000,000
Total Nonappropriated Funds	<u>13,003,465</u>	<u>12,553,715</u>	<u>13,505,558</u>	<u>13,733,952</u>	<u>13,375,296</u>
Total Cash and Investments	<u>\$ 3,592,550,413</u>	<u>3,913,404,948</u>	<u>3,756,544,305</u>	<u>3,637,562,047</u>	<u>3,919,788,313</u>

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix E

Office of State Treasurer
Comparative Statement of Interest Received on Pooled Investments

		Year Ended June 30,				
		2017	2016	2015	2014	2013
INTEREST RECEIPTS						
Appropriated funds	\$	27,978,208	23,254,495	21,614,688	23,995,693	25,130,293
Non-appropriated funds		0	0	1,555	808	1,473
Total Interest Receipts	\$	<u>27,978,208</u>	<u>23,254,495</u>	<u>21,616,243</u>	<u>23,996,501</u>	<u>25,131,766</u>

The accompanying Notes to the Appendixes are an integral part of this statement.



Notes to the Appendixes

1. Basis of Presentation

Amounts presented in Appendixes A through E are reported on the budgetary or cash basis of accounting. The budgetary basis recognizes revenues as cash is received and expenditures as cash is disbursed. Missouri issued a Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017, in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial activity of the Office of State Treasurer is included in the CAFR.

The amounts presented in Appendix A represent receipts, disbursements, transfers, and cash and investment balances of funds that are dedicated to the activities and programs of the office.

The amounts presented in Appendixes B and C represent funds appropriated to the office by the Missouri General Assembly and expended by the office.

The amounts presented in Appendixes D and E represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subject to appropriation; trust funds are not. The appendixes do not include any funds or investments that are not in the custody of the State Treasurer.

2. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U.S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U.S. government or any agency or instrumentality thereof maturing or becoming payable not more than 5 years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. The State Treasurer may also invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by at least 2 nationally recognized statistical rating organizations and in commercial paper, issued by domestic corporations receiving the highest rating issued by at least 2 nationally recognized statistical rating organizations. Investments in bankers acceptances and commercial paper shall mature and become payable not more than 180 days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall prepare, maintain, and adhere to a written investment policy that shall include an asset allocation plan limiting



Office of State Treasurer
Organization and Statistical Information

the total amount of state money that may be invested in each investment category authorized by law.

Deposits

The State Treasurer maintains approximately 202 demand deposit bank accounts throughout the state. These accounts include collection accounts for various state agencies and the state's primary operating accounts. Cash balances in the state's operating accounts that are not needed for immediate use are invested.

Except for \$2,860,862, the State Treasurer's deposits at June 30, 2017, were entirely covered by federal depositary insurance or by collateral securities held by the custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo, require depositaries to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The State Treasurer's investments at June 30, 2017, are listed by type below to give an indication of the level of risk assumed by the state at year end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.

Investments in Custody of State Treasurer - June 30, 2017

	Reported Amount	Fair Value
Time deposits	\$ 454,627,838	454,627,838
U.S. government securities	2,420,747,683	2,411,850,114
Repurchase agreements	780,508,000	780,508,000
Other investments	5,130	81,572
Total investments	\$ 3,655,888,651	3,647,067,524

Investments are recorded at acquisition cost except "other" investments, which are recorded at par. Investments in time deposits and repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U.S. government securities are acquired at fair value and mature at face value.

3. Demand Deposit and Collection Accounts

The demand deposit accounts on Appendix D are used to manage the state's daily receipt, disbursement, and transfer activities and to segregate funds available for investing.

The demand deposit accounts consist of the following:



Office of State Treasurer
Organization and Statistical Information

Demand Deposit Accounts

	June 30, 2017		June 30, 2016		June 30, 2015	
	Bank Balance (\$)	Number of Accounts	Bank Balance (\$)	Number of Accounts	Bank Balance (\$)	Number of Accounts
US Bank	1,006,127	1	2,718,966	1	2,550,938	1
Central Bank	88,675,672	32	156,046,811	32	161,954,859	33
Commerce Bank	4,160,519	8	10,950,216	8	8,999,974	9
Wells Fargo	34,374	2	75,048,536	2	75,096,454	2
UMB Bank	93,945	1	16,425	1	124,063	1

The collection bank accounts on Appendix D consist of three master concentration accounts and their related collection accounts. The master General Concentration, Conservation Concentration, and Lottery Concentration accounts were at Central Bank at June 30, 2017, 2016, and 2015 and have been reported above. The related collection account bank balances were \$3,176,418, \$3,181,451, and \$2,848,010 at June 30, 2017, 2016, and 2015, respectively.

Banking service agreements on the central demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. Negative balances at June 30 (Appendix D) for any bank's appropriated funds demand deposits represent the book balance net of amounts invested.

4. Special Fund Dedicated Investments

The State Treasurer is assigned the authority for recording direct investments of special funds in the accounting system. The amounts presented as special fund dedicated investments in the appropriated funds on Appendix D represent specific investments made or held by the State Treasurer on behalf of the Pansy Johnson-Travis Memorial State Gardens Trust Fund and the State Public School Fund. The State Treasurer is responsible for purchasing, custodial, income collection, distribution, and record-keeping duties related to the investments of these funds.

The investments of the Pansy Johnson-Travis Memorial State Gardens Trust Fund are maintained in the instruments transferred to the State Treasurer from the previous trustee of the fund. The investment purchases for the State Public School Fund are made in accordance with the instructions of the State Public School Fund investment committee.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Compilation of 2017 Federal
Forfeiture Reports**

Compilation of 2017 Federal Forfeiture Reports

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

Section 513.653.1, RSMo, requires law enforcement agencies involved in using the federal forfeiture system under federal law to file a report regarding federal seizures and the proceeds therefrom to the Department of Public Safety and the State Auditor's Office. Although Section 513.653.1, RSMo, only requires my office to receive these reports, my office has compiled the information presented to us by law enforcement agencies. We have not audited the reports submitted and, accordingly, do not express an opinion or any other form of assurance on them, including whether or not an agency is in compliance with the statute. The primary objectives of this compilation were to:

1. Identify the reporting status of law enforcement agencies.
2. Summarize the information reported.

Conclusions regarding compliance cannot be made for law enforcement agencies that did not file a report.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Randall Gordon, M.Acct., CPA, CGAP
Senior Analyst: Jill Wilson, MBA

Compilation of 2017 Federal Forfeiture Reports

Executive Summary

Executive Summary

Section 513.653.1, RSMo, requires law enforcement agencies involved in using the federal forfeiture system under federal law to annually file a report regarding federal seizures and the proceeds received therefrom with the Department of Public Safety (DPS) and the State Auditor's Office (SAO). The law provides that the DPS shall not issue funds to any law enforcement agency that fails to comply.

According to the U.S. Department of Justice (DOJ) publication, *Guide to Equitable Sharing for State and Local Law Enforcement Agencies*, the DOJ Asset Forfeiture Program is "a nationwide law enforcement initiative that removes the tools of crime from criminal organizations, deprives wrongdoers of the proceeds of their crimes, recovers property that may be used to compensate victims, and deters crime." Any state or local law enforcement agency that directly participates in an investigation or prosecution resulting in a federal forfeiture may request an equitable share of the net proceeds of the forfeiture. Equitably shared funds must be used for law enforcement purposes, except as noted in the publication, and must increase or supplement the resources of the receiving law enforcement agency. In addition to reporting requirements under state law, there are also various program mandated accounting, reporting, and audit requirements. The U.S. Department of the Treasury also administers an Asset Forfeiture Program for similar purposes and with similar restrictions and requirements.

The DPS compiled a list of law enforcement agencies using information from the Peace Officer Standards and Training (POST) program and the Justice Assistance Grants (JAG) distribution lists, and notified the agencies of the requirement to submit reports if the agencies participated in the federal forfeiture system. The notification also included the federal forfeiture report form developed by the DPS. According to DPS personnel, the list does not represent a complete list of all agencies, but includes all agencies with commissioned officers or drug task forces receiving funding from the DPS.

There are 679 agencies on the DPS list provided to our office. Four cities reported to DPS they did not have local law enforcement in 2017 (see Appendix C). Thus, these agencies were not included in the reporting status. This report indicates the reporting status for reports received by February 28, 2018. The following table summarizes these reports.

Reporting Status	Number	Percentage
Agencies reporting participation (Appendix A)	143	21.18 %
Agencies reporting no participation (Appendix B)	287	42.52
Number of agencies reporting	430	63.70
Number of agencies not reporting (Appendix C)	245	36.30
Total Possible Reports	675	100.00 %



Compilation of 2017 Federal Forfeiture Reports Executive Summary

Of the 143 agencies reporting participation, 4 agencies failed to report to the SAO, and 2 agencies failed to report to the DPS. Reporting details are provided for all reports filed with the SAO, DPS, or both agencies. These agencies are identified on Appendix A.

A total of 287 agencies filed reports indicating no participation in the federal forfeiture system. These agencies are identified on Appendix B.

A total of 245 agencies did not respond and were not required to respond if they did not participate in the federal forfeiture system. These agencies are identified on Appendix C.

We noted reporting inconsistencies between years for some agencies. Five agencies identified on Appendix A did not file a federal forfeiture report for 2016 but reported a beginning balance as of January 1, 2017. Also, Appendix D identifies 10 agencies that did not file a 2017 federal forfeiture report, but previously reported a December 31, 2016, balance.

Conclusions regarding compliance cannot be made for non-reporting agencies. This compilation work is not an audit and as such, no verification was performed as to whether these agencies did or did not participate in the federal forfeiture system.

Appendix A
Compilation of 2017 Federal Forfeiture Reports
Summary of Information Reported in the 2017 Federal Forfeiture Reports

	Name	Filed After January 31st Deadline	Level of Participation by Agency Indicated on Federal Forfeiture Report			Total Value of Items Seized and Turned Over to the Federal Forfeiture System	Agency's Equitable Sharing Fund Balance and Activity			Ending Balance 12-31-17	
			Submitted a Request for Forfeited Assets	Received Federal Sharing Funds (Cash)	Received Federal Sharing Assets (Non-Cash)		Beginning Balance 01-01-17	Receipts	Expenditures		
1	Arnold Police Department		X			27,477	65,317	0	29,275	36,042	
2	Aurora Police Department				X	0		0	0	1,839	A J
3	Ballwin Police Department			X		0	125,785	27,200	27,632	125,353	
4	Barton County Sheriff's Office				X	0	6,192	0	1,223	5,019	A B
5	Bellefontaine Neighbors Police Department		X	X		36,314	52,093	36,314	31,009	57,398	C
6	Belton Police Department		X	X		0	31,647	36,948	55,737	12,858	
7	Berkeley Police Department			X		0	154,982	4,593	13,941	159,575	A E
8	Billings Police Department				X	0	3,112	0	2,166	946	
9	Bolivar Police Department				X	0	5,432	0	0	5,432	
10	Bollinger County Sheriff's Office		X			0	2,853	6	1,299	1,560	
11	Boone County Sheriff's Office			X		626,915	59,146	9,327	0	67,887	A
12	Boonville Police Department				X	0	4,162	0	4,162	0	
13	Brentwood Police Department			X		0	69,660	57,545	33,858	93,347	
14	Bridgeton Police Department		X	X		0	486,959	18,593	63,125	442,427	
15	Buchanan County Drug Strike Force	SAO	X	X		0	113,942	3,285	35,733	81,494	H
16	Buchanan County Sheriff's Office	SAO			X	0	27,695	0	13,725	13,970	H
17	Buckner Police Department				X	0	2,468	0	0	2,468	B
18	Butler County Sheriff's Office			X		0	428	1,929	0	2,357	
19	Callaway County Sheriff's Office				X	0	6,828	75	359	6,544	
20	Cameron Police Department				X	0	340	0	0	340	
21	Cape Girardeau County Sheriff's Office		X	X		4,302	24,462	4,512	0	28,974	
22	Cape Girardeau Police Department			X		9,818	22,916	340	0	36,378	A B
23	Caruthersville Police Department	SAO	X			0		0	94,491	163,509	A B
24	Charleston Department of Public Safety				X	0	7,228	17	0	7,245	B
25	Chesterfield Police Department			X		0	155,417	44,417	53,319	146,515	
26	Christian County Sheriff's Office		X	X		0	61,656	14,973	14,727	61,902	B
27	Clay County Sheriff's Office		X	X		0	8,673	39,654	14,866	33,461	
28	Clayton Police Department			X		0	139,663	115,885	120,528	134,983	A
29	Clinton Police Department				X	0	5,131	46	600	5,177	A
30	Cole County Sheriff's Office				X	0	6,875	0	0	6,875	
31	Columbia Police Department		X	X		0	70,748	9,008	(234)	79,990	
32	Combined Ozarks Multi-jurisdictional Enforcement Team (COMET)		X	X		0	48,929	13,957	61,465	1,421	
33	Cottleville Police Department			X		27,096	0	27,096	0	27,096	

Appendix A
Compilation of 2017 Federal Forfeiture Reports
Summary of Information Reported in the 2017 Federal Forfeiture Reports

Name	Filed After January 31st Deadline	Level of Participation by Agency Indicated on Federal Forfeiture Report				Total Value of Items Seized and Turned Over to the Federal Forfeiture System	Agency's Equitable Sharing Fund Balance and Activity			
		Submitted a Request for Forfeited Assets	Received Federal Sharing Funds (Cash)	Received Federal Sharing Assets (Non-Cash)	None of the Above		Beginning Balance 01-01-17	Receipts	Expenditures	Ending Balance 12-31-17
34 Crawford County Sheriff's Office			X			0	0	8,854	5,758	3,096
35 Creve Coeur Police Department			X			0	73,195	11,531	20,905	63,821 B
36 Crystal City Police Department					X	0	161	1	0	162
37 East Central Drug Task Force (ECDTF)			X			0	26,560	123,188	20,167	129,582 A
38 Eureka Police Department					X	0	6,475	1	3,616	2,860
39 Ferguson Police Department	SAO				X	0	103,855	25,069	13,230	118,694 A
40 Festus Police Department					X	0		160	6,625	11,362 A B
41 Florissant Police Department		X	X			0	408,807	21,837	150,545	280,099
42 Franklin County Sheriff's Office					X	0	814	0	657	157
43 Fredericktown Police Department					X	0	5,131	0	0	5,126 A B
44 Fulton Police Department					X	0	44,339	1,022	0	45,361
45 Grandview Police Department		X	X			0		124	14	9,308 A B
46 Greene County Prosecutor's Office		X				0	0	0	0	0
47 Greene County Sheriff's Office		X	X			552,542	67,485	37,872	85,032	20,325
48 Grundy County Sheriff's Office					X	0	0	0	69,900	226,714 A B
49 Hayti Police Department					X	0	29,199	0	0	29,199
50 Hazelwood Police Department		X	X			0	127,656	92,008	160,053	59,611
51 Hermann Police Department					X	0	2,017	0	0	2,017 D
52 Howell County Sheriff's Office					X	0	9,095	33	3,000	6,128
53 Independence Police Department			X			0	554,035	78,331	248,352	384,014
54 Jackson County Drug Task Force		X	X			0	261,624	27,117	0	288,741 B
55 Jackson County Sheriff's Office	DPS & SAO		X			24,009	84,227	24,665	26,000	83,367 A B
56 Jefferson City Police Department		X				626,000	112,053	2,179	0	114,232
57 Jefferson County Municipal Enforcement Group		X	X			125,416	23,866	1,750	10,844	14,772
58 Jefferson County Sheriff's Office		X	X			1,186,525	168,576	56,301	73,195	151,682
59 Joplin Police Department					X	0	192,520	1,866	0	194,386
60 Kansas City Board of Police Commissioners		X	X			0	9,236,350	252,174	88,794	9,093,487 A
61 Kansas City International Airport Police Department		X	X			0	257,168	25,337	53,528	228,977
62 Kirkwood Police Department			X			0	322,825	44,585	210,485	156,925
63 Laclede County Sheriff's Office			X			0	838	57,837	51,249	7,589 A
64 Lafayette County Sheriff's Office		X	X			0	4,845	29,592	6,665	27,772
65 Lake Area Narcotics Enforcement Group (LANEG)		X	X			0	8,983	35,394	19,410	25,267 A
66 Lake St. Louis Police Department					X	0	1,679	0	1,679	0

Appendix A
Compilation of 2017 Federal Forfeiture Reports
Summary of Information Reported in the 2017 Federal Forfeiture Reports

	Name	Filed After January 31st Deadline	Level of Participation by Agency Indicated on Federal Forfeiture Report			Total Value of Items Seized and Turned Over to the Federal Forfeiture System	Agency's Equitable Sharing Fund Balance and Activity			Ending Balance 12-31-17
			Submitted a Request for Forfeited Assets	Received Federal Sharing Funds (Cash)	Received Federal Sharing Assets (Non-Cash)		Beginning Balance 01-01-17	Receipts	Expenditures	
67	Lambert-St. Louis International Airport Police Department		X	X		0	2,238,097	228,517	120,988	2,345,626
68	Lebanon Police Department				X	0	13,747	0	6,008	7,739
69	Lee's Summit Police Department			X		0	469,224	13,692	0	482,916
70	Lincoln County Sheriff's Office		X	X		0	110,057	8,880	80,133	38,804
71	Manchester Police Department	DPS		X		0	117,863	25,164	74,519	68,508 I
72	Maplewood Police Department			X		0	23,018	538	5,534	18,022
73	Maryland Heights Police Department		X	X		0	265,648	45,156	164,223	146,581
74	Maryville Department of Public Safety			X		0	0	5,000	1,912	3,088
75	McDonald County Sheriff's Office		X			0	0	0	0	0
76	Mid-Missouri Unified Strike Team and Narcotics Group (MUSTANG)				X	0	166,708	0	26,418	140,290
77	Mineral Area Drug Task Force (MADTF)			X		0	101	8,291	5,412	2,980 B
78	Missouri State Highway Patrol		X	X		83,697	404,500	166,094	82,206	488,388
79	Moberly Police Department				X	0	4,321	0	0	4,321
80	Monett Police Department			X		0	40	487	0	527
81	Multi-County Narcotics and Violent Crimes Enforcement Unit (MCNVCEU)		X	X		10,020	20,835	171,279	44,757	147,357
82	Newton County Sheriff's Office		X	X		10,331	8,347	445	0	8,792
83	Nixa Police Department			X		4,781	0	44	0	4,826 A
84	Normandy Police Department			X		179,160	15,008	319	319	15,008
85	North Missouri (NOMO) Drug Task Force				X	0	16,750	36	0	16,786
86	Northeast Missouri Narcotics Task Force			X		0	19,709	1,066	1,836	18,939 E
87	Northwoods Police Department	SAO			X	0		0	0	38 A H
88	O'Fallon Police Department		X	X		1,869,654	381,531	49,246	36,621	394,156
89	Oregon County Sheriff's Office	DPS			X	0		0	0	289 A B I
90	Osceola Police Department				X	0	7,924	0	7,924	0
91	Overland Police Department			X		0	189,317	48,576	56,936	180,957 F
92	Ozark Police Department			X		0	92,905	40,549	117,164	16,290
93	Ozarks Drug Enforcement Team		X	X		2,669	104,349	2,715	15,093	91,971 B
94	Pemiscot County Sheriff's Office				X	0	272,077	324	128,405	143,996
95	Perryville Police Department	SAO			X	0	954	0	0	954 H
96	Pettis County Sheriff's Office				X	0	16,336	0	16,336	0
97	Phelps County Prosecuting Attorney's Office		X			1,123,245	309,110	160,660	146,453	323,317

Appendix A
 Compilation of 2017 Federal Forfeiture Reports
 Summary of Information Reported in the 2017 Federal Forfeiture Reports

	Name	Filed After January 31st Deadline	Level of Participation by Agency Indicated on Federal Forfeiture Report				Total Value of Items Seized and Turned Over to the Federal Forfeiture System	Agency's Equitable Sharing Fund Balance and Activity				
			Submitted a Request for Forfeited Assets	Received Federal Sharing Funds (Cash)	Received Federal Sharing Assets (Non-Cash)	None of the Above		Beginning Balance 01-01-17	Receipts	Expenditures	Ending Balance 12-31-17	
98	Phelps County Sheriff's Office	DPS & SAO	X	X			1,163,716	2,893,955	1,122,684	756,898	3,259,741	B
99	Platte County Sheriff's Office		X	X			0	131,232	16,669	11,762	136,139	
100	Poplar Bluff Police Department		X	X			0	27,989	8,228	3,886	32,331	
101	Pulaski County Prosecutor's Office					X	0	1,706	0	0	1,706	
102	Pulaski County Sheriff's Office					X	0	1	0	0	1	
103	Reynolds County Sheriff's Office		X				1,302	0	0	0	0	
104	Richmond Heights Police Department		X	X			0	194,699	62,669	12,080	245,288	
105	Rock Hill Police Department					X	0	1,420	0	0	1,420	
106	Rolla Police Department					X	0	115,214	20,143	71,270	64,087	
107	Scotland County Sheriff's Office					X	0	2,534	14	0	2,548	
108	Scott County Sheriff's Office		X				33,799	33,799	0	0	0	A E
109	Sedalia Police Department		X				0	27,306	0	7,973	19,333	B
110	Shrewsbury Police Department			X			0		586	586	586	A B
111	Sikeston Department of Public Safety		X	X			44,560	67,843	14,659	0	82,502	
112	South Central Drug Task Force		X				21,705	12,298	57,635	68,048	1,885	
113	Southeast Missouri (SEMO) Drug Task Force		X	X			61,727	546,678	45,180	178,187	803,842	A B
114	Springfield Police Department		X	X			0	147,847	100,966	80,451	168,362	
115	St. Ann Police Department		X	X			0	0	15,028	15,028	0	G
116	St. Charles County Police Department		X	X			0	1,096,225	761,091	669,606	1,187,710	
117	St. Charles County Prosecuting Attorney's Office		X	X			1,843,916	153,185	58,809	22,527	189,467	
118	St. Charles County Regional Drug Task Force		X	X			112,396	79,221	88,219	87,639	79,801	
119	St. Charles County Sheriff's Office			X			0	0	7,266	7,266	0	
120	St. Charles Police Department		X	X			0	113,304	86,603	24,139	175,768	
121	St. Clair County Sheriff's Office		X				18,040	8,073	113	0	8,186	F
122	St. Francois County Sheriff's Office		X	X	X		0	5,892	63,572	30,358	39,106	B
123	St. John Police Department		X	X			0	215,218	34,503	66,644	183,077	B
124	St. Joseph Police Department					X	0	10,191	35	10,213	35	A
125	St. Louis County Police Department		X	X			153,101	2,529,795	925,848	1,174,765	2,280,878	
126	St. Louis Metropolitan Police Department		X	X	X		91,724		326,590	457,162	1,077,311	A B
127	St. Peters Police Department		X	X			0	125,829	60,754	39,743	146,840	
128	St. Robert Police Department					X	0	8,710	0	0	8,710	E
129	Ste. Genevieve County Sheriff's Office			X			0	2,443	1,860	1,412	2,891	B
130	Sunset Hills Police Department					X	0	1,917	0	1,724	193	
131	Taney County Sheriff's Office					X	0	7,403	63	3,697	3,769	B

Appendix A
 Compilation of 2017 Federal Forfeiture Reports
 Summary of Information Reported in the 2017 Federal Forfeiture Reports

Name	Filed After January 31st Deadline	Level of Participation by Agency Indicated on Federal Forfeiture Report				Total Value of Items Seized and Turned Over to the Federal Forfeiture System	Agency's Equitable Sharing Fund Balance and Activity			
		Submitted a Request for Forfeited Assets	Received Federal Sharing Funds (Cash)	Received Federal Sharing Assets (Non-Cash)	None of the Above		Beginning Balance 01-01-17	Receipts	Expenditures	Ending Balance 12-31-17
132 Texas County Sheriff's Office					X	0		12	0	12 B
133 Trenton Police Department					X	0	3,167	0	0	3,167 E
134 Troy Police Department			X			0	26,074	36,757	54,547	8,284
135 Vernon County Sheriff's Office			X			0		39,696	37,294	2,402 B
136 Warren County Sheriff's Office					X	0	1,134	11	0	1,145
137 Warrensburg Police Department			X			13,466	0	13,466	13,466	0
138 Wayne County Sheriff's Office					X	0	4,420	0	2,646	1,774
139 Waynesville Police Department					X	0	112,392	0	72,841	39,551
140 Webster Groves Police Department			X			0	51,592	25,164	38,149	38,607 B
141 Wentzville Police Department					X	0	5,802	0	0	5,802
142 Willard Police Department					X	0	656	0	0	656
143 Woodson Terrace Police Department			X			0	86,236	25,256	51,197	60,295
Total	10	57	80	2	51	\$ 10,089,423	28,026,993	6,421,775	7,215,110	29,111,889 K

Note: This appendix shows the categories of the federal forfeiture report and what each agency reported. Blanks for any item indicate the agency left that item blank and zeroes indicate the agency reported zero.

- A The beginning balance plus receipts minus expenditures does not mathematically agree with the ending balance reported.
- B The beginning balance reported as of January 1, 2017, does not agree with the ending balance reported as of December 31, 2016, as shown in Report No. 2017-031, *Compilation of 2016 Federal Forfeiture Reports*.
- C The beginning balance reported as of January 1, 2017, does not agree with the ending balance reported as of December 31, 2016, as shown in Report No. 2017-031, *Compilation of 2016 Federal Forfeiture Reports*, but agrees with the December 31, 2016, ending balance reported in the agency's revised 2016 report submitted to our office subsequent to release of the compilation report.
- D The agency reported no participation for 2016, as shown in Report No. 2017-031, *Compilation of 2016 Federal Forfeiture Reports*, but reported a beginning balance as of January 1, 2017.
- E The agency did not file a report for 2016, as shown in Report No. 2017-031, *Compilation of 2016 Federal Forfeiture Reports*, but reported a beginning balance as of January 1, 2017.
- F The agency did not file a report for 2016, as shown in Report No. 2017-031, *Compilation of 2016 Federal Forfeiture Reports*, but filed a 2016 report subsequent to the release of the compilation report that reported a December 31, 2016, ending balance that agrees with the beginning balance reported as of January 1, 2017.
- G The agency did not file a report for 2016, as shown in Report No. 2017-031, *Compilation of 2016 Federal Forfeiture Reports*, but filed a 2016 report subsequent to the release of the compilation report that reported a December 31, 2016, ending balance that does not agree with the beginning balance reported as of January 1, 2017.
- H The DPS provided the SAO a copy of the report submitted to that department because the agency did not report to the SAO.
- I The SAO provided the DPS a copy of the report submitted to that department because the agency did not report to the DPS.
- J The agency was incorrectly reported in Report No. 2017-031, *Compilation of 2016 Federal Forfeiture Reports*, as not participating. The agency had filed a 2016 report which reported a December 31, 2016, ending balance, but this balance was not reported in the 2017 report as a beginning balance as of January 1, 2017.
- K Due to footing errors noted in various agency reports, the total beginning balance plus total receipts minus total expenditures does not mathematically agree to the total ending balance.

Appendix B
Compilation of 2017 Federal Forfeiture Reports
Law Enforcement Agencies Reporting No Participation

Name		Name	
1 13th Judicial Court Marshal's Office		61 Crocker Police Department	
2 Adair County Sheriff's Office		62 Dade County Sheriff's Office	
3 Alma Police Department		63 Daviess County Sheriff's Office	C
4 Andrew County Sheriff's Office		64 Deepwater Police Department	
5 Appleton City Police Department		65 Des Peres Department of Public Safety	
6 Arcadia Police Department	D	66 Desloge Police Department	
7 Archie Police Department		67 Dexter Police Department	
8 Ash Grove Police Department		68 Diamond Police Department	A D
9 Ashland Police Department		69 Dixon Police Department	
10 Atchison County Sheriff's Office		70 Doniphan Police Department	
11 Ava Police Department		71 Douglas County Sheriff's Office	
12 Barry County Sheriff's Office		72 Drexel Police Department	
13 Bates County Sheriff's Office		73 Duenweg Police Department	
14 Bell City Police Department		74 Dunklin County Sheriff's Office	
15 Bella Villa Police Department		75 Duquesne Police Department	B
16 Bellflower Police Department		76 Edgerton Police Department	
17 Bel-Nor Police Department		77 Eldon Police Department	
18 Bel-Ridge Police Department		78 Ellisville Police Department	
19 Benton County Sheriff's Office		79 Eminence Police Department	
20 Bertrand Police Department		80 Exeter Police Department	A D
21 Bismarck Police Department	B	81 Fair Grove Police Department	
22 Bland Police Department	D	82 Fairview Police Department	
23 Bloomfield Police Department		83 Farmington Police Department	
24 Blue Springs Police Department		84 Ferrelview Police Department	
25 Blue Springs School District Department of Public Safety		85 Fleming Police Department	
26 Bowling Green Police Department		86 Fordland Police Department	
27 Branson West Police Department		87 Foristell Police Department	
28 Brookfield Police Department		88 Frankford Police Department	
29 Bucklin Police Department		89 Frontenac Police Department	
30 Butterfield Police Department	A D	90 Garden City Police Department	
31 Cabool Police Department		91 Gasconade County Sheriff's Office	
32 Caldwell County Sheriff's Office		92 Gerald Police Department	A
33 California Police Department		93 Gladstone Department of Public Safety	
34 Calverton Park Police Department		94 Glasgow Police Department	
35 Camden County Sheriff's Office		95 Glendale Police Department	
36 Camden Police Department		96 Goodman Police Department	
37 Camdenton Police Department		97 Gordonville Police Department	
38 Campbell Police Department		98 Grain Valley Police Department	
39 Canalou Police Department		99 Granby Police Department	D
40 Carl Junction Police Department		100 Grandin Police Department	
41 Carroll County Sheriff's Office	B	101 Green Ridge Police Department	
42 Carter County Sheriff's Office		102 Greenville Police Department	
43 Cartersville Police Department		103 Greenwood Police Department	
44 Carthage Police Department		104 Hamilton Police Department	
45 Cass County Sheriff's Office		105 Hannibal Police Department	
46 Catron Police Department		106 Hardin Police Department	
47 Cedar County Sheriff's Office		107 Harrisonville Police Department	
48 Centralia Police Department		108 Hawk Point Police Department	
49 Chaffee Police Department		109 Henrietta Police Department	
50 Chariton County Sheriff's Office		110 Henry County Sheriff's Office	
51 Clark County Sheriff's Office		111 Herculaneum Police Department	
52 Clark Police Department		112 Hickory County Sheriff's Office	A D
53 Clever Police Department		113 High Hill Police Department	
54 Clinton County Sheriff's Office	B	114 Highlandville Police Department	
55 Cole Camp Police Department		115 Holt County Sheriff's Office	
56 Cooper County Sheriff's Office		116 Holts Summit Police Department	
57 Corder Police Department		117 Howard County Sheriff's Office	
58 Country Club Hills Police Department		118 Humansville Police Department	
59 Country Club Village Police Department		119 Iron County Sheriff's Office	
60 Crestwood Police Department		120 Jamestown Police Department	

Appendix B
Compilation of 2017 Federal Forfeiture Reports
Law Enforcement Agencies Reporting No Participation

Name		Name	
121 Jasper County Sheriff's Office		181 Moniteau County Sheriff's Office	
122 Jefferson College Campus Police Department		182 Monroe County Sheriff's Office	
123 Jonesburg Police Department		183 Montgomery City Police Department	
124 Kahoka Police Department	B	184 Montgomery County Sheriff's Office	B
125 Kearney Police Department		185 Morgan County Sheriff's Office	
126 Kennett Police Department		186 Mound City Police Department	
127 Keytesville Police Department	B	187 Mountain Grove Police Department	
128 Kimberling City Police Department		188 Mountain View Police Department	
129 Kimmswick Police Department		189 Mt. Vernon Police Department	
130 Kirksville Police Department		190 Napoleon Police Department	A D
131 Ladue Police Department		191 Neosho Police Department	
132 LaGrange Police Department		192 Nevada Police Department	
133 Lake Lafayette Police Department		193 New Haven Police Department	
134 Lake Lotawana Police Department		194 New London Police Department	
135 Lake Ozark Police Department		195 Newburg Police Department	A
136 Lake Tapawingo Police Department		196 Nodaway County Sheriff's Office	C
137 Lake Waukomis Police Department		197 Noel Police Department	
138 Lamar Police Department		198 Oak Grove Police Department	
139 LaPlata Police Department		199 Old Monroe Police Department	
140 Lathrop Police Department		200 Olivette Police Department	
141 Laurie Police Department		201 Oran Police Department	B
142 Lawrence County Sheriff's Office		202 Oronogo Police Department	
143 Leadington Police Department		203 Osage Beach Police Department	
144 Leadwood Police Department		204 Osage County Sheriff's Office	A
145 Leasburg Police Department		205 Palmyra Police Department	
146 Leeton Police Department		206 Peculiar Police Department	
147 Lewis County Sheriff's Office		207 Perry County Sheriff's Office	
148 Lexington Police Department		208 Pike County Sheriff's Office	A
149 Liberty Police Department		209 Pilot Grove Police Department	
150 Licking Police Department		210 Platte City Police Department	
151 Lincoln University Department of Public Safety	A	211 Pleasant Hill Police Department	
152 Linn Creek Police Department		212 Pleasant Valley Police Department	
153 Linn Police Department		213 Polk County Sheriff's Office	
154 Livingston County Sheriff's Office		214 Portageville Police Department	
155 Lone Jack Police Department		215 Potosi Police Department	
156 Louisiana Police Department		216 Prairie Home Police Department	
157 Macon County Sheriff's Office		217 Putnam County Sheriff's Office	
158 Macon Police Department		218 Queen City Police Department	
159 Madison County Sheriff's Office		219 Randolph County Sheriff's Office	
160 Mansfield Police Department		220 Ray County Sheriff's Office	
161 Marble Hill Police Department		221 Raymore Police Department	
162 Marceline Police Department		222 Raytown Police Department	
163 Maries County Sheriff's Office		223 Reeds Spring Police Department	
164 Marionville Police Department		224 Republic Police Department	
165 Marshall Police Department		225 Rich Hill Police Department	
166 Memphis Police Department		226 Richland Police Department	
167 Mercer County Sheriff's Office		227 Risco Police Department	
168 Metropolitan Community College Police Department		228 Riverside Public Safety	
169 Mexico Police Department		229 Riverview Police Department	
170 Mid-Missouri Drug Task Force		230 Rock Port Police Department	
171 Miller County Sheriff's Office		231 Rogersville Police Department	
172 Miner Police Department	D	232 Salem Police Department	
173 Mineral Area College Department of Public Safety		233 Saline County Sheriff's Office	
174 Mississippi County Sheriff's Office		234 Savannah Police Department	
175 Missouri Capitol Police		235 Schuyler County Sheriff's Office	
176 Missouri Department Natural Resources - Park Rangers		236 Scott City Police Department	B
177 Missouri Southern State University Police Department		237 Shannon County Sheriff's Office	
178 Missouri State Technical Assistance Team		238 Shelby County Sheriff's Office	
179 Missouri Western Department of Public Safety		239 Smithville Police Department	
180 Moline Acres Police Department		240 Southeast Missouri State University - Department of Public Safety	

Appendix B
 Compilation of 2017 Federal Forfeiture Reports
 Law Enforcement Agencies Reporting No Participation

Name		Name	
241 Sparta Police Department		265 University of Central Missouri - Department of Public Safety	
242 St. Charles County Community College Department of Public Safety		266 University of Missouri - Kansas City Police Department	
243 St. Clair Police Department		267 University of Missouri - Science & Technology Police Department	
244 St. James Police Department		268 University of Missouri - St. Louis Police Department	
245 St. Louis Community College Police Department		269 University of Missouri Police Department (MUPD)	
246 Steele Police Department		270 Van Buren Police Department	
247 Stewartville Police Department		271 Vandalia Police Department	
248 Stoddard County Sheriff's Office		272 Versailles Police Department	
249 Stone County Sheriff's Office		273 Viburnum Police Department	
250 Stover Police Department		274 Vienna Police Department	
251 Strafford Police Department		275 Warrenton Police Department	
252 Sullivan County Sheriff's Office		276 Warsaw Police Department	
253 Summersville Police Department		277 Washburn Police Department	
254 Sunrise Beach Police Department		278 Washington University Police Department	
255 Sweet Springs Police Department	B	279 Waverly Police Department	
256 Tarkio Police Department		280 Weatherby Lake Police Department	
257 Terre Du Lac Police Department		281 Webster County Sheriff's Office	
258 Thayer Police Department		282 West Plains Police Department	
259 Town and Country Police Department		283 Wheaton Police Department	A
260 Tracy Police Department		284 Williamsville Police Department	
261 Truman State University Police Department		285 Winfield Police Department	
262 Union Police Department	B	286 Worth County Sheriff's Office	B
263 Unionville Police Department		287 Wyatt Police Department	
264 University City Police Department			

Note: This appendix lists agencies that only marked "None of the Above" in their 2017 federal forfeiture report.

- A The SAO provided the DPS a copy of the report submitted to that department because the agency did not report to the DPS.
- B The DPS provided the SAO a copy of the report submitted to that department because the agency did not report to the SAO.
- C The agency previously reported a December 31, 2016, balance, as shown in Report No. 2017-031, *Compilation of 2016 Federal Forfeiture Reports*, but reported no participation for 2017.
- D Filed with the SAO after the January 31, 2018, deadline.

Appendix C

Compilation of 2017 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2017 Federal Forfeiture Report *

Name	Name
1 Adrian Police Department	61 DeSoto Police Department
2 Advance Police Department	62 Doolittle Police Department
3 Alton Police Department	63 Dunklin R-5 School District Police Department
4 Anderson Police Department	64 East Lynne Police Department
5 Annapolis Police Department	65 East Prairie Police Department
6 Arbyrd Police Department	66 Easton Police Department
7 Audrain County Sheriff's Office	67 Edgar Springs Police Department
8 Auxvasse Police Department	68 Edina Police Department
9 Bates City Police Department	69 Edmundson Police Department
10 Battlefield Police Department	70 El Dorado Springs Police Department
11 Belle Police Department	71 Ellington Police Department
12 Benton Police Department	72 Ellsinore Police Department
13 Berger Police Department	73 Elsberry Police Department
14 Bernie Police Department	74 Emma Police Department
15 Bethany Police Department	75 Eolia Police Department
16 Bevier Police Department	76 Everton Police Department
17 Birch Tree Police Department	77 Excelsior Springs Police Department
18 Blackburn Police Department	78 Fair Play Police Department
19 Bonne Terre Police Department	79 Farber Police Department
20 Bourbon Police Department	80 Fayette Police Department
21 Branson Police Department	81 Forsyth Police Department
22 Braymer Police Department	82 Freeman Police Department
23 Breckenridge Hills Police Department	83 Galena Police Department
24 Browning Police Department	84 Gallatin Police Department
25 Brunswick Police Department	85 Gasconade Police Department
26 Buffalo Police Department	86 Gentry County Sheriff's Office
27 Bunceton Police Department	87 Gideon Police Department
28 Bunker Police Department	88 Gower Police Department
29 Burlington Northern Santa Fe Railroad	89 Green City Police Department
30 Butler Police Department	90 Greenfield Police Department
31 Byrnes Mill Police Department	91 Hallsville Police Department
32 Callao Police Department	92 Harrison County Sheriff's Office
33 Camden Point Police Department	93 Hartville Police Department
34 Canton Police Department	94 Higginsville Police Department
35 Cardwell Police Department	95 Hillsboro Police Department
36 Carrollton Police Department	96 Hillsdale Police Department
37 Cassville Police Department	97 Holcomb Police Department
38 Center Police Department	98 Holden Police Department
39 Centerview Police Department	99 Hollister Police Department
40 Chamois Police Department	100 Hornersville Police Department
41 Chilhowee Police Department	101 Houston Police Department
42 Chillicothe Police Department	102 Howardville Police Department
43 Clarence Police Department	103 Huntsville Police Department
44 Clarksburg Police Department	104 Iberia Police Department
45 Clarksdale Police Department	105 Indian Point Police Department
46 Clarkton Police Department	106 Iron Mountain Lake Police Department
47 Clay County Parks Department	107 Ironton Police Department
48 Claycomo Police Department	108 Jackson County Parks & Recreation Ranger Division
49 Cleveland Police Department	109 Jackson Police Department
50 Concordia Police Department	110 Jasper Police Department
51 Conway Police Department	111 Johnson County Sheriff's Office
52 Cooter Police Department	112 Kansas City Southern Railroad
53 Crane Police Department	113 Kelso Police Department
54 Creighton Police Department	114 King City Police Department
55 Crystal Lakes Police Department	115 Kingsville Police Department
56 Cuba Police Department	116 Kinloch Police Department
57 Dallas County Sheriff's Office	117 Knob Noster Police Department
58 DeKalb County Sheriff's Office	118 Knox County Sheriff's Office
59 Delta Police Department	119 Laddonia Police Department
60 Dent County Sheriff's Office	120 Lafayette County Narcotic Task Force

Appendix C

Compilation of 2017 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2017 Federal Forfeiture Report *

Name	Name
121 Lake Winnebago Police Department	181 Platte Woods Police Department
122 Lakeshire Police Department	182 Plattsburg Police Department
123 LaMonte Police Department	183 Pleasant Hope Police Department
124 Lanagan Police Department	184 Polo Police Department
125 Lancaster Police Department	185 Purcell Police Department
126 Lawson Police Department	186 Purdy Police Department
127 Liberal Police Department	187 Puxico Police Department
128 Lilbourn Police Department	188 Quilin Police Department
129 Lincoln Police Department	189 Ralls County Sheriff's Office
130 Linn County Sheriff's Office	190 Richmond Police Department
131 Lowry City Police Department	191 Ripley County Sheriff's Office
132 Malden Police Department	192 Rockaway Beach Police Department
133 Marion County Sheriff's Office	193 Rosebud Police Department
134 Marquand Police Department	194 Rutledge Police Department
135 Marshfield Police Department	195 Salisbury Police Department
136 Marston Police Department	196 Sarcoxie Police Department
137 Martinsburg Police Department	197 Seligman Police Department
138 Matthews Police Department	198 Senath Police Department
139 Maysville Police Department	199 Seneca Police Department
140 Merriam Woods Police Department	200 Seymour Police Department
141 Milan Police Department	201 Shelbina Police Department
142 Miller Police Department	202 Silex Police Department
143 Missouri Department of Conservation	203 Slater Police Department
144 Missouri Department of Revenue	204 Smithton Police Department
145 Missouri Division of Alcohol and Tobacco Control	205 Southwest City Police Department
146 Missouri Division of Fire Safety	206 Springfield-Branson National Airport Police Department
147 Missouri Western Interdiction and Narcotics (MoWIN) Task Force	207 St. Charles City Parks & Recreation
148 Monroe City Police Department	208 St. Charles County Department of Corrections
149 Morehouse Police Department	209 St. Louis County Drug Task Force
150 Morley Police Department	210 St. Louis County Sheriff's Office
151 Moscow Mills Police Department	211 St. Mary Police Department
152 New Bloomfield Police Department	212 Ste. Genevieve Police Department
153 New Florence Police Department	213 Steelville Police Department
154 New Franklin Police Department	214 Strasburg Police Department
155 New Madrid County Sheriff's Office	215 Sturgeon Police Department
156 New Madrid Police Department	216 Sugar Creek Police Department
157 Niangua Police Department	217 Sullivan Police Department
158 Norborne Police Department	218 Supreme Court of Missouri - Marshal's Office
159 Norfolk Southern Railroad Police Department	219 Terminal Railroad
160 North Kansas City Police Department	220 Tipton Police Department
161 Northmoor Police Department	221 Trimble Police Department
162 Northwest Missouri Interagency Team Response Operation (NITRO)	222 Truesdale Police Department
163 Northwest Missouri State University Police Department	223 Union Pacific Railroad Police
164 Oakview Police Department	224 Urbana Police Department
165 Oregon Police Department	225 Vanduser Police Department
166 Orrick Police Department	226 Velda City Police Department
167 Otterville Police Department	227 Verona Police Department
168 Owensville Police Department	228 Village of Miramiguoa
169 Ozark County Sheriff's Office	229 Vinita Park Police Department
170 Pacific Police Department	230 Walker Police Department
171 Pagedale Police Department	231 West Sullivan Police Department
172 Park Hills Police Department	232 Walnut Grove Police Department
173 Parkville Police Department	233 Wardell Police Department
174 Parma Police Department	234 Warson Woods Police Department
175 Perry Police Department	235 Washington County Sheriff's Office
176 Pevely Police Department	236 Washington Police Department
177 Piedmont Police Department	237 Webb City Police Department
178 Pierce City Police Department	238 Wellington Police Department
179 Pilot Knob Police Department	239 Wellsville Police Department
180 Pineville Police Department	240 Weston Police Department

Appendix C

Compilation of 2017 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2017 Federal Forfeiture Report *

	<u>Name</u>		<u>Name</u>
241	Willow Springs Police Department	244	Wright City Police Department
242	Winona Police Department	245	Wright County Sheriff's Office
243	Wood Heights Police Department		

* The law requires filing if an agency participates in the federal forfeiture system. If these agencies did not participate, the lack of filing a report does not constitute noncompliance.

Note: The Department of Public Safety (DPS) reported the Essex Police Department, Hale Police Department, Naylor Police Department, and Stanberry Police Department notified the DPS that they did not have local law enforcement in 2017, and these police departments are excluded from this list.

Appendix D

Compilation of 2017 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2017 Federal Forfeiture Report

But Previously Reported a December 31, 2016, Balance

	Name	Balance 12/31/16*	
1	Branson Police Department	21,585	
2	Clay County Drug Task Force	83,012	A
3	Creighton Police Department	500	
4	Dent County Sheriff's Office	5,104	
5	Jackson Police Department	15,199	
6	Johnson County Sheriff's Office	19,142	
7	Marthasville Police Department	507	A
8	Park Hills Police Department	30,006	
9	Ripley County Sheriff's Office	7,825	
10	Sullivan Police Department	3,680	

* As reported by the agency in its 2016 federal forfeiture report and shown in Report No. 2017-031, *Compilation of 2016 Federal Forfeiture Reports*.

A The Clay County Drug Task Force and Marthasville Police Department were not included in the list of agencies provided by the Department of Public Safety.



Office of Missouri State Auditor
Nicole Galloway, CPA

Stoddard County



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Stoddard County

Stoddard County Sheltered Facilities Board	The Stoddard County Sheltered Facilities Board did not bid the construction of an office building and workshop space, and did not ensure the contractor complied with prevailing wage laws.
Sheriff's Commissary Vendor	The Sheriff did not solicit proposals or document reasons for selecting the vendor to provide third party jail commissary services.
Property Tax System	The County Clerk and/or the County Commission did not review and approve outlawed taxes from the 2011 property tax year totaling approximately \$45,000 during the year ended February 28, 2017. The county has not adequately restricted the County Collector's access to assessed valuations in the property tax system.
Electronic Data Security	The Recorder of Deeds has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Passwords for employees in the offices of the Recorder of Deeds and County Assessor are not required to have a minimum number of characters. The County Assessor, County Collector, and Recorder of Deeds do not have security controls in place to lock computers after a specified number of incorrect logon attempts or after a certain period of inactivity. The County Clerk's office does not store data backups at an off-site location.
Tax Maintenance Fund Transfers	A \$30,000 transfer made from the Tax Maintenance Fund in 2017 was not in compliance with uses allowed by state law and the county does not have documentation to support the amount. In addition, transfers of \$65,000 and \$15,000 made in 2015, and 2016, respectively also do not have documentation to support the amounts transferred.
County Procedures	Neither the County Commission nor the County Clerk submitted proof of publication of the county's financial statement for the years ended December 31, 2014, 2015, and 2016, to the State Auditor's Office as required by state law. The County Commission did not hold a public hearing and approve the Stoddard County Sheltered Facilities Board property tax rate.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Stoddard County

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Stoddard County

We have audited certain operations of Stoddard County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Stoddard County for the 2 years ended December 31, 2016. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2016. The objectives of our audit were to:

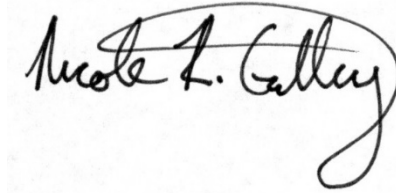
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Stoddard County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The signature is written over a light gray rectangular background.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	David Olson
Audit Staff:	Morgan Alexander
	Joel Stucky
	Mariela A. Hernandez
	Stephen Powers

Stoddard County Management Advisory Report State Auditor's Findings

1. Stoddard County Sheltered Facilities Board

The Stoddard County Sheltered Facilities Board (SCSFB) did not bid the construction of an office building and workshop space, and did not ensure the contractor complied with prevailing wage laws.

1.1 Bidding

The SCSFB did not bid the construction of an office building and workshop space costing more than \$730,000, and also did not advertise this project for bids. A SCSFB employee indicated she or a board member left messages with several contractors, but none of them returned their calls. She said a local business that had recently built a building was then contacted to obtain the name of the builder. She said that vendor was contacted and the SCSFB received a quote of \$724,000 for the project. The SCSFB used that vendor for the project. The SCSFB had no documentation regarding the contractors called, the local business, or the vendor.

As of November 2017, project costs have totaled approximately \$735,000. A SCSFB employee said the overage resulted from the project requiring moving more dirt than anticipated. The SCSFB did not obtain a change order from the contractor documenting the need for additional costs or project changes. The SCSFB also expects to make an additional payment of approximately \$20,000 to the contractor when the project is completed resulting in total costs of approximately \$755,000.

Section 50.660, RSMo, provides bidding requirements, including advertising for bids involving expenditures greater than \$6,000. Routine use of a competitive procurement process for major purchases ensures the SCSFB has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in the SCSFB business. Documentation of the various bids received, the SCSFB's selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made. In addition, change order documentation should be maintained.

1.2 Prevailing wage

The SCSFB did not require the project's contractor to provide supporting documentation of wages paid and did not review any payroll records to ensure compliance with prevailing wage laws. Section 290.230, RSMo, requires prevailing wages to be paid to all workmen employed by or on behalf of any public body engaged in construction projects exclusive of maintenance work. Additionally, Sections 290.210 to 290.340, RSMo, and 8 Code of State Regulations 30-3.010, provide other requirements regarding prevailing wages.

Recommendations

The Stoddard County Sheltered Facilities Board:

- 1.1 Ensure projects are bid, including advertising for bids when applicable in accordance with state law, and maintain adequate



Stoddard County
Management Advisory Report - State Auditor's Findings

documentation of decisions made. Additionally, the Board should maintain documentation of change orders.

- 1.2 Ensure that prevailing wages laws are followed for public works construction projects.

Auditee's Response

1.1 *The Stoddard County Sheltered Facilities Board will ensure future projects are bid, including advertising for bids when applicable in accordance with state law, and maintain adequate documentation of decisions made. The Board will maintain documentation of change orders.*

1.2 *The Stoddard County Sheltered Facilities Board will ensure on future projects that prevailing wage laws are followed for projects.*

**2. Sheriff's
Commissary
Vendor**

The Sheriff did not solicit proposals or document reasons for selecting the vendor to provide third party jail commissary services. The Sheriff indicated he called other county sheriffs for commissary service recommendations and commissary service providers for commission rates and selected the one he considered the best option. However, he did not maintain documentation supporting the work performed and the selection decision. Commissary revenues totaled approximately \$130,000 for the year ended December 31, 2016.

Routine use of a competitive selection process for major service providers ensures the county has made every effort to receive the best agreement and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, the selection process, and criteria should be retained to support decisions made.

Recommendation

The Sheriff should work with the County Commission to ensure proposals are solicited for contracted services and document reasons for selecting a specific vendor.

Auditee's Response

From this point forward discussions with vendors will be documented for future reference.

**3. Property Tax
System**

Controls and procedures over the property tax system need improvement. The County Collector's office processed property taxes and other revenues of approximately \$22.2 million for the year ended February 28, 2017.

3.1 Outlawed taxes

The County Clerk and/or the County Commission did not review and approve outlawed taxes from the 2011 property tax year totaling approximately \$45,000 during the year ended February 28, 2017. As a result, outlawed taxes, which constitute changes to the amount of taxes the County Collector is



Stoddard County Management Advisory Report - State Auditor's Findings

charged with collecting, are not properly monitored and errors or irregularities could go undetected.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved outlawed taxes to actual changes made to the property tax system would help to ensure changes are proper.

3.2 Computer access

The county has not adequately restricted the County Collector's access to assessed valuations in the property tax system. The County Collector has access rights that allow changes to be made to individual property tax assessed valuations throughout the tax year. Because the County Collector is responsible for collecting tax payments, good internal controls require the County Collector not have access rights allowing alteration of property tax information.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the alteration of data files and programs.

Recommendations

The County Commission:

- 3.1 Work with the County Clerk to adequately review and approve all outlawed taxes.
- 3.2 Ensure property tax system access is limited to only what is needed for the users to perform their job duties and responsibilities.

Auditee's Response

- 3.1 *The County Clerk and County Commission do review tax reports each month. The County Commission will approve outlawed taxes for the 2011 property tax year totaling approximately \$45,000. Each year the County Clerk and County Commission will approve outlawed taxes.*
- 3.2 *Access by the County Collector will be restricted to viewing the assessed valuations.*

4. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

4.1 Passwords

The Recorder of Deeds has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees are not required to change passwords periodically to help ensure passwords



Stoddard County Management Advisory Report - State Auditor's Findings

remain known only to the assigned user. In addition, passwords for employees in the offices of the Recorder of Deeds and County Assessor are not required to have a minimum number of characters.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed or contain a minimum number of characters in certain offices, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential, contain a minimum number of characters, and be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

4.2 Security controls

The County Assessor, County Collector, and Recorder of Deeds do not have security controls in place to lock computers after a specified number of incorrect logon attempts or after a certain period of inactivity.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

4.3 Data backups

The County Clerk's office does not store data backup files at an off-site location. The files are stored at the same location as the original data leaving the backup data susceptible to the same damage as the original data.

To help prevent loss of information and ensure essential information and computer systems can be recovered, backup computer data should be stored at an off-site location.

Recommendations

The County Commission work with other county officials to:

- 4.1 Require employees maintain confidential passwords with a minimum number of characters that must be periodically changed.
- 4.2 Ensure county computers have security controls in place to lock each computer after a specified number of incorrect logon attempts and after a certain period of inactivity.
- 4.3 Ensure backup computer data is stored in a secure off-site location.



Stoddard County
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 4.1 *Password changes and password security will be reviewed with the Recorder of Deeds and County Assessor. Each officeholder will be directed to establish adequate computer controls.*
- 4.2 *Security controls will be reviewed with the County Assessor, County Collector, and Recorder of Deeds. Each officeholder will be directed to establish effective security controls.*
- 4.3 *Data backups will be stored at an off-site location.*

5. Tax Maintenance Fund Transfers

A \$30,000 transfer made from the Tax Maintenance Fund (TMF) in 2017 was not in compliance with uses allowed by state law and the county does not have documentation to support the amount. In addition, transfers of \$65,000 and \$15,000 made in 2015 and 2016, respectively, also do not have documentation to support the amounts transferred. The County Collector collects a penalty of 7 percent of the total charged on delinquent taxes, and two-sevenths of this penalty is required to be paid into the TMF to be used for additional administrative or operational costs related to the office of the County Collector.

The County Collector transferred \$30,000 from the TMF to the General Revenue Fund on September 5, 2017. The minutes for the August 28, 2017, County Commission meeting indicated the County Collector was told the money was needed to help fund improvements and repairs to an annex building for the Sheriff's office. Thus the transfer was not related to the administration or operation of the County Collector's office. The County Collector indicated a \$50,000 transfer in 2015 was for the County Collector's portion of new tax assessment software purchased by the County Assessor and \$15,000 transferred in both 2015 and 2016 was for part-time help during tax season. However, the County Collector did not have any documentation to support these transfers.

Section 52.315, RSMo, requires TMF monies be expended for additional administration and operation costs of the County Collector's office and "shall not be used to substitute for or subsidize any allocation of the county general revenue for the operation of the office of collector." Any unexpended balance is required to remain in the TMF to accumulate from year to year and should not be transferred to the county's general revenue for non-collector related purposes prior to reaching the limits set forth in Section 52.317.1, RSMo. There was either no documentation supporting the transferred amount or the documentation was unclear as to how the transferred amount related to the administration or operation of the office of the County Collector. Therefore, these transfers were not appropriate uses of the TMF monies.

Recommendation

The County Collector ensure disbursements from the Tax Maintenance Fund are in compliance with statutory provisions, and the County Commission



Stoddard County
Management Advisory Report - State Auditor's Findings

reimburse the Tax Maintenance Fund for the improper transfers. In addition, the County Collector should maintain documentation to support all transfers made from the Tax Maintenance Fund.

Auditee's Response

The County Collector provided the following response:

The County Collector will implement the recommendation.

The County Commission provided the following response:

The County Commission will ensure future disbursements from the Tax Maintenance Fund are in compliance with statutory provisions. The County Commission will discuss the reimbursement recommendation with the County Collector.

6. County Procedures

Improvements are needed in the county's procedures over financial reporting and approving the SCSFB tax rate.

6.1 Published financial statements

Neither the County Commission nor the County Clerk submitted proof of publication of the county's financial statement for the years ended December 31, 2014, 2015, and 2016, to the State Auditor's Office as required by state law. Proof of publication is required to be submitted to our office by March 31 of the year following the end of the year. After we discussed this issue with the County Clerk, he submitted the required information to our office for those periods. We received it on November 22, 2017.

Section 50.810, RSMo, requires filing of proof of publication of the county's financial statements with the State Auditor. In addition, complete and accurate published financial statements are needed to adequately inform the citizens of the county financial activities and show compliance with statutory requirements.

6.2 SCSFB tax rate

The County Commission did not hold a public hearing and approve the SCSFB property tax rate. The property tax rate was approved by the SCSFB; however, the SCSFB does not have the legal authority to set the property tax rate.

Section 137.055, RSMo, states the county governing body shall hold a public hearing prior to approving the tax rates of the county. In addition, the Missouri Supreme Court issued an opinion in the case of *State ex rel. Indus. Services Contractors, Inc. v. County Comm'n of Johnson County*, 918 S.W.2d 252 (Mo. Banc 1996), that there is no statutory authority allowing Senate Bill 40 Boards to set the property tax levy.



Stoddard County
Management Advisory Report - State Auditor's Findings

Recommendations

The County Commission:

- 6.1 And the County Clerk ensure the proof of publication of the county financial statements is filed with the State Auditor's Office as required by state law.
- 6.2 Approve the SCSFB property tax rate in accordance with state law.

Auditee's Response

- 6.1 *The County Clerk's office will file proof of the county financial statements to the State Auditor's Office.*
- 6.2 *A public hearing will be held by the County Commission to approve the SCSFB property tax rate.*

Stoddard County

Organization and Statistical Information

Stoddard County is a township-organized, third-class county. The county seat is Bloomfield.

Stoddard County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 66 full-time employees and 17 part-time employees on December 31, 2016. The townships maintain county roads.

In addition, county operations include the Senate Bill 40 Board and the 911 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2017	2016
Greg Mathis, Presiding Commissioner	\$	35,243
Danny K. Talkington, Associate Commissioner		33,882
Carol Jarrell, Associate Commissioner		33,882
Kay Asbell, Recorder of Deeds		49,426
Joe Watson, County Clerk		49,426
Russell Oliver, Prosecuting Attorney		139,105
Carl Hefner, Sheriff		54,757
Kenny Pope, County Coroner		18,501
Pamela Lape, Public Administrator		49,426
Carla Moore, County Collector-Treasurer, year ended March 31,	62,509	
Jody Lemmon, County Assessor, year ended August 31,		48,945
Joseph Pulliam, County Surveyor (1)		

(1) Compensation on a fee basis.



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Wellston

Report No. 2018-011
March 2018

auditor.mo.gov

City of Wellston

Follow-Up Report on Audit Findings

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*Includes selected findings



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the City Council
Wellston, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2017-039, *City of Wellston* (rated as Poor), issued in May 2017, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings that require immediate management attention and any other findings for which follow up is considered necessary at this time, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussions with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during January and February 2018.

Nicole R. Galloway, CPA
State Auditor

City of Wellston

Follow-Up Report on Audit Findings

Status of Findings

1. Accounting Controls and Procedures	Numerous weaknesses existed with the city's accounting controls and procedures. Some monies were handled and processed by employees at city hall, while other monies were deposited directly into the city's bank accounts by the payor.
1.1 Receipting and depositing procedures and recording of accounting entries	<p>The city's procedures for receipting payments and making deposits were poor, and there were no procedures to ensure all receipts were recorded in the computerized accounting system. As a result, there was no assurance all monies collected were properly receipted, recorded, and deposited.</p> <p>City personnel issued prenumbered manual receipt slips for all monies received, which were carbon copied to a manual cash receipts ledger. We compared receipts to deposits into the city's general account and road and bridge account and identified various problems.</p> <ul style="list-style-type: none">• Deposits were not always made timely and intact.• Receipt slips were not always issued in numerical sequence.• City personnel did not issue receipt slips for some transactions, and did not retain some deposit slips.• City personnel did not reconcile the amount or composition of recorded receipts to the computerized accounting system or deposits. <p>In September 2015, the city hired an independent accountant to handle the recording of all receipts and disbursements in the computerized accounting system, perform bank reconciliations, and assist the city with preparing the financial data and reports used to draft a budget proposal for the City Council.</p> <p>Based on the unavailability and disorganization of various city records, it was likely additional problems with the receipting, recording, and depositing of monies occurred.</p>
Recommendation	The City Council implement procedures requiring city personnel to make deposits intact and timely, properly account for the numerical sequence of receipt slips, issue receipt slips in numerical sequence, issue receipt slips for all monies received, and retain deposit slips. The Council should also ensure procedures are implemented to reconcile the amount and composition of receipts to the computerized accounting system and deposits.
Status	Implemented <p>City personnel said they now prepare deposits when checks and money orders received exceed \$1,000. After the city transferred all court operations to the City of St. Ann in February 2017, the city discontinued accepting cash or credit card payments. In September 2017, the Council approved hiring a part-</p>



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

time City Treasurer who makes the deposits, and the city's independent accountant (hired in September 2015) records the deposits in the computerized accounting system. The City Treasurer continues to receive on the job training for various accounting duties. The City Administrator and Assistant City Administrator receipt monies, issue receipt slips, and maintain the manual one-write accounting ledger. On a bi-weekly basis, the independent accountant matches the prenumbered manual receipt slips to the deposit slips and manual one-write accounting ledger, and accounts for the numerical sequence of all receipt slips. The independent accountant determines the proper classification for payments received, records the individual receipts and/or deposits in the accounting system, and compares the composition of checks and money orders per the receipt slips to the deposit records to ensure agreement. The independent accountant said she ensures all accounting records are organized and filed correctly to prevent them from being lost or misplaced.

We reviewed bank statements for the city's General bank account for June 2017 and December 2017 and noted deposits are being made timely. In addition, we reviewed 25 receipt slips and 5 deposits for the period January 16, 2018, through January 25, 2018, and noted all receipt slips were accounted for, deposits were made intact and timely, receipt slips were issued in numerical sequence and for all monies received, and deposit slips were retained.

1.2 Bank reconciliations

Bank reconciliations were not performed for any of the city's bank accounts during the year ended June 30, 2015. The city subsequently contracted with an independent accountant who was preparing these reconciliations monthly; however, the reconciliations were not presented to the Council, or formally reviewed or approved by the Council or other city personnel.

Recommendation

The City Council perform monthly documented reviews of bank reconciliations.

Status

In Progress

The independent accountant continues to prepare monthly bank reconciliations for all bank accounts. The Council receives a copy of the General bank account reconciliation, and approves it along with other items included in the monthly City Treasurer's report. The Council does not receive copies of the bank reconciliations for the other bank accounts. However, a majority of the Councilmembers said they do not wish to receive copies of those reconciliations, and are aware they may request to review them if considered necessary. The Mayor indicated the city plans to require the City Treasurer to begin performing an independent documented review of the monthly bank reconciliations once he has a complete understanding of the city operations and his duties.



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

1.3 Segregation of duties

The Council had not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city office personnel were performed.

Recommendation

The City Council segregate the accounting duties of the city office personnel. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.

Status

Implemented

As discussed in the Section 1.1 status comments, the city has implemented new controls and procedures to ensure accounting duties are adequately segregated and/or independent or supervisory reviews of detailed accounting and bank records are performed.

2. Monitoring Financial Condition

The financial condition of the General Fund had declined in recent years and was not expected to improve significantly in the immediate future. In addition, the city's financial records were not complete and accurate, making it difficult for the Council to effectively monitor the city's financial condition.

Cash flow

The city struggled to generate sufficient cash flow to sustain operations. Also, the city paid significant settlement amounts in recent years resulting from various lawsuits.

Municipal court

City personnel indicated revenues generated by the municipal court significantly declined after Senate Bill 5 took effect in August 28, 2015.

As a result of the city's poor financial condition, insufficient cash flow, and existing obligations to pay for goods and services, the city improperly expended some restricted court monies.

Cost reductions

The Council took several significant actions to improve the city's financial condition. The Council disbanded the city's police department and entered into a contract with the North County Police Cooperative to provide policing services. In addition, the Council dissolved the city's municipal division and entered into a contract with the City of St. Ann for court services.

Insufficient monitoring

The Council was not provided sufficient information to adequately monitor the city's financial condition. Members were provided a monthly financial report that summarized information from the bank statements including a summary of the beginning balance, receipts, disbursements, transfers, and ending balance for the month; but did not receive bank reconciliations or other reports that would provide more information regarding available fund balances, historical financial data, projections of current and future liabilities, and detail on the types of major receipts or disbursements.



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The City Council ensure it receives detailed financial data monthly, perform long-term planning, and closely monitor and take necessary steps to improve the city's financial condition.

Status

Partially Implemented

Councilmembers indicated monthly City Treasurer reports are still provided for all bank accounts but they are not receiving any additional financial information. City officials and the Council are aware of and continue to closely monitor the city's declining financial condition and the city's ongoing problems generating sufficient cash flows to sustain city operations. During October, November, and December 2017, the Council held several town hall meetings and budget committee workshops to discuss ideas for increasing operating revenues and/or decreasing operating expenses. For example, the Council has discussed attempting to sell about 75 vacant city-owned lots. Councilmembers indicated if these lots are privately developed, city revenues could increase and the city's operating expenses for maintaining them would decrease. The Council has not made a final decision on what to do with the lots.

Also, Councilmembers said the city's continued participation in the North County Police Cooperative and Consolidated Municipal Court (CMC) has reduced operating expenses. They said the city must continue to pay for the court's computerized case management system, even though the city no longer operates a municipal court, because CMC staff continue to work on resolving the backlog of old cases, and the contract with the system's vendor has not yet expired. Also, we noted the city is still incurring monthly fees of about \$140 for leasing 2 credit card machines even though these machines are no longer in use. Councilmembers indicated they would work on ending these leases.

Councilmembers said the city is still struggling with generating sufficient cash flows to sustain daily operations and often cannot pay bills timely. The city continues to incur unnecessary expenses and/or make unnecessary purchases as discussed in the status comments to MAR finding number 4.5.

Although Councilmembers said they plan to closely monitor the budget once one is established (see the status comments to MAR finding number 3.1), they have not developed a formal long-term plan for the city.

3. Budgets, Financial Reporting, and Ordinances

The city had not complied with various state laws including preparing an annual budget for each fund, publishing semiannual financial statements, and filing annual financial reports timely. In addition, improvement was needed in ordinances.

3.1 Budgets

The City Council did not prepare a budget for any city funds.



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

Recommendation	The City Council prepare annual budgets for all funds that contain all information as required by state law, and approve the budget prior to the beginning of the operating year.
Status	Not Implemented The Council has taken some actions to move forward with drafting a budget; however, those action are incomplete and untimely. The independent accountant has drafted a fiscal year 2018 operating budget that includes only the General and Payroll Funds, but not other funds. The Council plans to vote to approve that budget at its February 2018 meeting, more than 7 months after the beginning of the fiscal year (July 1, 2017). Councilmembers said this is occurring late in the fiscal year, but they feel this first step is necessary to get them moving in the right direction. They will begin discussing the fiscal year 2019 budget in April 2018 and plan to have the independent accountant draft a full budget to include all city funds. The Council provided us with the draft fiscal year 2018 budget and we noted the budget proposal as presented did not include all statutorily required elements. The independent accountant said she will incorporate the required elements in the fiscal year 2019 budget.
3.2 Published financial statements	The city did not prepare and publish financial statements as required by state law.
Recommendation	The City Council ensure publication of the city's semiannual financial statements as required by state law.
Status	Not Implemented The city has not published semiannual financial statements. The Council plans to request the independent accountant start working on this issue when time allows, after the budget work is completed.
3.3 Filing of financial reports	City personnel did not file timely or accurate annual financial reports with the State Auditor's Office as required by state law, and continued to make disbursements after the statutorily required deadline for submitting the financial report in violation of state law. In addition, the previous report filed did not include all required elements.
Recommendation	The City Council submit annual financial reports to the State Auditor's Office as required by state law, and discontinue processing any disbursements until the financial report is properly filed with the State Auditor's Office.
Status	Not Implemented The city has not filed the required financial reports for fiscal years 2016 and 2017 and continues to process disbursements. The Council plans to request



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

the independent accountant start working on this issue when time allows, after the budget work is completed.

Statutory revisions effective August 28, 2017 (subsequent to release of the audit report in May 2017) impose additional penalties for not filing timely financial reports. The city was notified by the state Department of Revenue in January 2018 that its 2017 financial statement had not been filed by the due date. If the city does not file its report as required by this notification it may be subject to a fine of \$500 per day.

3.4 Ordinances

City ordinances were not complete or organized. Ordinances were last codified in 1996, and an up-to-date official ordinance book had not been maintained. The city did not maintain an index of all ordinances passed and rescinded.

Recommendation

The City Council ensure city ordinances are maintained in a complete, well-organized, and up-to-date manner, and establish an index of all ordinances passed and rescinded.

Status

Not Implemented

The Council has no specific plans to implement the recommendation. One councilmember said he has done some informal research regarding this matter and noted many cities post detailed information on city ordinances on their websites. He plans to request the Council vote to implement a similar feature once the city's website, which is under development, is functional.

4.1 Disbursements - Bidding

City personnel did not always solicit competitive bids or proposals for goods and services, and the city's ordinance for procurement needed to be clarified to indicate when bidding was required. City personnel indicated they only solicit competitive bids for projects funded by a federal grant for various purposes such as demolition of abandoned structures and street paving.

Section 2-8 of the city code stated sealed bids shall be solicited for any purchases exceeding \$1,000. However, section 2-9 of the code exempted bidding requirements in certain circumstances. These exceptions were broad and vague, which could lead to varying interpretations.

Examples of significant purchases of goods or services for which bids or proposals were not solicited included workers compensation insurance (\$53,199), payroll processing services (\$4,732), information technology services (\$4,541), and fuel (\$36,478).

Recommendation

The City Council solicit bids and proposals for all applicable purchases and clarify city code to indicate when bidding or solicitation of proposals is required.



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

Status

Partially Implemented

City officials said they have recently solicited informal bids and/or obtained price quotes for purchases of various goods and services including pothole patching, lawn mowers, asphalt paving, and tree trimming. However, with the exception of the asphalt paving project (vendor selected using sealed bids) and pothole patching (vendors were required to submit written bids) personnel obtained informal bids and/or price quotes by contacting known local vendors but did not maintain any documentation to support the information obtained. For the majority of professional services examples cited in the audit report finding, the city did not change how these services are obtained. The officials said we received some wrong information during the audit because workers compensation insurance has always been bid annually through an insurance broker.

We noted the city issued a contract dated August 2, 2017, to a local vendor to perform pothole patching. This vendor was the low bidder; however, this vendor did not incorporate with the Missouri Secretary of State's Office until August 10, 2017, and the Council approved acceptance of the contract and payment on August 16, 2017. Given the documentation and circumstances, the city selected an individual who did not have a construction and maintenance business established on the date the contract was issued.

The Council has not revised city code provisions pertaining to bidding or solicitation of proposals, and has no specific plans to do so.

4.2 Disbursements -
Mayor's fuel usage

The Mayor's use of city purchased fuel did not appear reasonable and necessary, was not properly reported as a taxable benefit to the Internal Revenue Service (IRS) on W-2 forms, and had not been authorized by the Council. Also, the city had not prepared a written agreement or guidelines regarding allowable fuel usage. The Mayor was not provided a city-owned vehicle and used his personal vehicles for city business.

The Mayor fueled his personal vehicles at the St. Louis County gas pumps and charges were billed monthly to the city. The Mayor took office in November 2014 and was provided access to the pumps starting in February 2015. During the 11 months ended December 31, 2015, the Mayor pumped approximately 1,570 gallons of fuel billed to the city.

According to the Mayor, he used his card to fuel vehicles used for city business by a public works employee who left employment in June 2015, and a code enforcement officer who passed away in February 2016. He also indicated he fueled the vehicle used by the city's building inspector.

The city did not report the fuel as a taxable benefit on the Mayor's W-2 forms, and the Mayor did not prepare or submit a mileage log to record the personal and business use of fuel.



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The City Council implement a written agreement or guidelines governing the use of city purchased fuel. Also, the Council should consider using vehicle allowances or mileage reimbursement to better ensure the city is only reimbursing reasonable and necessary expenses incurred by officials while traveling on city business. In addition, the Council should ensure the city complies with IRS regulations for reporting taxable employee fringe benefits, and amend prior W-2 forms.

Status

Partially Implemented

The Mayor has recently been assigned a city-owned vehicle to use for city business, is allowed to use the vehicle for commuting to/from home, and was instructed to only use the fuel key for that vehicle. Also, in December 2017, the city worked with the fuel vendor to assign separate fuel keys for each of the 5 city vehicles plus one master key for fueling equipment, and each employee was provided training on how to use the system.

The Council approved a new fleet ordinance in September 2017 covering various vehicle standards and/or requirements including identification, assignment and take-home rights, and fuel. The ordinance also addressed purchasing of vehicles. The Council is currently discussing a draft fleet policy that expands on the ordinance's requirements, and plans to vote on its approval in the near future. The draft policy is comprehensive, has clearly stated objectives, and addresses various areas such as requirements and responsibilities for vehicle operators, including proper usage of municipal vehicles, maintenance, and various other topics.

Regarding the Mayor's prior or current vehicle arrangement with the city, the Council has not taken any action to ensure the city complies with IRS regulations for reporting taxable employee fringe benefits. The city did not amend prior W-2 forms.

**4.3 Disbursements -
Council approval**

The Council did not approve all disbursements. City personnel only submitted a listing of payments considered non-recurring to the Council for approval and, as a result, the Council only approved a small percentage of total disbursements. City officials considered utilities, insurance, payroll, employee benefits and deductions, fuel, interfund transfers, and municipal court activities to be recurring types of expenditures. At least some of these types of disbursements were subject to significant fluctuation each month, were of higher risk, and/or were subject to abuse.

Recommendation

The City Council review and approve all disbursements and ensure approval of disbursements is documented.

Status

Not Implemented



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

The Council approved a motion on September 6, 2017, requiring all payments from any city bank account to be formally approved by the Council prior to payment. However, we reviewed disbursements for the period September 6, 2017 to December 31, 2017, and noted the Council is not complying with this policy. We noted instances where bills, both recurring and non-recurring, were paid without documented Council approval.

4.5 Disbursements -
Unnecessary
disbursements

We identified several wasteful or unnecessary disbursements.

- The city incurred \$940 in finance charges on funding obtained from a finance company so that it could pay the annual workers compensation insurance policy premium.
- The city incurred about \$2,400 in bank service charges on the 3 bank accounts that had the most financial activity during the year ended June 30, 2015. Similar charges were also incurred on other city accounts.
- The city paid conference registration fees and booked lodging arrangements for the Mayor and 4 councilmembers to attend a conference for local government officials; however, 3 councilmembers did not attend. The city received only a partial refund, forfeiting about \$680.
- The city paid a utility bill several weeks after the due date, incurring late fees of \$72.

Recommendation

The City Council ensure purchases are reasonable and prudent uses of public funds.

Status

Not Implemented

The independent accountant said the city is still incurring additional charges on the workers compensation policy because premiums are paid in monthly installments, but the city is no longer incurring loan financing costs. Due to continued cash flow issues, the city is still incurring significant late fees and the financial situation has continued to worsen. We reviewed several recent invoices and identified additional examples of wasteful or unnecessary disbursements.

- In May 2017 the city purchased, through a financing agreement, 5 new commercial mowers and other mowing equipment at a cost of nearly \$39,000. The majority of councilmembers agreed this was a tough but necessary decision because various citizens were demanding better maintenance and upkeep of about 75 vacant city-owned lots, and city parks. The equipment is primarily used to mow these lots and parks that cover minimal acreage. Also, the second monthly invoice for this purchase included a \$27 late fee because of late payment for the first invoice.



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

- The January 2018 invoice from the City of Vinita Park for policing services showed the city had a balance due of almost \$161,000 that included the recurring contractual monthly charge for November 2017, December 2017, and January 2018, plus a 5 percent late fee on the past due balances.
- A utility company invoice dated September 7, 2017, indicated the vendor requested the city post a deposit of \$10,090 to continue receiving street lighting services. The city's balance had accumulated over 2 months and exceeded \$10,400. The city did not immediately comply as requested by the vendor, but subsequently submitted a payment for \$10,193 on October 11, 2017, for the past due balance and late fees.
- The city continues to incur significant bank service charges. As of January 2018, the city had 11 bank accounts open at 2 different banks. The banks assessed service and/or analysis charges totaling about \$574 for December 2017. Two accounts had negative cash balances.

We also noted that the Mayor issued checks to cash and obtained 4 cashier's checks from the Road and Bridge Account for \$2,100 during the months of June, July, and August 2017, and the Council did not approve these transactions. The Mayor provided invoices for the services paid, which included emergency street repair, tree removal, and debris removal. The Mayor said he wrote the checks in this way because no official checks were on hand for the account and he had to use counter checks provided by the bank. The Councilmembers indicated they subsequently instructed the Mayor not to issue checks without their approval in the future. We noted 3 of the 4 checks only had 1 signature, which violates city policy.

5. Sunshine Law

The Council generally met twice per month and did not always comply with the Sunshine Law.

In May 2016, the city received a letter from the Missouri Attorney General's Office (AGO) outlining the results of that office's investigation and review of the city's compliance with certain aspects of the Sunshine Law. The letter noted various compliance concerns and requested city officials take corrective actions. We identified similar concerns.

5.1 Record requests

The city did not timely respond to public record requests, and the City Administrator (the city's custodian of records) did not maintain a log of public record requests and did not always document the date a request was received. The city was sued twice for failure to respond to requests. The city did not implement any changes in procedures to prevent future violations of the Sunshine Law.

Recommendation

The City Council ensure requests for information are responded to timely and maintain a public request log to help ensure compliance with state law.



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

Status

Partially Implemented

The City Administrator indicated she had developed an electronic log to track Sunshine Law requests, but she could not provide it to us. Instead, she provided numerous email messages the city had received in recent months but only a few were Sunshine Law requests. For those requests, documentation showed the city responded within 3 business days as required.

5.2 Closed sessions

The city did not comply with state law regarding closed sessions.

Reasons for closing meetings

Open meeting minutes did not document the specific reasons or section of law allowing the meetings to be closed. Most meeting notices and agendas included a statement that a closed session would be held, in the event the Council wanted to enter closed session, and the statement generally included the same list of potential discussion matters.

Allowable topics

Some topics discussed and voted on in closed Council meetings were not allowable under the Sunshine Law.

Recommendation

The City Council ensure specific reasons for closing a meeting are documented in the open minutes, and ensure only topics allowed by state law are discussed in closed Council meetings.

Status

Partially Implemented

We reviewed all closed session minutes provided for the period July 2017 through December 2017. The city attorney said the Council and city officials are doing better staying on point in the closed meetings and only discussing the topics cited as reasons for entering closed session. We did not identify any instances of unallowable topics being discussed.

Open meeting minutes still do not document the specific reasons or section of law allowing the meetings to be closed. City officials continue to prepare meeting notices and agendas in the same manner noted during the audit, and indicated no plans for changing this process.

5.3 Meeting minutes

Minutes for several Council meetings could not be located, and sufficient documentation was not retained when Council meetings were canceled. In addition, for the minutes provided, the City Administrator had not signed them as the preparer, and some minutes had not been subsequently approved by the Council or approved timely.

Recommendation

The City Council maintain complete and accurate minutes for all meetings and ensure meeting minutes are signed by the preparer. Also, ensure meeting minutes are timely reviewed and approved.



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

Status

Not Implemented

We reviewed all open and closed session minutes provided to us for the period July 2017 through December 2017. The city could not locate closed minutes for 3 closed meetings held during that time. The City Administrator had not signed any of the minutes as the preparer. Also, closed minutes from February and March 2017 were not approved timely, and minutes of 2 closed sessions held in April 2017 had not been approved.

5.4 Agendas

The city did not include sufficient details in meeting notices and agendas to advise the public of all matters to be considered. Notices and agendas included vague statements such as new business, unfinished business, and old business. In addition, the meeting notices and agendas were not provided for some meetings.

Recommendation

The City Council ensure proper notification and agendas for public meetings are given and sufficiently detailed.

Status

Partially Implemented

Councilmembers are now required to submit their agenda items to the Mayor several days prior to the scheduled meeting so these issues can be added to the official agenda before it is printed. The notices and agendas we reviewed included significantly more detail on the topics to be discussed. The city could not locate or provide the agendas from 2 meetings held in September and October 2017.

6.1 Salaries and Employee
Leave - City
Administrator leave
payouts

The City Administrator received two payouts of accrued vacation leave, one of which was not adequately supported by the city's leave records. These payouts violated the city's personnel policy and were not approved by the Council. In addition, while the Council was notified of concerns regarding the first leave payout, sufficient actions were not taken to further investigate the matter. Personnel policies do not specify who should authorize payment of accrued leave and the Council does not pre-approve payroll transactions, increasing the risk that improper payments may occur and not be detected.

In April 2014, the City Administrator was paid for 290 hours of vacation, costing the city about \$5,000 but the payout was not supported by the city's leave records. The City Administrator indicated the payout was valid because employee turnover in the bookkeeping department prior to 2014 resulted in record-keeping errors that understated her vacation leave balance by 200 hours; however, she provided no additional records or other documentation to support this claim. In addition, the City Administrator was paid for 64 hours of vacation in December 2015, costing the city about \$1,100, without Council approval.



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

Recommendation

The City Council review and revise personnel policies to ensure provisions regarding vacation leave and payouts are clearly defined. Additionally, the Council should determine if recovery of overpayments is warranted, pre-approve any future vacation payouts before they occur, and develop procedures to monitor employee leave records.

Status

Partially Implemented

Councilmembers said they held discussions after the release of the audit and decided not to pursue recovery of monies from the City Administrator due to the poor leave balance records. A majority of the Councilmembers at our meeting agreed that no payouts of leave would be made in the future unless authorized by the Council. The Council has not made a formal decision on changes to personnel policies or prepared a draft of proposed changes, but Councilmembers said revisions to the personnel manual will be a priority in the near future. The Council has taken no action to develop procedures to monitor employee leave records for accuracy and completeness.

**6.2 Salaries and Employee
Leave - Mayor pro-tem
salary**

The city violated state law and overpaid an elected official who served a dual role.

The former mayor was removed from office by a judge's order in May 2014, and the position remained vacant until a new mayor was elected and took office in November 2014. During the time of the vacancy, a court-appointed receiver provided independent oversight over the city's financial transactions. The City Council elected a new Mayor Pro-Tem in September 2014 who served as Acting Mayor until November 2014 and continued to serve in the role of Mayor Pro-Tem. The city overpaid the Acting Mayor a pro-rated salary of about \$1,625 over a three-month period. During this time, she improperly received both the monthly salary as a councilmember of \$625 plus the monthly salary as mayor of \$1,667.

Recommendation

The City Council review and determine if recovery of the overpayment is warranted, and ensure any similar future payments, if needed, comply with state law.

Status

Implemented

The Council held further discussions and consulted with the city attorney after the release of the audit. Based on those discussions and the city attorney's verbal opinion, a decision was made not to pursue recovery of monies from the Mayor Pro-Tem.

7. Restricted Monies

The city was not properly tracking and recording certain restricted monies. State motor vehicle-related and half-cent Capital Improvements Sales Tax monies were comingled with general purpose monies rather than being accounted for in separate funds. City personnel deposited these monies into



City of Wellston
Follow-up Report on Audit Findings
Status of Findings

the General Fund, and while they tracked receipts by restricted source, they did not track the subsequent disbursements and balances. As a result, the city could not determine what portion of the General Fund represents restricted monies. Also, the city could not demonstrate disbursement of the funds occurred in accordance with state law, applicable ballot language, and/or city ordinance.

Recommendation

The City Council determine the amount of restricted monies in the General Fund and establish separate funds or a separate accounting of these monies.

Status

In Progress

No actions had been taken prior to our follow-up review to implement this recommendation. In January 2018, the Council instructed the independent accountant to establish separate bank accounts for the restricted monies to allow for more transparent tracking of the associated receipts and disbursements. This change is expected to be implemented within 60 days.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
January 2018**

Monthly Report on Political Subdivision Filings

January 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 33 political subdivisions required to file a financial report by January 31, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in January 2018, after their filing deadline. The filing status for these 37 entities is presented in summary on page 3 and by individual entity in Appendix B-C.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

January 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 33 political subdivisions, other than cities, towns, and villages, with a fiscal year end of July 31, 2017. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 33 political subdivisions, 23 filed an annual financial report by January 31, 2018.

This report also includes the filing status for 37 political subdivisions, other than cities, towns, and villages, that filed their financial report in January 2018, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due January 31, 2018

Fiscal Year Ended July 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Benton	Ionia SRD Benton County	Yes	December 13, 2017
Carroll	Riverside Levee District	No	
	Root Levee District	No	
	Sugartree Bottom Levee District	No	
Lafayette	Alma FPD	Yes	August 25, 2017
	Alma SRD Lafayette County	Yes	October 20, 2017
	Concordia SRD Lafayette County	Yes	October 20, 2017
	Corder SRD Lafayette County	Yes	October 20, 2017
	Dover SRD Lafayette County	Yes	October 20, 2017
	Higginsville SRD Lafayette County	Yes	October 20, 2017
	Lexington SRD Lafayette County	Yes	October 20, 2017
	Mayview SRD Lafayette County	Yes	October 20, 2017
	Odessa SRD Lafayette County	Yes	October 20, 2017
	Waverly SRD Lafayette County	Yes	October 20, 2017
	Wellington Napoleon SRD Lafayette	Yes	October 20, 2017
Lewis	La Grange SRD Lewis County	Yes	January 26, 2018
Macon	Hudson SRD Macon County	Yes	September 7, 2017
	La Plata SRD Macon County	Yes	August 25, 2017
Monroe	Madison SRD Monroe County	No	
	Monroe City SRD Monroe County	No	
Newton	Stella SRD Newton County	Yes	January 31, 2018
Osage	Chamois SRD Osage County	Yes	January 20, 2018
	Linn City SRD Osage County	No	
	Westphalia SRD Osage County	Yes	September 5, 2017
Platte	PWSD 9 Platte County	No	
Randolph	Moberly SRD Randolph County	Yes	August 7, 2017
Ray	Camden SRD Ray County	Yes	September 14, 2017
	Henrietta SRD Ray County	No	
	Orrick SRD Ray County	Yes	September 25, 2017
	Richmond SRD Ray County	No	
Scott	Illmo SRD Scott County	No	
	Sikeston SRD Scott County	Yes	September 13, 2017
St. Francois	Flat River SRD 2 St. Francois	Yes	January 17, 2018
Total Filed		23	
Total Not Filed		10	

Acronyms:

FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due October 31, 2017
 Filed in January 2018

Fiscal Year Ended April 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
New Madrid	Drainage District 38 New Madrid County	Yes	January 18, 2018
Total Filed		1	

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in January 2018

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Benton	Good Samaritan NHD	Yes	January 19, 2018
Buchanan	Rolling Hills Consolidated Library	Yes	January 19, 2018
Caldwell	Hamilton Public Library	Yes	January 23, 2018
Camden	Camden County Ambulance District	Yes	January 30, 2018
Cape Girardeau	Town Plaza Crossing CID	Yes	January 2, 2018
Carroll	Sugartree Drainage District	Yes	January 20, 2018
Clark	Clark County NHD	Yes	January 22, 2018
	Northeast Missouri Library Service	Yes	January 22, 2018
Clay	Eastern Clay Ambulance District	Yes	January 24, 2018
	PWSD 2 Clay County	Yes	January 20, 2018
	Williams Creek Watershed Subdistrict	Yes	January 30, 2018
Dade	Dade County NHD	Yes	January 22, 2018
Dent	Salem Memorial Hospital District	Yes	January 30, 2018
	Salem Public Library	Yes	January 23, 2018
Greene	Airport Plaza CID	Yes	January 26, 2018
	Downtown Springfield CID	Yes	January 19, 2018
Henry	PWSD 4 Henry County	Yes	January 19, 2018
Holt	Forest City Levee District	Yes	January 25, 2018
Jackson	PWSD 17 Jackson County	Yes	January 25, 2018
Lafayette	Concordia FPD	Yes	January 22, 2018
Marion	Hannibal Free Public Library	Yes	January 4, 2018
Mississippi	Mississippi County Levee District 3	Yes	January 25, 2018
Platte	Riverside-Quindaro Bend Levee	Yes	January 19, 2018
Ray	Willow Creek Watershed Subdistrict	Yes	January 29, 2018
Scotland	Middle Fabius River Subdistrict	Yes	January 22, 2018
Shelby	Clarence NHD	Yes	January 26, 2018
St. Clair	Appleton City Public Library	Yes	January 2, 2018
St. Louis	Bridgeton Subdistrict Levee	Yes	January 19, 2018
	Delmar/Delcrest CID	Yes	January 22, 2018
	Earth City Levee District	Yes	January 30, 2018
	Kirkwood Public Library	Yes	January 23, 2018
	Olive Boulevard TDD	Yes	January 1, 2018
	Webster Groves Public Library	Yes	January 19, 2018
St. Louis City	Railway Exchange Building CID	Yes	January 10, 2018
	Railway Exchange Building TDD	Yes	January 10, 2018
Stoddard	PWSD 1 Stoddard County	Yes	January 22, 2018
Total Filed		36	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
TDD	Transportation Development District



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
January 2018**

Monthly Report on Municipal Court and Revenue Filings

January 2018

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the cities, towns, and villages required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180. No cities, towns, or villages had a fiscal year end of July 31, 2017; therefore, no financial reports, addendums, or certifications were due by January 31, 2018.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

This report includes the updated filing status for cities, towns, and villages that filed at least one of the items (financial report, addendum, or certification) in January 2018, after their filing deadline. The filing status for these 71 cities, 1 town, and 12 villages is presented in summary on page 4 and by individual entity in Appendixes A to D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

January 2018

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum. On March 28, 2016, the Circuit Court of Cole County issued a judgment enjoining the SAO from enforcing the provisions of Section 479.359.3, RSMo. On May 15, 2017, the Missouri Supreme Court issued a decision reversing the trial court judgment.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

No cities, towns, or villages had a fiscal year end of July 31, 2017; therefore, no financial reports, addendums, or certifications were due by January 31, 2018.



Monthly Report on Municipal Court and Revenue Filings
January 2018
Executive Summary

This report includes the filing status for 71 cities, 1 town, and 12 villages that filed at least one of the items (financial report, addendum, or certification) in January 2018, after their filing deadline. Of these entities, 70 filed an annual financial report, 12 filed an addendum, and 14 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2017
Filed in January 2018

Fiscal Year Ended September 30, 2016

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum*	Filed Certification
St. Louis	City of Cool Valley	Yes	January 8, 2018	-	**
Total Filed		1		0	0

* On March 28, 2016, the Circuit Court of Cole County issued a judgment that enjoined the SAO from enforcing the addendum provision. The SAO took no action to enforce the addendum provision pending the outcome of the appeal.

** Filed by March 31, 2017.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2017
Filed in January 2018

Fiscal Year Ended December 31, 2016

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
New Madrid	City of New Madrid	***	September 12, 2017	No	Yes
St. Charles	Village of Josephville	Yes	January 24, 2018	n/a	n/a
St. Louis	Village of Mackenzie	**	April 24, 2017	No	Yes
Total Filed		1		0	2

** Filed by June 30, 2017.

*** Filed after June 30, 2017, but before January 2018.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2017
Filed in January 2018

Fiscal Year Ended March 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Boone	City of Centralia	**	September 19, 2017	Yes	n/a
Total Filed		0		1	0

** Filed by September 30, 2017.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in January 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Bates	City of Adrian	Yes	January 30, 2018	**	**
Bollinger	City of Marble Hill	Yes	January 30, 2018	n/a	n/a
Boone	City of Rocheport	Yes	January 25, 2018	n/a	n/a
	Town of Huntsdale	Yes	January 20, 2018	n/a	n/a
Buchanan	City of St. Joseph	Yes	January 19, 2018	**	No
Butler	City of Fisk	Yes	January 23, 2018	n/a	n/a
Caldwell	City of Hamilton	Yes	January 4, 2018	Yes	n/a
Camden	City of Linn Creek	Yes	January 5, 2018	Yes	No
Carter	City of Ellsinore	Yes	January 26, 2018	n/a	n/a
Cass	City of Archie	Yes	January 22, 2018	n/a	n/a
	City of Garden City	Yes	January 24, 2018	No	No
	Village of Loch Lloyd	Yes	January 6, 2018	n/a	n/a
Chariton	City of Salisbury	Yes	January 30, 2018	**	n/a
Clark	City of Wayland	Yes	January 22, 2018	n/a	n/a
Clay	Village of Birmingham	Yes	January 19, 2018	n/a	n/a
Clinton	City of Gower	Yes	January 19, 2018	No	No
	City of Lathrop	Yes	January 5, 2018	**	**
	City of Plattsburg	No		Yes	Yes
Cole	City of Taos	Yes	January 29, 2018	n/a	n/a
Crawford	City of Cuba	**	December 29, 2017	Yes	Yes
Dallas	City of Urbana	**	December 27, 2017	Yes	No
Daviess	Village of Altamont	Yes	January 29, 2018	n/a	n/a
De Kalb	City of Maysville	Yes	January 22, 2018	n/a	n/a
	Village of Weatherby	Yes	January 8, 2018	n/a	n/a
Dent	City of Salem	Yes	January 1, 2018	n/a	n/a
Dunklin	City of Campbell	Yes	January 20, 2018	No	No
	City of Clarkton	Yes	January 22, 2018	No	No
	City of Kennett	Yes	January 23, 2018	No	Yes
Gasconade	City of Rosebud	Yes	January 22, 2018	No	No
Gentry	City of Albany	Yes	January 22, 2018	n/a	n/a
Greene	City of Ash Grove	**	October 17, 2017	Yes	Yes
Holt	City of Craig	Yes	January 22, 2018	n/a	n/a
Howard	City of New Franklin	Yes	January 16, 2018	n/a	n/a
Howell	City of Mountain View	Yes	January 17, 2018	No	No
Iron	City of Viburnum	Yes	January 24, 2018	No	No
Jackson	City of Lake Tapawingo	Yes	January 19, 2018	No	No
Jasper	City of Waco	Yes	January 26, 2018	n/a	n/a
Lewis	City of Ewing	Yes	January 23, 2018	n/a	n/a
Macon	City of La Plata	Yes	January 19, 2018	n/a	n/a
Montgomery	City of Middletown	Yes	January 24, 2018	n/a	n/a
	City of Montgomery	**	December 1, 2017	No	Yes
Morgan	City of Stover	Yes	January 19, 2018	No	n/a
Newton	City of Granby	No		No	Yes
	Village of Stella	Yes	January 23, 2018	n/a	n/a
Nodaway	City of Burlington Junction	Yes	January 5, 2018	n/a	n/a
Nodaway	City of Elmo	Yes	January 20, 2018	n/a	n/a
	City of Skidmore	Yes	January 23, 2018	n/a	n/a

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017
Filed in January 2018

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Oregon	City of Thayer	Yes	January 12, 2018	No	No
Osage	City of Meta	Yes	January 9, 2018	n/a	n/a
Ozark	Village of Bakersfield	Yes	January 28, 2018	n/a	n/a
Pemiscot	City of Steele	Yes	January 17, 2018	**	**
Perry	City of Altenburg	Yes	January 23, 2018	n/a	n/a
Pettis	City of Smithton	Yes	January 17, 2018	n/a	n/a
Pike	City of Frankford	**	December 15, 2017	Yes	Yes
Platte	City of Northmoor	Yes	January 24, 2018	Yes	Yes
	City of Riverside	**	December 13, 2017	Yes	Yes
Polk	City of Morrisville	Yes	January 20, 2018	n/a	n/a
Pulaski	City of Crocker	Yes	January 19, 2018	No	**
	City of Richland	Yes	January 22, 2018	**	**
Putnam	Village of Livonia	Yes	January 30, 2018	n/a	n/a
Ralls	City of New London	Yes	January 30, 2018	n/a	n/a
Ray	Village of Elmira	Yes	January 29, 2018	n/a	n/a
Reynolds	City of Ellington	Yes	January 29, 2018	n/a	n/a
Ripley	City of Doniphan	Yes	January 3, 2018	n/a	n/a
Saline	City of Nelson	Yes	January 22, 2018	n/a	n/a
Scott	City of Benton	Yes	January 24, 2018	n/a	n/a
	City of Scott City	No		No	Yes
	City of Sikeston	Yes	January 23, 2018	**	**
	Village of Blodgett	Yes	January 16, 2018	n/a	n/a
	Village of Lambert	Yes	January 23, 2018	n/a	n/a
Shelby	City of Shelbyna	No		Yes	n/a
St. Clair	City of Lowry City	Yes	January 29, 2018	n/a	n/a
St. Francois	City of Bismarck	Yes	January 23, 2018	No	No
St. Louis	City of Country Club Hills	Yes	January 18, 2018	n/a	n/a
	City of Velda City	No		No	Yes
	City of Winchester	Yes	January 22, 2018	**	**
Stone	City of Crane	Yes	January 23, 2018	Yes	Yes
Texas	City of Summersville	Yes	January 19, 2018	**	No
Webster	City of Seymour	Yes	January 22, 2018	**	n/a
Total Filed		68		11	12

** Filed by December 31, 2017.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Compilation of 2017 Criminal
Activity Forfeiture Act Seizures**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Compilation of 2017 Criminal Activity Forfeiture Act Seizures

Background	State law requires prosecuting attorneys and the Attorney General to report seizures made under the Criminal Activity Forfeiture Act (CAFA) to the State Auditor and the Director of the Department of Public Safety.
CAFA Seizure Reports Submitted	The State Auditor's Office received 116 CAFA seizure reports from prosecuting attorneys and the Attorney General for property seized during the 2017 calendar year. State law states intentional or knowing failure to comply with reporting requirements shall constitute a class A misdemeanor.
Disposition of the Seizures Reported	The overall dollar value for property seized in 2017 was \$7,053,456. Of that total, \$679,549 was returned, \$3,256,377 was transferred to a federal agency, and \$180,363 was transferred to the state. The disposition for \$2,542,029 was pending at the time of reporting, and no disposition was reported for \$322,784. Dispositions reported by each prosecuting attorney and the Attorney General are included in an appendix attached to the report.
Reporting of Seizures Information	State law states prosecuting attorneys and the Attorney General are to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions.

Because of the nature of this compilation, no rating is provided.

Compilation of 2017 Criminal Activity Forfeiture Act Seizures

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

As required by Section 513.607, RSMo, we have compiled the 2017 Criminal Activity Forfeiture Act (CAFA) seizure reports submitted to the State Auditor by prosecuting attorneys and the Attorney General. The compilation is limited to information that is submitted to the State Auditor's Office. We have not audited the reports submitted and, accordingly, do not express an opinion or any other form of assurance on them. The primary objectives of this compilation were to:

1. Compile the 2017 CAFA seizure information reported.
2. Identify officials who submitted 2017 CAFA seizure reports to the State Auditor.

Section 513.607, RSMo, requires prosecuting attorneys and the Attorney General to report CAFA seizures for the previous calendar year by January 31, to both the Director of the Department of Public Safety and the State Auditor. Of the 116 potential reporting officials, we received all 116 CAFA seizure reports.

Compliance with Section 513.653, RSMo, which requires law enforcement agencies involved in using the federal forfeiture system to submit reports regarding federal seizures and the proceeds therefrom to both the Department of Public Safety and the State Auditor's Office, will be separately reported.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Senior Analyst:	Jill Wilson, MBA

Compilation of 2017 Criminal Activity Forfeiture Act Seizures

Executive Summary

CAFA Seizure Reports Submitted

The State Auditor received 116 of the total possible 116 CAFA seizure reports from prosecuting attorneys and the Attorney General for property seized during calendar year 2017.

Section 513.607.10, RSMo, states intentional or knowing failure to comply with any reporting requirement shall be a class A misdemeanor punishable by a fine of up to \$1,000.

Disposition of the Seizures Reported

We compiled the disposition of seizures as reported by prosecuting attorneys and the Attorney General for property seized during calendar year 2017. The following table lists the overall dollar value of the dispositions by category as reported to the State Auditor for 2017, 2016, and 2015.

Reported Disposition	2017		2016		2015	
Pending	\$ 2,542,029	36.0 %	\$ 2,588,046	41.4 %	\$ 2,005,199	33.4 %
Returned	679,549	9.6	482,142	7.7	416,612	6.9
Transferred to Federal Agency	3,256,377	46.2	2,745,658	43.9	3,167,512	52.8
Transferred to State	180,363	2.6	97,067	1.6	62,733	1.0
Other	72,354	1.0	15,680	0.2	0	0.0
Disposition Not Reported	322,784	4.6	324,733	5.2	350,978	5.9
Total	\$ 7,053,456	100.0 %	\$ 6,253,326	100.0 %	\$ 6,003,034	100.0 %

See Appendix I for the 2017 CAFA seizures disposition as reported by each prosecuting attorney and the Attorney General.

Reporting of Seizures Information

Section 513.607.8, RSMo, states prosecuting attorneys and the Attorney General are to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions. See Appendix II for the number of 2017 CAFA seizures that reported this information.

Appendix I
2017 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Seizures Reported	Status Reported as of December 31, 2017					Not Reported
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	
Adair	\$ 0						
Andrew	5,000		1,000		4,000		
Atchison	0						
Attorney General	0						
Audrain	950	950					
Barry	11,397	11,397					
Barton	0						
Bates	10,516	10,516					
Benton	0						
Bollinger	4,944			4,944			
Boone	52,996	51,037			1,959		
Buchanan	33,061	2,358	5,767		15,853	9,078	5
Butler	0						
Caldwell	0						
Callaway	31,016	23,429	6,517			1,070	
Camden	88,583	88,583					
Cape Girardeau	16,717	8,369		8,348			
Carroll	0						
Carter	0						
Cass	28,040	28,040					
Cedar	770	770					
Chariton	0						
Christian	29,283	15,316			13,741	226	
Clark	0						
Clay	62,293	56,369	1,618		4,306		
Clinton	1,760	1,760					
Cole	39,961	37,659	902		1,400		
Cooper	12,305	6,305			6,000		
Crawford	17,225	17,225					
Dade	236,000	236,000					
Dallas	0						
Daviess	0						
DeKalb	0						
Dent	0						
Douglas	18,390	18,390					
Dunklin	3,962	3,962					
Franklin	122,537	114,545	2,343			5,649	
Gasconade	0						
Gentry	0						
Greene	425,514	393,257		32,257			
Grundy	952	952					
Harrison	768	768					
Henry	8,623	2,860		1,525		4,238	
Hickory	0						
Holt	0						

Appendix I
2017 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Seizures Reported	Status Reported as of December 31, 2017					Not Reported
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	
Howard	0						
Howell	620	620					
Iron	0						
Jackson	487,640	407,668	67,998		11,974		
Jasper	140,262	83,840	2,600	53,822			
Jefferson	168,057	166,605	1,452				
Johnson	36,408	36,408					
Knox	0						
Laclede	12,914	12,330				584	
Lafayette	23,150	23,150					
Lawrence	0						
Lewis	0						
Lincoln	1,980				1,980		
Linn	4,767		4,500			267	
Livingston	0						
Macon	152,286	152,286					
Madison	0						
Maries	1,853	1,853					
Marion	9,840	9,840					
McDonald	6,952	6,952					
Mercer	0						
Miller	0						
Mississippi	54,282	1,652	2,611	50,019			
Moniteau	914	914					
Monroe	0						
Montgomery	11,242	11,242					
Morgan	0						
New Madrid	15,295	5,267	4,941		5,087		
Newton	110,463	108,006				2,457	
Nodaway	0						
Oregon	15,332	15,332					
Osage	3,027	3,027					
Ozark	0						
Pemiscot	0						
Perry	0						
Pettis	1,237	357	880				
Phelps	1,149,634	26,389		1,123,245			
Pike	15,109	8,956			6,153		
Platte	38,729	35,473	321		2,935		
Polk	23,085	8,285		14,800			
Pulaski	5,918		5,918				
Putnam	0						
Ralls	0						
Randolph	2,444	2,444					
Ray	17,894	17,894					

Appendix I
2017 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Seizures Reported	Status Reported as of December 31, 2017					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	Not Reported
Reynolds	3,386	3,386					
Ripley	0						
Saline	27,260	27,260					
Schuyler	0						
Scotland	0						
Scott	25,673	9,610		11,058			5,005
Shannon	58,000	58,000					
Shelby	0						
St. Charles	1,882,607	21,301	17,390	1,843,916			
St. Clair	5,249	4,623				626	
St. Francois	42,902	23,830		19,072			
St. Louis City	290,487	33,486	7,430		54,763		194,808
St. Louis County	785,513		537,617	76,771		48,159	122,966
Ste. Genevieve	0						
Stoddard	0						
Stone	11,308	10,340	968				
Sullivan	0						
Taney	21,873	21,873					
Texas	1,224	1,224					
Vernon	3,287		3,287				
Warren	85,503	35,291			50,212		
Washington	9,997	9,997					
Wayne	0						
Webster	1,551	1,551					
Worth	2,650	2,650					
Wright	20,089		3,489	16,600			
\$	<u>7,053,456</u>	<u>2,542,029</u>	<u>679,549</u>	<u>3,256,377</u>	<u>180,363</u>	<u>72,354</u>	<u>322,784</u>

This appendix compiles only the data and dispositions pertaining to 2017 CAFA seizures reported to the State Auditor by prosecuting attorneys and the Attorney General. We did not verify this data. Information regarding seizures in previous years is not reflected in this compilation.

Appendix II
2017 CAFA Seizures Information Reported

Reporting Entity	Number of Seizures Reported	Estimated Value of Seizures Reported	Reporting of Seizures Information								
			Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Property Seized From	Criminal Charges Filed	Disposition	
										Seizure	Criminal Actions
Adair	0	\$ 0									
Andrew	1	5,000	1	1	1	1	1	1	1	1	1
Atchison	0	0									
Attorney General	0	0									
Audrain	1	950	1	1	1	1	1	1	1	1	1
Barry	3	11,397	3	0	3	3	3	3	3	3	3
Barton	0	0									
Bates	4	10,516	4	4	4	4	4	4	3	4	3
Benton	0	0									
Bollinger	1	4,944	1	1	1	1	0	1	1	1	1
Boone	8	52,996	8	0	8	8	8	8	8	8	8
Buchanan	9	33,061	9	9	9	9	9	9	9	9	9
Butler	0	0									
Caldwell	0	0									
Callaway	12	31,016	12	11	12	12	12	12	8	12	8
Camden	4	88,583	4	4	4	4	4	4	4	4	0
Cape Girardeau	3	16,717	3	3	3	3	3	3	2	3	2
Carroll	0	0									
Carter	0	0									
Cass	8	28,040	8	8	8	8	8	8	3	8	3
Cedar	1	770	1	0	1	1	0	1	1	1	1
Chariton	0	0									
Christian	6	29,283	6	6	6	6	6	6	4	6	4
Clark	0	0									
Clay	15	62,293	15	11	15	15	15	15	8	15	8
Clinton	1	1,760	1	1	1	1	1	1	0	1	0
Cole	18	39,961	18	18	18	18	18	18	18	18	18
Cooper	6	12,305	6	6	6	6	6	6	6	6	6
Crawford	3	17,225	3	0	3	3	3	3	3	3	3
Dade	1	236,000	1	1	1	1	1	1	1	1	1
Dallas	0	0									
Daviess	0	0									
DeKalb	0	0									
Dent	0	0									
Douglas	3	18,390	3	3	3	3	3	3	2	3	2
Dunklin	1	3,962	1	1	1	1	1	1	1	1	1
Franklin	23	122,537	23	18	23	23	23	23	13	23	13
Gasconade	0	0									
Gentry	0	0									
Greene	45	425,514	45	45	45	45	45	45	6	45	6
Grundy	2	952	2	2	2	2	2	2	2	2	2
Harrison	1	768	1	0	1	1	1	1	1	1	1
Henry	3	8,623	3	3	3	3	3 *	3	3	3	3
Hickory	0	0									
Holt	0	0									

Appendix II
2017 CAFA Seizures Information Reported

Reporting Entity	Number of Seizures Reported	Estimated Value of Seizures Reported	Reporting of Seizures Information								
			Date	Time	Place Seized	Property Seized	Estimated Value of Property Seized	Person(s)		Disposition	
								Property Seized From	Criminal Charges Filed	Seizure	Criminal Actions
Howard	0	0									
Howell	1	620	1	1	1	1	1	1	1	1	1
Iron	0	0									
Jackson	67	487,640	67	66	66	67	65	67	19	67	19
Jasper	9	140,262	9	0	9	9	9	9	9	9	9
Jefferson	11	168,057	11	11	11	11	11	11	3	11	3
Johnson	7	36,408	7	2	7	7	7	7	3	7	3
Knox	0	0									
Laclede	3	12,914	3	3	3	3	3	3	3	3	3
Lafayette	4	23,150	4	4	4	4	4	4	4	4	4
Lawrence	0	0									
Lewis	0	0									
Lincoln	1	1,980	1	1	1	1	1	1	1	1	1
Linn	2	4,767	2	2	2	2	2	2	2	2	2
Livingston	0	0									
Macon	2	152,286	2	2	2	2	2 *	2	2	2	2
Madison	0	0									
Maries	1	1,853	1	1	1	1	1	1	1	1	1
Marion	2	9,840	2	2	2	2	2	2	2	2	2
McDonald	1	6,952	1	0	1	1	1	1	1	1	1
Mercer	0	0									
Miller	0	0									
Mississippi	4	54,282	4	2	4	4	4	4	3	4	3
Moniteau	1	914	1	1	1	1	1	1	1	1	1
Monroe	0	0									
Montgomery	2	11,242	2	1	2	2	2	2	2	2	2
Morgan	0	0									
New Madrid	5	15,295	5	0	5	5	5	5	5	5	5
Newton	12	110,463	11	0	12	12	12	12	12	12	12
Nodaway	0	0									
Oregon	3	15,332	3	3	3	3	3	3	3	3	3
Osage	1	3,027	1	1	1	1	1	1	1	1	1
Ozark	0	0									
Pemiscot	0	0									
Perry	0	0									
Pettis	2	1,237	2	1	2	2	2	2	2	2	2
Phelps	22	1,149,634	22	22	22	22	20	22	7	22	7
Pike	2	15,109	2	1	2	2	2	2	2	2	1
Platte	16	38,729	16	0	16	16	16	16	13	16	13
Polk	2	23,085	2	0	2	2	2	2	2	2	2
Pulaski	1	5,918	1	1	1	1	1	1	1	1	1
Putnam	0	0									
Ralls	0	0									
Randolph	3	2,444	3	0	3	3	1 *	3	3	3	3
Ray	3	17,894	3	0	3	3	3	3	3	3	3

Appendix II

2017 CAFA Seizures Information Reported

Reporting Entity	Number of Seizures Reported	Estimated Value of Seizures Reported	Reporting of Seizures Information								
						Place Seized	Property Seized	Estimated Value of Property Seized	Person(s)		Disposition
			Date	Time					Property Seized From	Criminal Charges Filed	
Reynolds	2	3,386	2	0	2	2	2	2	2	2	2
Ripley	0	0									
Saline	3	27,260	3	2	3	3	3	3	3	2	3
Schuyler	0	0									
Scotland	0	0									
Scott	6	25,673	6	6	6	6	6	6	6	6	5
Shannon	1	58000	1	1	1	1	1	1	1	1	1
Shelby	0	0									
St. Charles	36	1,882,607	36	36	36	36	36	36	36	3	36
St. Clair	4	5,249	4	0	4	4	4	4	4	4	4
St. Francois	6	42,902	6	0	6	6	5	6	6	0	5
St. Louis City	76	290,487	76	74	76	76	76	76	75	31	25
St. Louis County	120	785,513	120	117	119	119	118	120	120	23	73
Ste. Genevieve	0	0									
Stoddard	0	0									
Stone	4	11,308	4	0	4	4	4	4	4	4	4
Sullivan	0	0									
Taney	8	21,873	8	0	8	8	8	8	8	8	8
Texas	1	1,224	1	1	1	1	1	1	1	1	1
Vernon	1	3,287	1	0	1	1	1	1	1	1	1
Warren	4	85,503	4	4	4	4	4	4	4	4	4
Washington	7	9,997	7	7	7	7	7	7	7	6	7
Wayne	0	0									
Webster	3	1,551	3	3	3	3	3	3	3	3	3
Worth	1	2,650	1	1	1	1	1	1	1	1	1
Wright	2	20,089	2	2	2	2	2	2	2	2	2
	658	\$ 7,053,456	657	539	656	657	647	657	657	325	558
											297

* Estimated values were indicated for only a portion of the seizure(s).

This appendix compiles only the data and dispositions pertaining to 2017 CAFA seizures, the total estimated value of seizures reported, and the number of seizures categorized by the type of information reported for each prosecuting attorney and the Attorney General. Criminal Charges Filed and Criminal Actions were only counted if a criminal case was in existence for the seizure. We did not verify this data. Information regarding seizures in previous years is not reflected in this compilation.



Office of Missouri State Auditor
Nicole Galloway, CPA

State Budget Stress Test

State Budget Stress Test

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

During my term as State Auditor, the office has conducted a series of audits, referred to as the Budget Integrity Series, focused on the integrity of the state budget. Audit report topics included the Hancock Amendment, timeliness of individual income tax refunds, the cost of tax incentives and exemptions, tax credit programs, and public higher education funding and affordability, among others. This report is the culmination of the series, and was compiled using information from those audits, as well as a contracted economic analysis performed by the University of Central Missouri, and other recent comparative studies. This report is intended to present key economic data impacting Missouri's budget, to communicate the impact of current and potential budget conditions on Missouri families, and to identify the impact of various economic stress factors on the budget.

The increased stress on the Missouri budget from an eroding tax base while expenditures increase has resulted in the General Assembly cutting discretionary budget areas such as education and transportation. As a result, Missouri families face an increased burden from higher local education and transportation taxes as well as increased higher education costs. Additionally, the current budget condition has greatly reduced Missouri's ability to manage cash flows and forced the use of contingency funds for temporary cash flow shortages rather than longer-term budgetary support making the state's budget increasingly sensitive to economic downturns.

The state's long-term fiscal health is in the best interests of all taxpayers, and requires careful review and evaluation from policymakers. This report makes information identified during multiple audits available for evaluation and consideration, and discusses the potential impact of economic stress on the Missouri budget. The Missouri legislature and Governor share the responsibility of crafting our state budget. It is my hope that this report helps them better prepare for the difficult decisions regarding the economic challenges facing our state, for the benefit of all Missourians.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
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State Budget Stress Test

Introduction

Background

Missouri is experiencing a continued period of low unemployment and the state's economy and fiscal position ranks above many states in national comparisons; however, the state budget continues to face shortfalls as discussed in the report.

Missouri economic statistics

Missouri ranked eleventh nationally in fiscal health, according to a July 2017 study by the Mercatus Center at George Mason University,¹ and fifteenth in a 2017 State Business Tax Climate Index published by the Tax Foundation.² The seasonally adjusted unemployment rate of 3.4 percent for November 2017 is also a historic low and lower than the national average of 4.1 percent. At the same time, Missouri lost just over 20,000 jobs (.7 percent) during the 12 months ended September 2017, according to United States Bureau of Labor Statistics data.³ This falls behind the national employment trend of positive job growth over that period. According to estimates from the U.S. Bureau of Economic Analysis, Missouri ranked 22nd nationally in gross domestic product (GDP) at \$263.4 billion in inflation-adjusted dollars as of the second quarter of 2017.⁴ Missouri GDP increased .45 percent during that period while nationally inflation-adjusted gross domestic product increased 2.05 percent over that period.⁵

Missouri budget process

The Governor and the General Assembly determine the state's annual fiscal year budget.⁶ The state budget is comprised of approximately equal parts federal funds for specified purposes, state constitutionally-dedicated revenue, and general revenue.

By October 1 of each year, state offices and agencies submit budget requests for the following fiscal year⁷ to the Office of Administration Division of Budget and Planning and the General Assembly. Traditionally, the Governor and Senate and House of Representatives (House) Appropriation Chairs

¹ Mercatus Center, George Mason University, Ranking the States by Fiscal Condition 2017 Edition, July 2017, <<https://www.mercatus.org/statefiscalrankings>>, accessed January 16, 2018.

² Tax Foundation, 2017 State Business Tax Climate Index, <<https://taxfoundation.org/2017-state-business-tax-climate-index>>, accessed January 16, 2018.

³ United States Bureau of Labor Statistics, Local Area Unemployment Statistics, <<https://data.bls.gov/timeseries/LASST2900000000000006>>, accessed January 23, 2018.

⁴ Second quarter 2017 data is the most recent data available from the United States Department of Commerce Bureau of Economic Analysis.

⁵ United States Department of Commerce; Bureau of Economic Analysis, Real GDP by state (millions of chained 2009 dollars), <<https://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=1#reqid=70&step=10&isuri=1&7003=900&7035=-1&7004=naics&7005=1&7006=xx&7036=-1&7001=5900&7002=5&7090=70&7007=2017,2016,2015&7093=levels>>, accessed January 4, 2018.

⁶ Sections 33.210 - 33.290, RSMo. outline the state budget process.

⁷ Missouri's fiscal year runs from July 1 through June 30 of the following year.



State Budget Stress Test

Introduction

determine a consensus revenue estimate, to approximate the amount of funds available for the state budget.⁸ The Governor must submit an executive budget to the General Assembly within 30 days after the legislative session convenes, with copies available to the public.

While both legislative chambers may conduct committee hearings contemporaneously, the 13 budget bills originate in the House. After approval by the House, the bills go to the Senate. The Senate, typically, adopts its own substitute bills and conference committees meet in late April or early May to reconcile the bills. The deadline for final legislative approval is one week before the end of the legislative session. Truly Agreed To and Finally Passed bills are sent to the Governor, who may sign a bill, veto it in its entirety, or more typically, line-item veto specific appropriations. The legislature may override any veto by a two-thirds majority vote, which may occur during the legislative session (depending on the date of the bill's passage) or in the September veto session.

Scope and Methodology

This report compiles recent applicable findings from State Auditor's Office (SAO) reports related to the Missouri budget and key economic data impacting the Missouri budget. Our methodology included reviewing recent legislation, national and state economic data, comparative state budget information, other "stress test" analyses conducted, and analyzing key budget data.

The SAO also contracted with the University of Central Missouri (UCM) to analyze General Revenue Fund historic inflow and outflow data and model the impact of various factors on the Missouri budget. The UCM economists prepared a report⁹ and applicable information from that report is included in this report. In addition, the economists developed various modeling tools that are available on the SAO website and were used in the stress test analysis.

⁸ State law does not require a consensus revenue estimate, and in 2014, the Governor and legislature could not agree on one for fiscal year 2015.

⁹ Acevedo, Christopher D, Cravioveanu, Mihaela O., and Crooker, John R.; University of Central Missouri, *Missouri Budget Integrity*, November 26, 2017.

State Budget Stress Test

Summary of Results

1. Missouri's Financial Position and Recession Preparedness

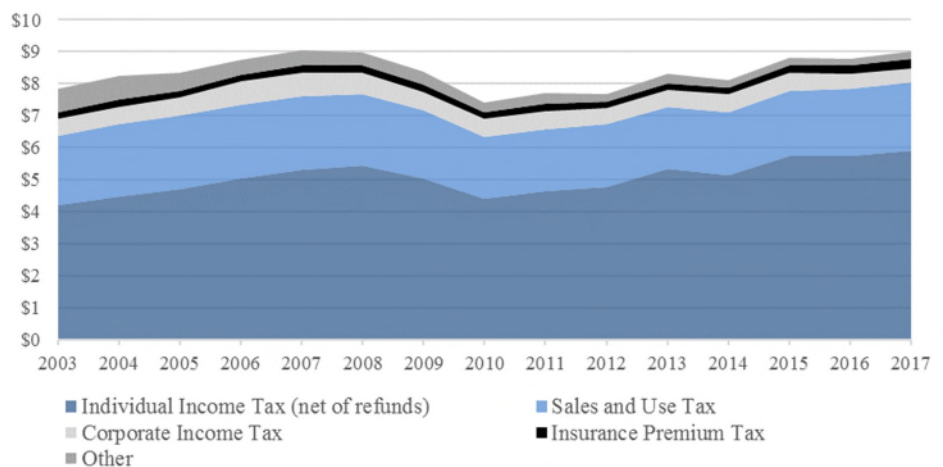
State taxes remain low compared to other states, as does economic performance. Significant downward pressure on the state tax base and state revenues in combination with increased mandatory expenditures in Medicaid has resulted in reductions in discretionary state budget items that significantly impact Missouri families. In addition, the state is without sufficient contingency funds to address budget shortfalls in the event of an economic downturn. Action is needed to ensure the state can fulfill its obligations to its citizens and ensure the state has adequate contingency funds available to avoid drastic budget cuts in the event of a recession.

1.1 State taxes are low and have shown slow growth

Historical federal data¹⁰ shows that, with a tax collections-to-gross domestic product (GDP) ratio of .04, Missouri was among the lowest taxed states in the nation from fiscal year 1999 to 2015. Over that period, federal data also shows Missouri had the 3rd lowest rate of tax growth (-0.1 percent), and only two states (Michigan and Louisiana) had a worse real economic growth rate than Missouri (.7 percent).

As shown in Figure 1, when adjusted for inflation, state General Revenue (GR) Fund revenues have just begun to return to pre-2007 recession levels. Adjusted GR Fund revenues have experienced average annual revenue growth of 1.14 percent from 2003 to 2017.

Figure 1: General Revenue Fund revenues, by source, fiscal years 2003 - 2017, adjusted for inflation



Source: SAO and UCM analysis of Economic and Policy Analysis Research Center (EPARC), University of Missouri, and SAM II data. Inflation factors from UCM economists analysis of Consumer Price Index (CPI) data from <<https://fred.stlouisfed.org/series/CPIAUCSL>>.

Reductions to income tax

Recent audits have included information on legislative reductions to corporate and individual income tax revenue. Most notably, the audit of state

¹⁰ Acevedo, Christopher D, Cravioeanu, Mihaela O., and Crooker, John R.; University of Central Missouri, *Missouri Budget Integrity*; November 26, 2017.



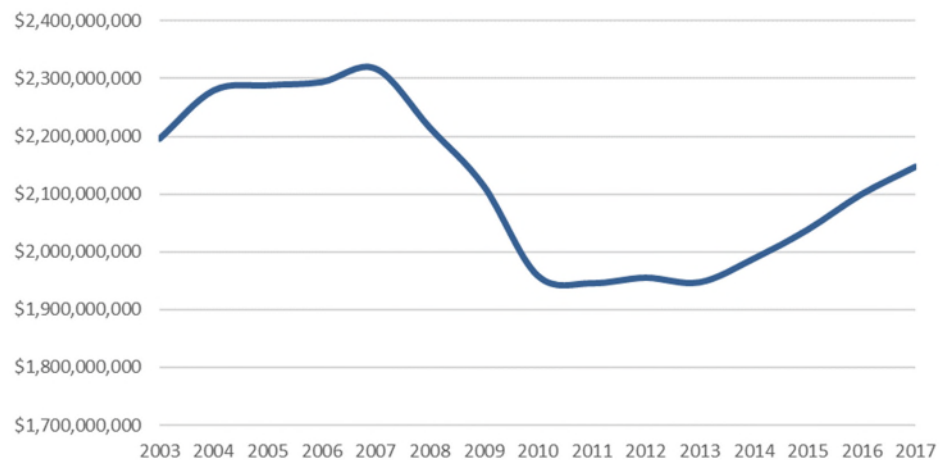
State Budget Stress Test Summary of Results

Sales tax revenues have declined

incentives and exemptions¹¹ cited the implementation of Senate Bill (SB) 19 (2015) to reduce corporate income taxes in recent years that has reduced corporate income tax revenue by approximately \$177 million in 2016 and 2017. In addition, SB 509 (2014) will result in individual income tax rate reductions that are estimated to reduce individual income tax revenue by as much as \$621 million annually when fully implemented by 2022. Also, Missouri continues to be the only state currently offering a withholding tax discount for timely payment of withholding taxes. This discount costs the state approximately \$29 million in revenue in fiscal year 2017.

Sales and use tax revenues over the past 15 years have declined by an average of .11 percent per year when adjusted for inflation. See Figure 2 for GR Fund sales and use tax collections, adjusted for inflation. This data is consistent with audit findings presented in a recent audit of tax incentives and exemptions that found the General Assembly has taken various actions, including passing additional sales tax exemptions, to place downward pressure on the state's sales tax base and reduce state revenues. The audit found new exemptions have been added without adequate tracking to determine their impact.

Figure 2: Sales and use tax collections fiscal years 2003 - 2017, adjusted for inflation



Source: SAO analysis of EPARC and Department of Revenue data. Inflation factors from UCM economists analysis of CPI data from <<https://fred.stlouisfed.org/series/CPIAUCSL>>.

The General Assembly has also not taken action to reduce or eliminate the 2 percent discount businesses receive for timely payment of sales tax to the state. As discussed in the audit of tax incentives and exemptions, the state's sales tax discount is the second most generous such discount in the country and costs the state approximately \$60 million per year. By continuing to erode the sales tax base, the state has become increasingly reliant on individual

¹¹ SAO, *Cost of Tax Incentives and Exemptions*, report number 2017-113, issued October 2017.



State Budget Stress Test Summary of Results

income tax revenue for general revenue funding, making the state's tax base more sensitive to economic fluctuations. For example, in 2003 individual income taxes made up 53 percent of GR Fund revenues, but in 2017 they made up approximately 65 percent of these revenues. See the Supplemental Information section for more detail.

Tax credit redemption trends A recent audit of tax credit programs¹² shows that tax credit redemptions continue to increase and have exceeded \$500 million every fiscal year since 2009. In addition, the state has approximately \$3 billion in tax credits authorized and unredeemed that will reduce revenues for years into the future. The varying carryforward provisions of the state's tax credit programs result in significant volatility in tax credit redemptions from year to year, and cause uncertainty in the budget process.

Recent decisions to not authorize current year Low Income Housing Tax Credits will reduce the state's long-term obligations, but will have little to no short-term impact on state revenues.

Federal tax bill will reduce revenues Recent studies have evaluated the potential impact of the federal tax changes enacted in December 2017. Due to Missouri's tax code being coupled with the federal tax code, these changes will impact state tax revenues. The state tax calculation uses the federal tax deduction claimed by a taxpayer when determining state taxes owed. The federal tax bill changes, which primarily become effective January 1, 2018, will increase the standard deduction, while also eliminating personal exemptions, and also reduce some itemized deductions. An analysis performed by the Economic Policy Center and Research Center (EPARC) at the University of Missouri estimated the net impact of this federal legislation to Missouri's GR fund would be to reduce revenue by \$58 million per year. Other analyses have estimated the impact at over \$500 million per year.

Avoiding a reduction in state revenues due to changes in the federal tax law would require legislative action by the General Assembly.

1.2 Expenditures

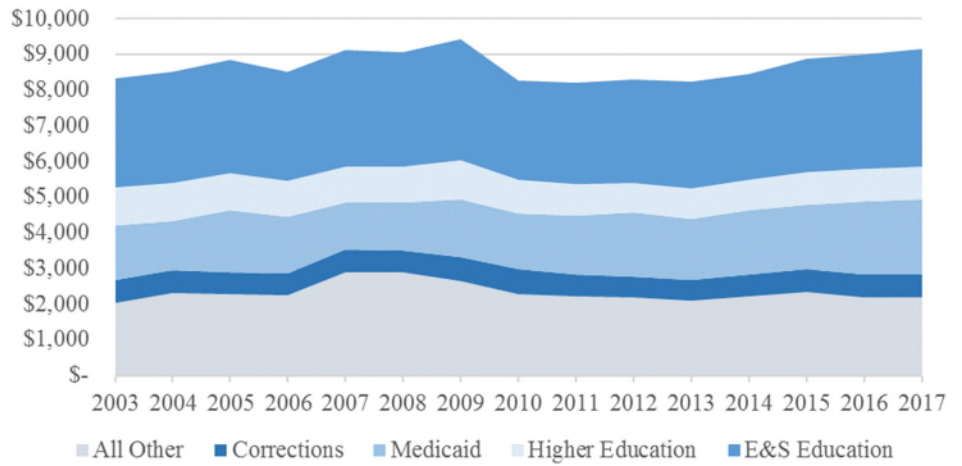
State expenditures continue to rise as the state faces downward pressure on revenue. Additionally, some mandatory expenditure items increasingly comprise a larger portion of the GR Fund budget forcing the General Assembly to make cuts in other areas. Figure 3 shows the composition of GR Fund expenditures since 2003. Overall, expenditures have increased since 2010, but are still below pre-recessionary levels, when adjusted for inflation. In 2003, Medicaid expenditures comprised 19 percent of GR Fund expenditures and 23 percent in 2016 while higher education expenditures fell from 13 percent of GR Fund expenditures to 10 percent.

¹² SAO, *Tax Credit Programs*, report number 2017-51, issued June 2017.



State Budget Stress Test Summary of Results

Figure 3: Composition of General Fund Expenditures by Function (adjusted for inflation), in millions, fiscal years 2003-2017

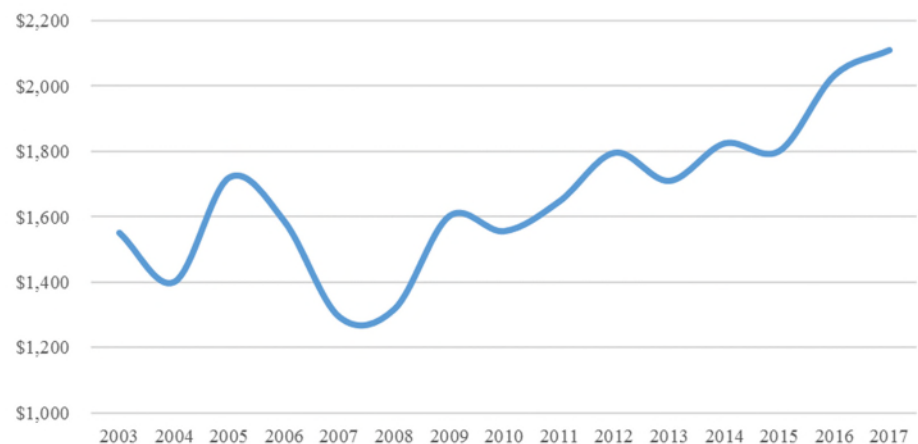


Source: National Association of State Budget Officers, State Expenditure Reports, 2003-2016, <<https://www.nasbo.org/reports-data/state-expenditure-report/state-expenditure-archives>>, accessed December 20, 2017 and January 22, 2018. The 2017 expenditure data is estimated. Inflation factors from UCM economists analysis of CPI data from <<https://fred.stlouisfed.org/series/CPIAUCSL>>.

Medicaid

Mandatory Medicaid spending continues to increase and comprise a larger percentage of the overall budget. Figure 4 shows GR Fund Medicaid expenditures, adjusted for inflation, since 2003.

Figure 4: Medicaid General Revenue Fund expenditures (adjusted for inflation), in millions, fiscal years 2003 to 2017



Source: National Association of State Budget Officers, State Expenditure Reports, 2003-2017, <<https://www.nasbo.org/reports-data/state-expenditure-report/state-expenditure-archives>>, accessed December 20, 2017 and January 22, 2018. The 2017 expenditure data is estimated. Inflation factors from UCM economists analysis of CPI data from <<https://fred.stlouisfed.org/series/CPIAUCSL>>.



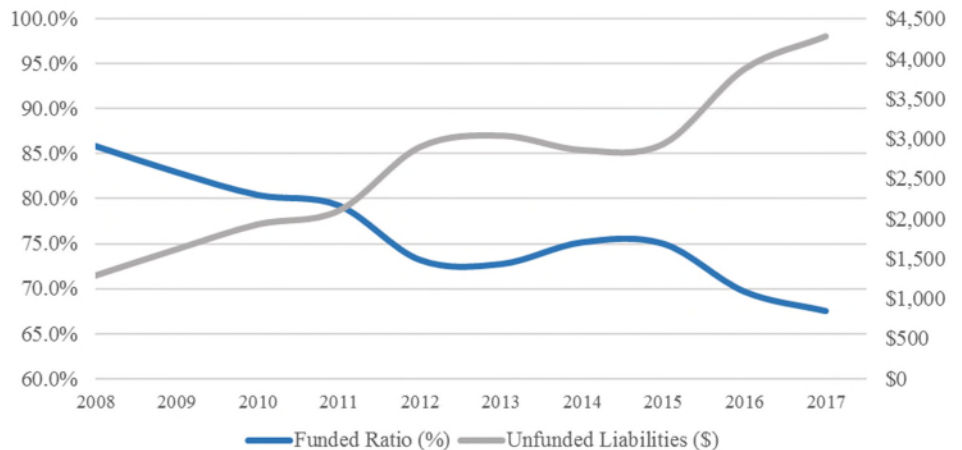
State Budget Stress Test Summary of Results

While the majority of Medicaid costs are reimbursed by the federal government (approximately an average of 62 percent¹³), Missouri is required to contribute a portion of the costs to maintain federal funding. The Centers for Medicare and Medicaid, Office of the Actuary projects the annual average growth rate of Medicaid expenditures from 2016 to 2025 to be 5.7 percent nationally, a faster rate than the projected average annual GDP growth of 4.8 percent.¹⁴ Additionally, because Medicaid¹⁵ eligibility is based on income and was not expanded as part of the Affordable Care Act, Medicaid spending will be increasingly sensitive to any future economic downturn.

Pension liabilities continue to grow

Unfunded pension liabilities continue to grow in the state's primary pension fund and now exceed \$4.2 billion. Unfunded pension liabilities in the Missouri State Employees' Retirement System (MOSERS) have increased an average of 13 percent per year since 2010, and have grown by 232 percent from pre-recession levels in 2008 to 2017. Over that time the funded ratio for the MOSERS fund has gone from 86 percent to 67 percent. Figure 5 shows the MOSERS unfunded liability and the funded ratio from fiscal year 2008 to 2017.

Figure 5: Unfunded MOSERS fund liabilities, in millions, and funded ratio, fiscal year 2008 to 2017



Source: MOSERS actuarial valuation reports, 2010 to 2017.

¹³ Average percentage of federal expenditures for Medicaid from 2007 to 2016 from National Association of State Budget Officers, State Expenditure Reports, 2003-2016, <<https://www.nasbo.org/reports-data/state-expenditure-report/state-expenditure-archives>>, accessed December 20, 2017.

¹⁴ National Association of State Budget Officers, *The Fiscal Survey of States*, Spring 2017, p. 69, <[https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/Fiscal%20Survey/NASBO%20Spring%202017%20Fiscal%20Survey%20\(S\).pdf](https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/Fiscal%20Survey/NASBO%20Spring%202017%20Fiscal%20Survey%20(S).pdf)>, accessed January 16, 2018.

¹⁵ Missouri's Medicaid program eligibility is based on income and determined as a percentage of the federal poverty level. Missouri's program covers the disabled/blind, elderly, custodial parents, children, and pregnant women.



State Budget Stress Test Summary of Results

Legislative changes in 2011 required new state employees to contribute to the pension plan. Despite this change, pension fund assets have not kept pace with actuarial liabilities, resulting in the increase in unfunded liabilities.

1.3 Insufficient contingency funding

Missouri's Budget Reserve Fund (BRF), which acts as the state's "rainy day fund," does not maintain sufficient reserves to insulate the state budget during an economic downturn. According to a 2017 stress test report from Moody Analytics,¹⁶ Missouri ranks 42nd in the nation in terms of preparedness for a moderate economic downturn. According to data presented in the report, Missouri requires a BRF fund balance of approximately \$900 million just to be considered 'somewhat prepared' for a moderate recession. In contrast, the balance of the BRF at June 30, 2017 was \$591 million.

According to the Moody report, the Missouri economy is particularly sensitive to economic downturns, resulting in larger revenue reductions and larger Medicaid expenditure increases in the event of a recession. In terms of combined fiscal shock, the report ranks Missouri as the 6th most sensitive state to a moderate recession. This increased sensitivity can be attributed, in part, to the state becoming more reliant on income taxes, and less reliant on sales taxes, for general revenue. The lack of Medicaid expansion, while keeping state spending for the program lower, also makes state Medicaid spending more sensitive to economic downturns. According to the report, the fewer individuals covered by the state's Medicaid program under normal conditions means a sharper increase in enrollments during economic downturns.

Increased borrowing from the Budget Reserve Fund

The audit of timeliness of income tax refunds¹⁷ documented the state's increased borrowing from the BRF to cover cash flow issues, including the ability to make timely tax refunds, in the GR Fund throughout the fiscal year. There are no constitutional restrictions on how much of the fund can be used for cash flow needs. As a result, borrowing from the BRF has continually increased since the last recession, including borrowing \$500 million from the fund in fiscal year 2017. While the GR Fund repaid these borrowed funds by May 16, 2017, as required by the Missouri Constitution, the BRF is increasingly being relied upon to fund normal operations of the state and would, therefore, not be available for budget stabilization should the need arise.

Figure 6 shows a comparison of the fund balance, by month, in the BRF in fiscal year 2008 (pre-recession) and fiscal year 2016 and 2017. While the

¹⁶ Moody Analytics, *Stress Testing States*,
<<https://www.economy.com/getlocal?q=91a42834-85af-4773-b408-5da811028c00&app=eccafile>>, accessed January 9, 2017.

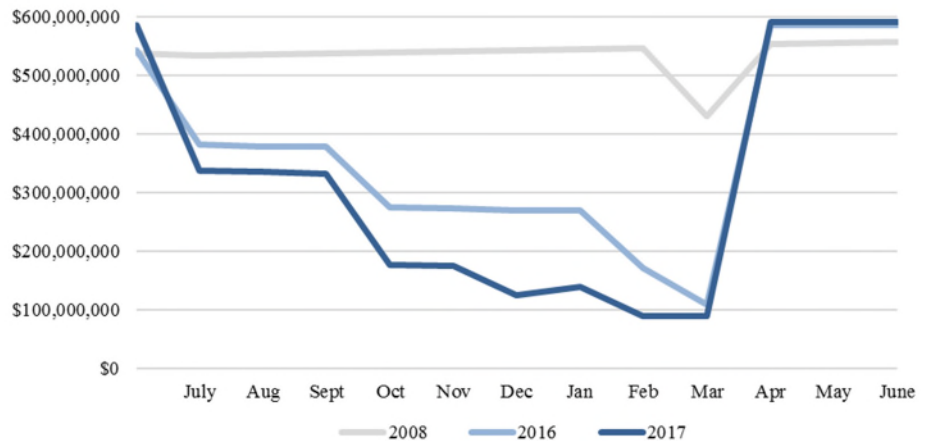
¹⁷ SAO, *Timeliness of Income Tax Refund Issuance*, report number 2018-001, issued January 2018.



State Budget Stress Test Summary of Results

BRF balance never dropped below \$400 million during fiscal year 2008, the fund balance dropped below \$400 million for 9 months during each of fiscal year 2016 and 2017. In fiscal year 2017 the fund balance dropped below \$200 million for 6 months, and reached a low balance of \$100 million.

Figure 6: Budget Reserve Fund balance, by month, fiscal year 2008, 2016, and 2017



Source: SAM II data

Budget Reserve Fund restrictions

Constitutional provisions¹⁸ regarding the BRF limit the balance of the fund to 7.5 percent of general revenue collections. Based on this restriction, the balance of the BRF at June 30, 2017, would have been limited to approximately \$660 million (7.5 percent of the \$8.79 billion net general revenue collections in fiscal year 2016). The actual fund balance was \$591 million. Both amounts are well below the preparedness balance suggested by the Moody Analytics report (approximately \$900 million). With legislative approval the balance of the fund can accumulate to as high as 10 percent of general revenue collections. In fiscal year 2017 that limit would have been \$879 million. Therefore, even if the BRF balance was at its constitutional maximum it would still be short of the estimated balance needed to be considered prepared.

Additional restrictions exist for using the BRF for budget stabilization purposes. To be used for this purpose the legislature must approve such a use by a 2/3 vote. Such an approval can make timely access to contingency funds difficult. According to the Moody's Analytics report, having clear rules for when reserve funds can be used and for what purpose can help avoid indecision by policymakers when funds are needed, and help avoid the need

¹⁸ At the end of any fiscal year any Budget Reserve Fund balance exceeding 7.5 percent of the general revenue collections must be transferred to the GR Fund as required by the Missouri Constitution, unless the legislature directly appropriates a higher amount in the Budget Reserve Fund (except the balance in the fund at year-end cannot exceed 10 percent of general revenue collections).



State Budget Stress Test Summary of Results

for more drastic budget decisions when contingency funds exist to help avoid such decisions.

Hancock Amendment limitations

Article X, Sections 16 through 24, of the Missouri Constitution, commonly referred to as the Hancock Amendment, places restrictions on the amount of personal income used to fund state government, and the amount by which fees and taxes can be increased. Specifically Section 18(e) requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. As discussed in the review of compliance with Hancock Amendment requirements,¹⁹ based upon the calculation provided by the state's Office of Administration, the relevant annual revenue limit for fiscal year 2017 was \$101.5 million.

The limitations placed on the legislature by the Hancock Amendment do not allow legislators and policymakers the flexibility to reverse cuts to revenue that may exceed expectations. Once laws are passed to reduce revenue, in the form of tax rate reductions, sales tax exemptions, or otherwise, revenues cannot be increased above the Section 18(e) threshold via legislative changes without a public vote. Due to such a strict limitation, legislators and policymakers must ensure the fiscal impacts of proposed legislation is estimated accurately, are not understated, and taxpayers are getting the promised return on investment.

1.4 Missouri families face an increased burden

Missouri families are increasingly impacted by state budget decisions, including reduced funding for education, as well as many taxes being shifted to the local level, including property taxes for education and special taxing district sales taxes for development. In the case of higher education, reductions in state funding leads to increased costs being directly passed on to students and families in the form of higher tuition and fees. Other legislative decisions, such as maintaining low unemployment benefits, also negatively impact Missouri families.

Elementary and secondary education funding

State funding for elementary and secondary education (ESE) was reduced significantly in 2010 as a result of the recession. As shown in Figure 7, spending on ESE has increased steadily since the recession, but is still lower than pre-recession levels when adjusted for inflation. Overall, expenditures for ESE have increased by an average of .79 percent per year from 2003 to 2017, when adjusted for inflation. As reported in the Missouri School Data Reporting audit,²⁰ Missouri ranked 29th nationally in spending per student for the 2013-2014 school year and the \$11,293 average per student is 8.4 percent below the national average of \$12,335.

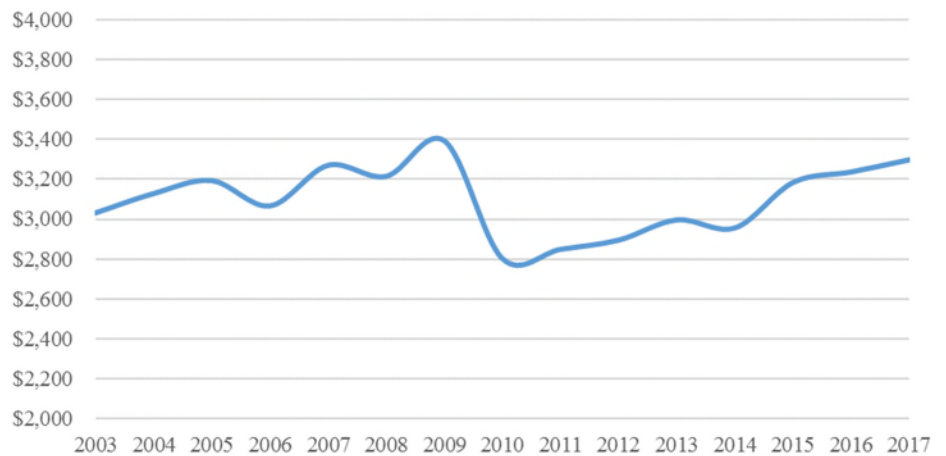
¹⁹ SAO, *Administration Review of Article X, Sections 16 Through 24, Constitution of Missouri Year Ended June 30, 2016*, report number 2017-033, issued May 2017.

²⁰ SAO, *Missouri School Data Reporting*, report number 2017-146, issued December 2017.



State Budget Stress Test Summary of Results

Figure 7: ESE expenditures (adjusted for inflation), in millions, fiscal year 2003 to 2017



Source: National Association of State Budget Officers, State Expenditure Reports, 2003-2017, <<https://www.nasbo.org/reports-data/state-expenditure-report/state-expenditure-archives>>, accessed December 20, 2017 and January 22, 2018. The 2017 expenditure data is estimated. Inflation factors from UCM economists analysis of CPI data from <<https://fred.stlouisfed.org/series/CPIAUCSL>>.

As a result of minimal growth in state funding for ESE, school districts are increasingly dependent on local funding. In fiscal years 2015 and 2016, Missouri had the 4th highest percentage of ESE funding from local sources in the country, and was ranked 48th in ESE funding from state sources according to the National Education Association (NEA).²¹ Per an October 2017 Missouri Department of Elementary and Secondary Education report,²² the number of schools with over 50 percent of revenue coming from local sources increased between fiscal years 2006 and 2016 to 170 of the 517 (33 percent) school districts. Overall, 350 of the 517 school districts (68 percent) had an increase in the percentage of local funding between fiscal years 2006 and 2016. As school districts face reduced state revenues and become more dependent on local tax revenues, districts may be forced to request increased property tax levies, increasing the burden to families, or cut key educational programs. Increased reliance on local property taxes will also lead to increased inequality between school districts in the state.

Higher education funding

The recent audit evaluating funding and affordability of public higher education²³ reported that when compared to other states, Missouri ranked

²¹ NEA Rankings and Estimates, Rankings of the States 2016 and Estimates of School Statistics 2017, <http://www.nea.org/assets/docs/2017_Rankings_and_Estimates_Report-FINAL-SECURED.pdf>, accessed November 13, 2017, pp. 63-64.

²² Missouri State Board of Education, "Report on School District Revenue Percentages," <<https://dese.mo.gov/sites/default/files/SchRevPer10-17.pdf>>, accessed November 13, 2017.

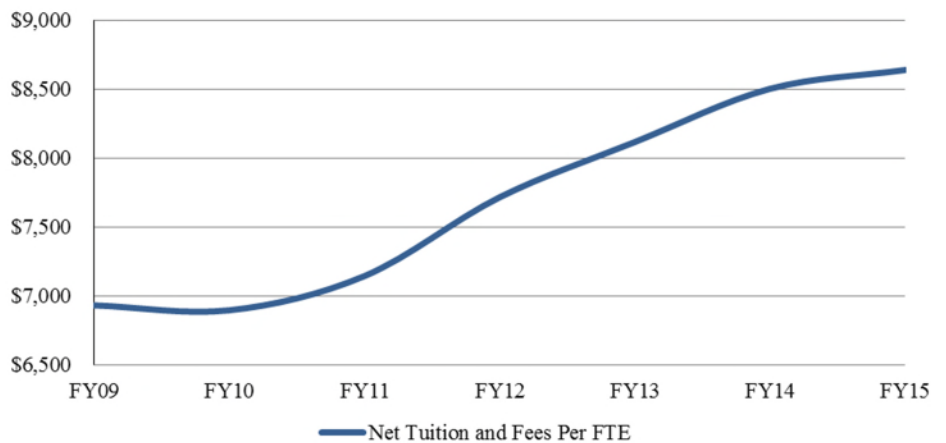
²³ SAO, *Public Higher Education and Affordability*, report number 2016-071, issued August 2016.



State Budget Stress Test Summary of Results

43rd in the nation in state funding for higher education per \$1,000 in personal income and state appropriations provided to 4-year public institutions decreased. Average state appropriations per full-time equivalent (FTE) student declined from \$7,778 per student in fiscal year 2009 to \$6,332 per student in fiscal year 2015. Higher education institutions have responded by increasing tuition and supplemental fees as a way to generate additional revenue. As shown in Figure 8, this increases the amount paid by Missouri families and places a further burden on those families sending children to public institutions.

Figure 8: Net tuition and fees per FTE student, in dollars, fiscal year 2009 to 2015



Source: Prepared by the SAO using the Integrated Post-Secondary Education Data System tuition data and enrollment information from the Missouri Department of Higher Education.

Local sales and use taxes continue to increase

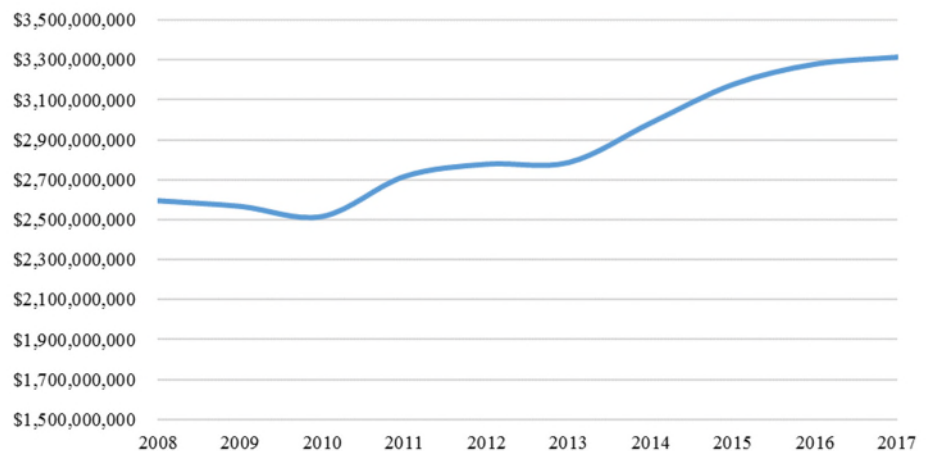
Figure 9 shows sales taxes at the local level have shown continued growth over pre-recession levels. While there are many reasons local governments are increasing the use of local sales taxes, a recent audit of Transportation Development Districts²⁴ and the ongoing audit of Community Improvement Districts have shown the increase is, in part, due to an increase in special taxing districts. Such taxes typically go toward financing development projects rather than the general needs of the public. Increased sales taxes at the local level do not impact state revenues, but represent an additional cost to Missouri families.

²⁴ SAO, *Transportation Development Districts*, report number 2017-020, issued April 2017.



State Budget Stress Test Summary of Results

Figure 9: Local sales tax collections, adjusted for inflation, fiscal years 2008 to 2017



Source: DOR data, Inflation factors from UCM economists analysis of CPI data from <https://fred.stlouisfed.org/series/CPIAUCSL>.

Unemployment insurance benefits

Missouri's unemployment insurance laws make the state's benefits among the lowest in the nation. State unemployment trust funds are funded with taxes collected from employers in the state and unemployment benefits are paid to eligible workers who are unemployed through no fault of their own. The maximum unemployment insurance benefit duration period in Missouri is 20 weeks. Only two states have a benefit duration period shorter (Florida and North Carolina), and 44 states and the District of Columbia have durations of 26 weeks or more. Missouri's maximum weekly benefit amount of \$320 is the 6th lowest in the country, and is at least 30 percent lower than the national average.²⁵

According to the United States Department of Labor, unemployment insurance helps prevent families from falling into poverty and provides economic stimulus, particularly in times of recession. Providing such minimal unemployment insurance assistance places an additional burden on Missouri families and places additional pressure on the state budget during times of recession due to reduced consumer spending by unemployed individuals during those periods and a heavier reliance on social service programs.

Conclusion

Missouri has historically been a low tax state. Despite the low tax rate and a long-standing reputation for being business friendly, the state has also historically been a slow growth state. While Missouri has experienced a period of record low unemployment and job growth since the 2008 recession,

²⁵ Unemployment benefits comparison by state, <https://fileunemployment.org/unemployment-benefits-comparison-by-state>, accessed January 23, 2018, and updated through independent verification of various state labor websites.



State Budget Stress Test Summary of Results

when adjusted for inflation, state revenues are roughly equal to pre-recession periods, General Revenue Fund expenditures are below pre-recession levels, state expenditures for elementary and secondary education as well as higher education are down and below national averages, and cash flow balances do not always allow for timely payment of income tax refunds. In addition, the burden of funding roads and elementary and secondary education has been shifting to the local level, and costs of higher education have been passed on to students. During good economic times, when reserve funds should be replenished, the state is instead in a position of needing to borrow from reserve funds for normal operations. The use of BRF monies throughout the year to cover cash flow shortages will result in such funds not being available for budget stabilization when a recessionary economic period hits. Not having sufficient budget reserve funds available for budget stabilization will necessitate drastic budget cuts when the economy can least afford them, and will be in areas that directly impact Missouri families.

2. Stress Test

Missouri, as well as the nation, is experiencing an extended period of positive economic growth following the 2008 recession, with current record low unemployment levels. Despite these positive economic conditions, the state's financial condition has not shown significant improvement. According to the National Bureau of Economic Research, the United States economy began a period of economic expansion in June 2009, which puts the current period of economic expansion at 103 months. The previous 5 economic expansions since 1980 averaged 60.4 months, with a median expansion period of 74 months, and the longest expansion period being 121 months. Periods of economic retraction are inevitable, and the near-term likelihood of such a period increases with every month of expansion. With this in mind, it is in the best interest of the state and its taxpayers that policymakers plan ahead for downturns in the economy.

In an effort to examine the condition of the Missouri economy and state budget, as well as to determine the impact of an economic downturn on the state budget, the State Auditor's Office contracted with economists from the University of Central Missouri (UCM) to analyze these issues. In addition, we asked the economists to develop an economic forecasting model to assess the impacts of economic stress on the state budget. A report²⁶ prepared by the economists summarizes the analysis performed and the methodology of the forecasting model. The developed stress test model allows users to apply various stresses on the state economy to estimate the impact on the state budget. The contracted report and interactive tool are available at

²⁶ Acevedo, Christopher D, Cravioeanu, Mihaela O., and Crooker, John R.; University of Central Missouri, *Missouri Budget Integrity*; November 26, 2017.



State Budget Stress Test Summary of Results

www.auditor.mo.gov. The model is based on trends in historical data and uses updated data from www.fred.stlouisfed.org to project the results produced.

2.1 Unemployment change

The unadjusted online stress test model²⁷ projects unemployment to increase to approximately 9 percent (2009 recession levels) in fiscal year 2021. Such an increase in unemployment levels is projected to result in GR Fund revenues of \$8.8 billion in fiscal year 2021, a \$600 million shortfall from the fiscal year 2018 GR Fund budget of \$9.4 billion.

These estimates do not take into account the tax rate reduction impacts of SB 509 (2014) or recent federal tax law changes. These revenue cuts would be in addition to the stress test model reductions above. When combined, the GR Fund is potentially facing a revenue reduction of \$1 billion from the fiscal year 2018 budget level in the event of such a recession. Such a significant reduction in revenues would necessitate an equivalent amount of spending cuts. Based on spending cuts made during the previous recession, the majority of budget cuts will be felt in higher education and elementary and secondary education.

As discussed on page 10, existing contingency funds are not sufficient to avoid or soften the budget cuts necessary to balance the budget in the event of a recession. In addition, if budget reserve funds continue to be used to cover cash flow shortages for operational expenses, the amount of contingency funds available for budget reserve, or "rainy day" purposes in the event of a recession will be minimal. As also discussed previously, various conditions make Missouri's budget more sensitive to recessionary periods, including an increased reliance on individual income taxes for revenue, and a lack of Medicaid expansion making Medicaid expenses more volatile. Action is necessary by the General Assembly and the Governor to address the issues of budget volatility, and improvements to the state's contingency fund would also help protect the state budget from recessionary periods.

2.2 Employment trends and impact of increased employment

Creating jobs, thereby increasing employment, has commonly been promoted as necessary to improve the state budget, and cited as a reason to justify income tax cuts. While adding jobs will always increase state revenues, it is important to analyze the potential fiscal impact of doing so, and put any potential employment growth into historical context.

According to data from the United States Bureau of Labor Statistics, there were an average of 2,952,310 people employed in Missouri during fiscal year 2016. Using fiscal year 2016 data, the state collected approximately \$2,973 per worker in GR Fund revenue for the year. Based on this average, the state

²⁷ Projected based on no change to the employment, unemployment rate, real wage, and productivity variables in the online model.

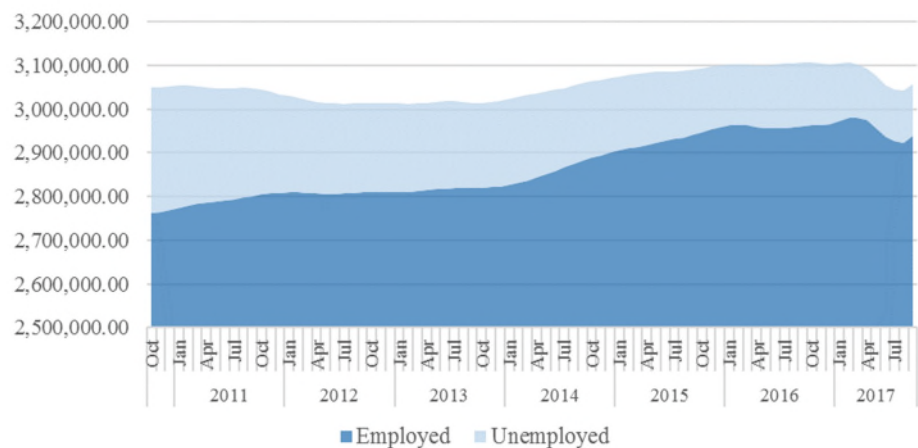


State Budget Stress Test Summary of Results

would have to create approximately 168,000 jobs²⁸ paying the state average wage to generate \$500 million in GR Fund revenue. For historical context, a net of 177,853 jobs were added to the Missouri economy from October 2010 to September 2017; a period which has seen record positive job growth. See Figure 10 for changes in Missouri's employment and unemployment levels over this timeframe. In addition, Missouri's total employment level has decreased approximately 33,000 jobs during 2017,²⁹ including 2 consecutive months where the state lost approximately 18,000 jobs per month. This decline in employment was also accompanied by a decline in the state's overall workforce.³⁰ Also, as of September 2017, there were approximately 116,000 unemployed workers in the state's workforce. See Figure 10 for historic employment levels.

Therefore, to achieve significant improvement to the state budget through added jobs, not only must new jobs be created, but the state workforce must add workers qualified to fill jobs that pay the state average wage.

Figure 10: Number of individuals employed and unemployed, October 2010 to September 2017



Source: United States Bureau of Labor Statistics data,

<<https://data.bls.gov/timeseries/LASST2900000000000006>>, accessed January 23, 2018.

2.3 Wage trends and impact of increased wages

Wages in Missouri have not kept pace with inflation. According to the UCM analysis, while total wages in Missouri have increased in recent years, they are roughly 2 percent below pre-recession levels, and are currently equivalent to wages from 1999, when adjusted for inflation (see Figure 11). On a per hour basis, wages are currently \$24.68 per hour, down from a high of approximately \$25 in 2016. The UCM economic stress test tool allows users

²⁸ $\$500,000,000 / \$2,973 = 168,180$ jobs

²⁹ United States Bureau of Labor Statistics data through September 2017, <<https://data.bls.gov/timeseries/LASST2900000000000006>>, accessed January 23, 2018.

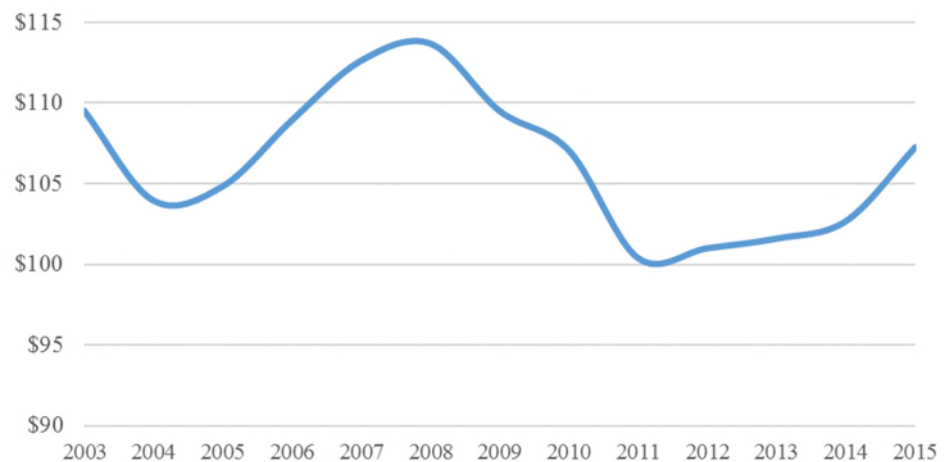
³⁰ Overall workforce is the combination of employed individuals and unemployed individuals actively looking for work.



State Budget Stress Test Summary of Results

to estimate the impact of increasing wages. According to the tool, a \$1 increase to wages to \$25.68, which is higher than hourly wages have ever been in Missouri and would be considered a significant increase, would result in an increase in net GR Fund revenues of approximately \$300 million. This analysis tells us an increase in wages produces positive economic impact, as would be expected, however, the impact of a significant increase in wages does not produce significant enough GR Fund revenues to overcome current budget shortfalls.

Figure 11: Missouri wages, adjusted for inflation, fiscal years 2003 to 2015, in billions



Source: Acevedo, Christopher D, Cravioveanu, Mihaela O., and Crooker, John R.; University of Central Missouri, *Missouri Budget Integrity*; November 26, 2017, page 28, Figure 18.

2.4 Impacts of reduced income tax rates

The UCM economic analysis evaluated the potential impacts of a reduction in Missouri's top individual income tax rate from 6.0 percent to 5.9 percent; a reduction which takes place in 2018 as a result of SB 509 (2014).³¹ According to that analysis, a .1 percent reduction in the state income tax rate produces an increase in the state's economic activity of .6 percent. However, the additional economic activity is not sufficient to generate enough additional revenue to the state to make up for the corresponding loss in revenue created by the rate reduction. While the UCM report does not include specific dollar estimates, the result is a net reduction in state revenues. According to fiscal note estimates of the bill's impact, revenue reductions could exceed \$600 million annually when fully implemented. According to the UCM analysis, based on Missouri's current and historic tax rate structure, no level of income tax rate reductions will result in a net increase in revenues to the GR Fund.

³¹ The bill allows for the reduction of the top individual income tax rate by .1 percent annually if certain economic thresholds are met until the rate reaches 5.5 percent.



State Budget Stress Test Summary of Results

Conclusion

The information presented in this report shows that Missouri's budget is not adequately prepared for an economic downturn. Increased reliance on individual income tax revenue has made the budget more sensitive to economic downturns, and inadequate contingency funds will not allow for a sufficient cushion to prevent drastic budget cuts that will impact Missouri families. Recent legislation reducing tax rates for individuals and corporations were enacted with expectations of increased employment and wages. However, moderate increases in the labor force since the recession, and recent declines in the labor force and employment, are signs that significant gains in employment can't be relied on to rescue the state budget. Similarly, wages in Missouri have historically lagged behind inflation and have not recovered from pre-recession levels. While improving wages to Missouri workers is necessary and will provide positive revenue to the state, any increases in wages cannot be relied on to provide the revenue needed to avoid significant budget cuts. Cuts to income tax rates already in law will not provide enough economic activity to overcome the significant revenue decreases expected, leaving the state with no option but to cut services, and reduce funding to areas that have already seen their funding reduced since the recession, such as elementary and secondary education and higher education.

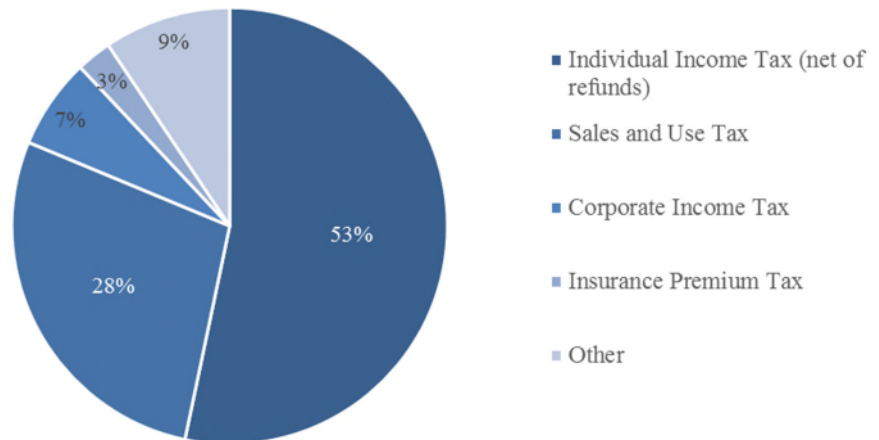
State Budget Stress Test

Supplemental Information

The following information is supplemental to the report, and is presented for informational purposes only.

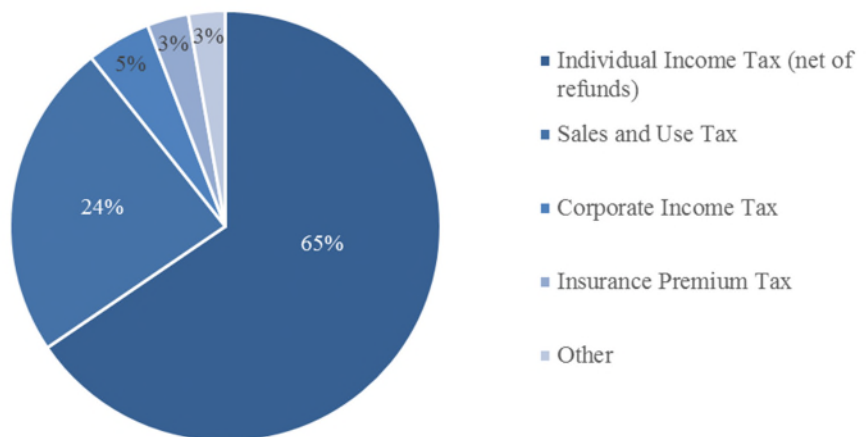
Figures A and B show the distribution of General Revenue (GR) Fund revenues for fiscal years 2003 and 2017. This information is presented to show the changes to the diversification of GR Fund revenues over time. Note the increase in the dependence on individual income tax revenue.

Figure A: General Revenue Fund revenue distribution, fiscal year 2003



Source: SAO and UCM analysis of Economic and Policy Analysis Research Center (EPARC), University of Missouri, and SAM II data. Inflation factors from UCM economists analysis of CPI data from <<https://fred.stlouisfed.org/series/CPIAUCSL>>.

Figure B: General Revenue Fund revenue distribution, fiscal year 2017



Source: SAO and UCM analysis of Economic and Policy Analysis Research Center (EPARC), University of Missouri, and SAM II data. Inflation factors from UCM economists analysis of CPI data from <<https://fred.stlouisfed.org/series/CPIAUCSL>>.



State Budget Stress Test Supplemental Information

The following table shows GR Fund revenues, adjusted for inflation, from fiscal year 2003 to 2017. These numbers support Figure 1 on page 5 of the report, as well as Figures A and B on the previous page.

General Revenue Fund revenues, by source, fiscal year 2003 to 2017, adjusted for inflation

Fiscal Year		Individual Income Tax (net of refunds)	Sales and Use Tax	Corporate Income Tax	Insurance Premium Tax	Other	Total	Percent Change
2003	\$	4,186,108,297	2,195,881,703	526,220,787	204,997,324	740,748,988	7,853,957,099	
2004		4,468,697,715	2,278,786,263	538,050,130	207,214,273	738,321,498	8,231,069,880	4.80%
2005		4,708,434,551	2,287,665,185	588,848,651	205,646,815	550,726,571	8,341,321,772	1.34%
2006		5,045,709,181	2,293,254,043	724,793,766	226,639,395	469,976,709	8,760,373,095	5.02%
2007		5,287,678,380	2,316,344,189	739,395,099	233,159,484	454,352,455	9,030,929,606	3.09%
2008		5,443,957,069	2,215,004,507	688,466,593	235,166,402	399,161,636	8,981,756,206	-0.54%
2009		5,049,113,810	2,114,657,039	593,628,231	228,967,469	384,589,062	8,370,955,610	-6.80%
2010		4,395,358,439	1,959,891,842	549,689,893	212,772,348	298,996,584	7,416,709,106	-11.40%
2011		4,624,052,211	1,946,507,728	578,502,616	227,135,945	348,197,396	7,724,395,896	4.15%
2012		4,771,774,266	1,956,025,870	525,402,642	200,541,375	217,581,964	7,671,326,117	-0.69%
2013		5,334,048,641	1,948,157,274	540,418,124	196,594,887	289,489,860	8,308,708,786	8.31%
2014		5,132,634,496	1,988,571,148	546,823,023	204,933,484	222,360,141	8,095,322,292	-2.57%
2015		5,744,029,568	2,038,596,538	566,365,487	242,450,708	235,523,801	8,826,966,103	9.04%
2016		5,753,650,142	2,099,701,967	468,287,165	247,271,010	208,937,790	8,777,848,074	-0.56%
2017	\$	5,904,707,426	2,147,141,091	435,097,753	280,410,231	248,885,466	9,016,241,966	2.72%

Source: SAO and UCM analysis of Economic and Policy Analysis Research Center (EPARC), University of Missouri (EPARC) and SAM II data. Inflation factors from UCM economists analysis of CPI data from <<https://fred.stlouisfed.org/series/CPIAUCSL>>.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Political
Subdivision Filings
December 2017**

Monthly Report on Political Subdivision Filings

December 2017

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 312 political subdivisions required to file a financial report by December 31, 2017, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in December 2017, after their filing deadline. The filing status for these 8 entities is presented in summary on page 3 and by individual entity in Appendix B-D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

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Monthly Report on Political Subdivision Filings

December 2017

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the State Auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 312 political subdivisions, other than cities, towns, and villages, with a fiscal year end of June 30, 2017. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 312 political subdivisions, 235 filed an annual financial report and 1 filed a partial financial report by December 31, 2017.

This report also includes the filing status for 8 political subdivisions, other than cities, towns, and villages, that filed their financial report in December 2017, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	Andrew County NHD	Yes	October 25, 2017
Atchison	Benton Township & Rock Creek Drainage	Yes	July 28, 2017
	Lewis Drainage District	Yes	July 21, 2017
	West Langdon Drainage District	Yes	July 28, 2017
Barry	Barry County 911 Board	No	
	Barry-Lawrence Library District	Yes	November 17, 2017
Bates	PWSD 7 Bates County	Yes	November 3, 2017
Benton	Cole Camp Ambulance District	Yes	September 6, 2017
	Good Samaritan NHD	No	
	Lincoln Community NHD	Yes	December 8, 2017
Boone	Hartsburg Levee District	Yes	November 14, 2017
Buchanan	2317 Belt CID	Yes	December 29, 2017
	Belt Highway & Beck Road CID	Yes	December 20, 2017
	Commons CID	No	
	Cook Crossings CID	Yes	October 24, 2017
	East Hills CID	Yes	November 20, 2017
	Rolling Hills Consolidated Library	No	
	St. Joseph Downtown CID	Yes	September 21, 2017
	St. Joseph Public Library	Yes	November 9, 2017
Butler	East Butler County Sewer District	Yes	August 28, 2017
Caldwell	Caldwell County Ambulance District	No	
	Hamilton Public Library	No	
Camden	Camden County Ambulance District	No	
	CAM-MO Ambulance District	Yes	November 22, 2017
Cape Girardeau	Cape Girardeau Public Library	Yes	December 1, 2017
	Downtown Cape Girardeau CID	Yes	October 24, 2017
	Midamerica Crossings TDD	Yes	October 26, 2017
	North Cape County Rural FPD	Yes	August 9, 2017
	PWSD 2 Cape Girardeau County	Yes	November 30, 2017
	PWSD 5 Cape Girardeau County	Yes	August 28, 2017
	Town Plaza Crossing CID	No	
Carroll	Big Creek Watershed Subdistrict	Yes	October 18, 2017
	Sugartree Drainage District	No	
Carter	Ellsinore Herren Avenue CID	No	
	Ellsinore Rural FPD	No	
Cass	Dikeland Sewer District	Yes	July 25, 2017
	Mullendike Sewer District	Yes	September 5, 2017
	PWSD 11 Cass County	Yes	October 11, 2017
Chariton	Brunswick Southeast Drainage	No	
	Chariton County Ambulance District	Yes	December 29, 2017
Christian	Ozark Centre TDD	Yes	October 2, 2017
Clark	Clark County NHD	No	
	Northeast Missouri Library Service	No	
Clay	Claycomo SRD Clay County	Yes	August 29, 2017
	Eastern Clay Ambulance District	No	
	New Liberty Hospital District	Yes	October 23, 2017
	North Kansas City Levee District	Yes	December 14, 2017

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	PWSD 2 Clay County	No	
	Williams Creek Watershed Subdistrict	No	
Clinton	Consolidated PWSD 4 Clinton County	Yes	October 30, 2017
Crawford	North Crawford Ambulance District	Yes	September 6, 2017
Dade	Dade County NHD	No	
Daviess	Community Ambulance District	Yes	November 16, 2017
	Pattonsburg Rescue & FPD	Yes	October 25, 2017
	West Fork of Big Creek Watershed	Yes	August 24, 2017
De Kalb	Grindstone-Lost-Muddy-Creek Subdistrict	Yes	July 14, 2017
Dent	Salem Memorial Hospital District	No	
Dent	Salem Public Library	No	
Dunklin	Consolidated Drainage District 2	Yes	November 8, 2017
Franklin	Berger Levee District	Yes	July 27, 2017
	East Main & Highway 47 CID	Yes	December 4, 2017
	East Osage CID	Yes	August 29, 2017
	Osage Commercial Area CID	Yes	August 29, 2017
	Scenic Regional Library	Yes	December 18, 2017
	Sullivan SRD Franklin County	Yes	October 2, 2017
	Union CID	Yes	September 26, 2017
	Union SRD Franklin County	Yes	October 6, 2017
	Viaduct Commercial Area CID	Yes	August 29, 2017
	Albany Community FPD	No	
Gentry	Albany Public Library	No	
	Stanberry Rural FPD	Yes	July 13, 2017
Greene	Airport Plaza CID	No	
	Brentwood N/S CID	Yes	September 8, 2017
	College Station CID	Yes	November 2, 2017
	College Station TDD	Yes	November 2, 2017
	Commercial Street CID	Yes	November 28, 2017
	Convention & Entertainment CID	Yes	November 1, 2017
	Downtown Springfield CID	No	
	East-West Arterial TDD	Yes	December 18, 2017
	James River Commons CID	Yes	July 24, 2017
	Kansas Battlefield CID	No	
	Northwest Area CID	Yes	July 18, 2017
	Springfield Greene County Library	Yes	December 8, 2017
	Springfield Plaza CID	Yes	November 27, 2017
Grundy	Grundy County NHD	Yes	November 20, 2017
Harrison	East Fork of Big Creek Subdistrict	Yes	August 21, 2017
	Panther Creek Watershed Subdistrict	Yes	August 21, 2017
	West Fork of Big Creek Subdistrict	Yes	August 21, 2017
Henry	Harry S. Truman PWSD 2 Henry County	Yes	November 27, 2017
	PWSD 4 Henry County	No	
Holt	Forest City Levee District	No	
	Mound City Public Library	Yes	September 1, 2017
	Mound City Rural FPD	Yes	September 27, 2017
	Oregon Public Library	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Howell	Mountain View-Summersville AD	Yes	August 4, 2017
Jackson	Arrowhead CID	Yes	November 6, 2017
	Atherton Levee District	Yes	November 13, 2017
	Blue Parkway & Colbern Road CID	Yes	December 14, 2017
	Crackerneck Center CID	Yes	December 11, 2017
	Crackerneck Creek TDD	Yes	December 19, 2017
	Downtown Lee's Summit CID	Yes	December 14, 2017
	Hartman Heritage Center CID	Yes	September 5, 2017
	Highway 50 & Todd George CID	Yes	November 28, 2017
	I-470 CID	Yes	October 19, 2017
	Independence Events Center CID	Yes	December 19, 2017
	Kansas City Public Library	Yes	November 13, 2017
	Marketplace CID	No	
	Mid Continent Public Library	Yes	September 20, 2017
	Noland Road CID	Yes	December 27, 2017
	PWSD 14 Jackson County	No	
	PWSD 17 Jackson County	No	
	Southwest I-470 TDD	Yes	December 14, 2017
	Stone Canyon CID	No	
	Summit Fair CID	Yes	December 27, 2017
	Thirty-Ninth Street TDD	Yes	December 11, 2017
Jasper	Carthage Public Library	Yes	December 4, 2017
	Carthage SRD Jasper County	Yes	July 17, 2017
	Joplin SRD Newton & Jasper County	Yes	November 29, 2017
	Peachtree CID	Yes	October 11, 2017
Jefferson	Hillsboro SRD Jefferson County	No	
	McNutt Retail Corridor CID	Yes	October 24, 2017
	PWSD 1 Jefferson County	Yes	November 16, 2017
	PWSD 10 Jefferson County	Yes	December 29, 2017
Johnson	Johnson County Community Health	Yes	December 13, 2017
	South Fork of Blackwater Watershed	Yes	December 6, 2017
	Trails Consolidated Library	Yes	September 22, 2017
Laclede	Lebanon Marketplace CID	Yes	December 16, 2017
	Southdale Center CID	Yes	September 8, 2017
	The Fountains CID	Yes	December 14, 2017
Lafayette	Concordia FPD	No	
	Corder FPD	Yes	August 25, 2017
	Little Sni A Bar Watershed Subdistrict	Yes	August 23, 2017
	Tabo Creek Watershed Subdistrict	Yes	August 25, 2017
	Wellington Napoleon Subdistrict	Yes	August 25, 2017
Lewis	Canton Public Library	Yes	October 17, 2017
	Canton SRD Lewis County	No	
	Dickerson SRD Lewis County	No	
Lincoln	Lincoln County Health Department	No	
	Lincoln Crossing CID	Yes	September 14, 2017
Linn	Brookfield Carnegie Public Library	Yes	July 21, 2017
	East Yellow Creek Watershed	Yes	August 25, 2017

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Linn	Linneus FPD	Yes	July 19, 2017
Livingston	Green Township FPD	Yes	July 2, 2017
Macon	Macon County NHD	Yes	December 14, 2017
Marion	Hannibal Free Public Library	No	
	U.S. Highway 36 Interstate 72 TDD	Yes	November 4, 2017
Miller	Osage National TDD	Yes	June 13, 2017
Mississippi	Mississippi County Levee District 3	No	
	St. Johns Levee & Drainage District	No	
Montgomery	Montgomery City Public Library	No	
	Tri County Levee District	Yes	November 9, 2017
	Wellsville FPD	Yes	December 22, 2017
Morgan	Golden Age NHD 1	Yes	November 1, 2017
	Good Shepherd NHD	Yes	November 1, 2017
New Madrid	Drainage District 28 New Madrid County	Yes	July 25, 2017
	PWSD 1 New Madrid County	No	
Newton	Lost Creek Watershed Subdistrict	Yes	December 12, 2017
Nodaway	102 River Tributaries Subdistrict	Yes	September 21, 2017
	Barnard FPD	Yes	July 29, 2017
	Hoover Frankum Watershed Subdistrict	Yes	September 21, 2017
	Mill Creek Watershed Subdistrict	Yes	September 21, 2017
	Mozingo Creek Watershed Subdistrict	Yes	September 21, 2017
	West Nodaway FPD	No	
Pemiscot	Caruthersville Public Library	Yes	October 24, 2017
	Consolidated Drainage District 1	No	
	Consolidated Drainage District 3	No	
	Steele Public Library	Yes	July 26, 2017
Perry	Bois Brule Drainage & Levee	Yes	December 31, 2017
Pettis	Boonslick Regional Library	Yes	September 27, 2017
Phelps	Rolla Free Public Library	No	
Pike	Pike County Memorial Hospital	Yes	December 21, 2017
Platte	Northmoor Associates CID	Yes	November 6, 2017
	Riverside Gateway Crossing CID	Yes	November 1, 2017
	Riverside-Quindaro Bend Levee	No	
	Tracy Highlands TDD	Yes	July 19, 2017
Pulaski	PWSD 3 Pulaski County	Yes	July 18, 2017
Putnam	Putnam County Memorial Hospital	Yes	December 29, 2017
	PWSD 1 Putnam County	Yes	December 19, 2017
Ralls	Highway 61 CID	Yes	December 28, 2017
Randolph	Downtown Moberly CID	Yes	November 10, 2017
	Meadow Ridge CID	Yes	September 12, 2017
	Moberly Crossings CID	Yes	September 12, 2017
Ray	Lawson SRD Ray County	Yes	October 20, 2017
	Ray County Ambulance District	Yes	December 13, 2017
	Willow Creek Watershed Subdistrict	No	
Ripley	Fourche Creek Watershed Subdistrict	Yes	December 21, 2017
	Little Black Watershed Subdistrict	Yes	December 21, 2017
Scotland	Middle Fabius River Subdistrict	No	

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Scotland	Scotland County Memorial Hospital	Yes	November 14, 2017
	Scotland County NHD	Yes	November 2, 2017
Scott	Sikeston FPD	Yes	August 29, 2017
Shelby	Clarence NHD	No	
	Clarence Public Library	Yes	November 1, 2017
	Shelbina Carnegie Public Library	Yes	August 23, 2017
St. Charles	Consolidated North County Levee	No	
	Hawk Ridge TDD	Yes	October 2, 2017
	Lakeside 370 Levee District	No	
St. Clair	St. Charles City-County Library	Yes	December 13, 2017
	Appleton City Public Library	No	
	St. Clair County Hospital District 1	No	
St. Louis	10700 Pear Tree Lane CID	Yes	September 6, 2017
	10700 Pear Tree Lane TDD	Yes	September 6, 2017
	141/Marshall Road CID	Yes	August 28, 2017
	370/MO Bottom Road/Taussig Road CID	Yes	December 29, 2017
	Arbors of Rockwood CID	Yes	September 8, 2017
	Berkeley-North Park CID	Yes	October 27, 2017
	Brentwood Boulevard/Clayton Rd. CID	Yes	August 23, 2017
	Brentwood Boulevard/Clayton Rd. TDD	Yes	August 23, 2017
	Bridgeton Subdistrict Levee	No	
	Cheshire CID	Yes	September 8, 2017
	Crossings at Richmond Heights CID	Yes	July 24, 2017
	Deer Creek Center CID	Yes	July 25, 2017
	Earth City Levee District	No	
	Eureka Old Town TDD	Yes	September 8, 2017
	Eureka Pointe CID	Yes	October 2, 2017
	Ferguson Municipal Public Library	Yes	December 7, 2017
	Hadley Township South 2 CID	Yes	October 26, 2017
	Hazelwood Commerce Center CID	Yes	September 8, 2017
	Hazelwood Subdistrict Levee	Yes	December 20, 2017
	Hilltop Village Center CID	Yes	October 6, 2017
	Howard Bend Levee District	Yes	November 13, 2017
	Kirkwood Public Library	No	
	Maplewood Public Library	Yes	November 16, 2017
	Metropolitan Sewer St. Louis County	Yes	November 14, 2017
	Missouri Bottoms Levee District	Yes	November 8, 2017
	MO Bottoms Levee-Bridgeton Subdistrict	Yes	November 8, 2017
	Monarch Chesterfield Levee District	Yes	November 13, 2017
	North County Festival/Square CID	Yes	December 29, 2017
	Northpark-Ferguson CID	Yes	October 27, 2017
	NP Kinloch CID	Yes	October 25, 2017
	NP Kinloch CID II	Yes	October 24, 2017
	OHM Woodson Terrace CID	Yes	August 10, 2017
	OHM Woodson Terrace TDD	Yes	August 10, 2017
	Olive Boulevard TDD	No	
	Residence Inn Downtown St. Louis CID	Yes	October 2, 2017

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Riverport Levee District	No	
	St. Louis County Clean Energy Board	Yes	December 27, 2017
	Union Station CID	Yes	September 6, 2017
	Valley Park Community Library	Yes	November 27, 2017
	Webster Groves Public Library	No	
St. Louis City	1100 Washington Avenue CID	Yes	July 24, 2017
	1133 Washington Avenue CID	No	
	1201 Washington CID	Yes	August 31, 2017
	1225 Washington CID	Yes	October 3, 2017
	1225 Washington TDD	Yes	October 3, 2017
	14th & Market Street CID	Yes	September 8, 2017
	1831/2000 Sidney Street CID	Yes	October 26, 2017
	1831/2000 Sidney Street TDD	Yes	October 26, 2017
	2017 Chouteau CID	Yes	September 19, 2017
	2118 Chouteau TDD	Yes	September 19, 2017
	212 S. Grand CID	Yes	October 10, 2017
	212 S. Grand TDD	Yes	October 10, 2017
	2350 South Grand CID	Yes	October 30, 2017
	4101 Laclede CID	Yes	September 8, 2017
	501 Olive CID	Yes	October 18, 2017
	501 Olive TDD	Yes	October 18, 2017
	620 Market CID	Yes	October 27, 2017
	Ballpark Village CID	No	
	Ballpark Village TDD	No	
	Bevo CID	Yes	December 18, 2017
	Broadway Hotel CID	Yes	September 6, 2017
	Cheshire Annex CID	Yes	September 8, 2017
	Cheshire TDD	Yes	September 6, 2017
	City Hospital Laundry Building TDD	Yes	October 31, 2017
	City Hospital Powerhouse CID	Yes	October 31, 2017
	City Hospital Powerhouse TDD	Yes	October 31, 2017
	City Hospital RPA2 Phase 1 CID	Yes	October 31, 2017
	Clean Energy Development Board	Yes	December 26, 2017
	Cozens/MLK/Grand CID	No	
	Crowne Plaza CID	Yes	November 1, 2017
	Cupples Station Building 9 CID	Yes	September 7, 2017
	CWE Business CID	No	
	Euclid South CID	Yes	December 18, 2017
	Expanded Forsyth Associates CID	No	
	Georgian Square CID	Yes	October 31, 2017
	Hadley Dean Building CID	No	
	Hampton Berthold CID	Yes	December 28, 2017
	Laurel CID	Yes	December 15, 2017
	Loop East CID	Yes	October 19, 2017
	Loughborough Commons CID	Yes	October 27, 2017
	Magnolia CID	Yes	October 30, 2017
	Magnolia TDD	Yes	October 30, 2017

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis City	North Broadway Carrie CID	Yes	December 28, 2017
	Orpheum Theatre CID	No	
	Park Pacific CID	Yes	September 25, 2017
	Railway Exchange Building CID	No	
	Railway Exchange Building TDD	No	
	Residence Inn Downtown St. Louis TDD	Yes	October 2, 2017
	Riverfront Hotel CID	Yes	October 16, 2017
	Soda Fountain Square CID	No	
	South Grand CID	Yes	December 15, 2017
	St. Louis Convention Center Hotel 3 CID	Yes	October 24, 2017
	St. Louis Convention Center Hotel TDD	Yes	October 24, 2017
	Syndicate Trust CID	No	
	The Grove CID	Yes	December 18, 2017
	Tucker & Cass CID	Yes	September 14, 2017
	Union Station TDD	Yes	October 27, 2017
	Washington Avenue TDD	Yes	July 24, 2017
Ste. Genevieve	Ste. Genevieve County Levee District 2	No	
	Ste. Genevieve County Levee District 3	Yes	October 5, 2017
Stoddard	Bloomfield Public Library	No	
	PWSD 1 Stoddard County	No	
	Stoddard Common Sewer District 1	Yes	October 11, 2017
Sullivan	PWSD 1 Sullivan County	Yes	October 16, 2017
Vernon	Nevada Public Library	Yes	August 23, 2017
	Vernon County Ambulance District	Yes	October 19, 2017
Warren	Missouri Valley Levee District	Yes	July 27, 2017
Webster	Webster County NHD	No	
Worth	East Fork of Grand River Watershed	Yes	June 20, 2017
	PWSD 1 Worth County	Yes	October 31, 2017
	Sheridan FPD	Partial	August 21, 2017
	Worth County Convalescent Center District	Yes	December 1, 2017
Total Filed		235	
Total Partially Filed		1	
Total Not Filed		76	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due September 30, 2017
Filed in December 2017

Fiscal Year Ended March 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Howell	63 Bypass CID	Yes	December 13, 2017
	Ozark Hills CID	Yes	December 13, 2017
	Ramseur Farm CID	Yes	December 13, 2017
	South 160 CID	Yes	December 13, 2017
	Southern Hills CID	Yes	December 13, 2017
	Stoneybrooke CID	Yes	December 27, 2017
Livingston			
Total Filed		6	

Acronyms:

CID Community Improvement District

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due October 31, 2017
 Filed in December 2017

Fiscal Year Ended April 30, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Platte	Edgewood Farms CID	Yes	December 5, 2017
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due November 30, 2017
 Filed in December 2017

Fiscal Year Ended May 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Barry	Southwest Rural Water Supply District 1	Yes	December 22, 2017
Total Filed		1	



Office of Missouri State Auditor
Nicole Galloway, CPA

**Monthly Report on Municipal Court
and Revenue Filings
December 2017**

Monthly Report on Municipal Court and Revenue Filings

December 2017

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the cities, towns, and villages with a June 30, 2017, fiscal year end, that were required to file a financial report by December 31, 2017, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the 257 cities, 5 towns, and 66 villages is presented in summary on pages 3-4 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report also includes the updated filing status for cities and villages that filed at least one of the items (financial report, addendum, or certification) in December 2017, after their filing deadline. The filing status for these 10 cities and 3 villages is presented in summary on page 4 and by individual entity in Appendixes B to D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
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Monthly Report on Municipal Court and Revenue Filings

December 2017

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, effective August 28, 2017, requires the State Auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities operating a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that operates a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 257 cities, 5 towns, and 66 villages with a fiscal year end of June 30, 2017, whose financial report was due by December 31, 2017. Of these entities, 196 filed their financial report timely and 2 filed a partial financial report. There were 149 entities required to file an addendum, of which 86 were filed. There were 137 entities required to file a certification, of which 76 were filed.



Monthly Report on Municipal Court and Revenue Filings
December 2017
Executive Summary

This report also includes the filing status for 10 cities and 3 villages that filed at least one of the items (financial report, addendum, or certification) in December 2017, after their filing deadline. Of these entities, 6 filed an annual financial report, 2 filed an addendum, and 7 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Adair	City of Novinger	No		n/a	n/a
Andrew	City of Amazonia	Yes	November 10, 2017	n/a	n/a
Atchison	City of Westboro	No		n/a	n/a
Audrain	City of Laddonia	Yes	December 29, 2017	n/a	n/a
	Village of Vandiver	Yes	July 6, 2017	n/a	n/a
Barry	City of Purdy	Yes	December 15, 2017	Yes	Yes
	City of Washburn	Yes	October 20, 2017	Yes	Yes
Barton	City of Lamar	Yes	November 29, 2017	Yes	Yes
	City of Mindenmines	Yes	December 28, 2017	n/a	n/a
	Village of Milford	Yes	September 7, 2017	n/a	n/a
Bates	City of Adrian	No		Yes	Yes
	City of Amsterdam	Yes	July 24, 2017	n/a	n/a
Bollinger	City of Marble Hill	No		n/a	n/a
Boone	City of Hallsville	Yes	December 27, 2017	Yes	Yes
	City of Rocheport	No		n/a	n/a
	City of Sturgeon	Yes	December 13, 2017	n/a	n/a
	Town of Huntsdale	No		n/a	n/a
	Village of Hartsburg	Yes	October 31, 2017	n/a	n/a
Buchanan	City of St. Joseph	No		Yes	No
Butler	City of Fisk	No		n/a	n/a
	City of Qulin	Yes	July 25, 2017	n/a	n/a
Caldwell	City of Braymer	Yes	September 28, 2017	n/a	n/a
	City of Breckenridge	Yes	July 18, 2017	n/a	n/a
	City of Cowgill	Yes	July 26, 2017	n/a	n/a
	City of Hamilton	No		No	n/a
Callaway	Village of Kingdom City	Yes	December 22, 2017	n/a	n/a
Camden	City of Linn Creek	No		No	No
	City of Stoutland	Yes	July 31, 2017	n/a	n/a
Cape Girardeau	City of Cape Girardeau	Yes	December 22, 2017	Yes	Yes
	City of Delta	No		n/a	n/a
	Village of Oak Ridge	Yes	October 16, 2017	n/a	n/a
	Village of Whitewater	No		n/a	n/a
Carroll	City of Bogard	Yes	December 17, 2017	n/a	n/a
	City of De Witt	Yes	October 11, 2017	n/a	n/a
Carter	City of Ellsinore	No		n/a	n/a
Cass	City of Archie	No		n/a	n/a
	City of Cleveland	Yes	December 7, 2017	n/a	n/a
	City of Creighton	No		n/a	n/a
	City of Freeman	Yes	December 26, 2017	n/a	n/a
	City of Garden City	No		No	No

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Cass	City of Lake Annette	No		n/a	n/a
	Village of Baldwin Park	No		n/a	n/a
	Village of Loch Lloyd	No		n/a	n/a
Cedar	Village of Jerico Springs	Yes	October 24, 2017	n/a	n/a
Chariton	City of Brunswick	No		n/a	n/a
	City of Keytesville	Yes	August 15, 2017	n/a	n/a
	City of Salisbury	No		Yes	n/a
Christian	Village of Dalton	No		n/a	n/a
	City of Clever	Yes	October 18, 2017	No	No
	City of Highlandville	Yes	December 14, 2017	Yes	Yes
Clark	City of Sparta	Yes	October 25, 2017	No	No
	City of Alexandria	Yes	August 25, 2017	n/a	n/a
	City of Wayland	No		n/a	n/a
Clay	City of Gladstone	Yes	December 22, 2017	Yes	Yes
	City of Pleasant Valley	Yes	December 5, 2017	Yes	Yes
	Village of Birmingham	No		n/a	n/a
Clinton	City of Gower	No		No	No
	City of Lathrop	No		Yes	Yes
	City of Plattsburg	No		No	No
Cole	City of St. Thomas	Yes	August 1, 2017	n/a	n/a
	City of Taos	No		No	No
Cooper	City of Bunceton	No		n/a	n/a
	City of Prairie Home	Yes	September 27, 2017	n/a	n/a
	Village of Wooldridge	Yes	December 26, 2017	n/a	n/a
Crawford	City of Bourbon	Yes	December 29, 2017	n/a	n/a
	City of Cuba	Yes	December 29, 2017	No	No
	City of Steelville	No		n/a	n/a
Dade	Village of St. Cloud	No		n/a	n/a
	City of Everton	Yes	November 2, 2017	n/a	n/a
	City of Greenfield	Yes	November 1, 2017	No	No
Dallas	City of Lockwood	Yes	December 12, 2017	n/a	n/a
	City of Urbana	Yes	December 27, 2017	No	No
Daviess	Village of Louisburg	Yes	July 6, 2017	n/a	n/a
	City of Coffey	Yes	December 18, 2017	n/a	n/a
	City of Jamesport	Yes	December 27, 2017	n/a	n/a
De Kalb	City of Pattonsburg	Yes	October 12, 2017	n/a	n/a
	Village of Altamont	No		n/a	n/a
	City of Clarksdale	Yes	October 17, 2017	n/a	n/a
	City of Maysville	No		n/a	n/a
	Village of Amity	Yes	August 29, 2017	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
De Kalb	Village of Weatherby	No		n/a	n/a
Dent	City of Salem	No		n/a	n/a
Douglas	City of Ava	Yes	December 13, 2017	Yes	Yes
Dunklin	City of Arbyrd	Yes	September 1, 2017	No	No
	City of Campbell	No		No	No
	City of Clarkton	No		No	No
	City of Holcomb	No		No	No
	City of Kennett	No		No	No
	City of Malden	No		Yes	Yes
	City of Senath	Yes	October 31, 2017	No	No
	City of Berger	Yes	October 9, 2017	No	No
	City of New Haven	Yes	December 21, 2017	Yes	Yes
Franklin	City of Pacific	Yes	December 28, 2017	Yes	Yes
	City of Union	Yes	August 30, 2017	Yes	Yes
	Village of Parkway	Yes	December 19, 2017	n/a	n/a
	City of Bland	Yes	October 25, 2017	Yes	Yes
	City of Gasconade	No		No	No
	City of Hermann	Yes	December 8, 2017	Yes	Yes
	City of Morrison	No		n/a	n/a
	City of Owensville	Yes	December 11, 2017	Yes	Yes
	City of Rosebud	No		No	No
Gentry	City of Albany	No		n/a	n/a
	City of King City	Yes	November 6, 2017	n/a	n/a
	Village of Darlington	No		n/a	n/a
Greene	City of Ash Grove	Yes	October 17, 2017	No	No
	City of Battlefield	Yes	December 6, 2017	No	No
	City of Fair Grove	Yes	October 11, 2017	Yes	Yes
	City of Springfield	Yes	December 20, 2017	Yes	Yes
Grundy	City of Galt	No		n/a	n/a
Harrison	Village of Mount Moriah	Yes	August 22, 2017	n/a	n/a
Henry	Village of Brownington	Yes	July 27, 2017	n/a	n/a
Hickory	City of Hermitage	Yes	October 17, 2017	n/a	n/a
	City of Weaubleau	Yes	September 26, 2017	n/a	n/a
	City of Wheatland	Yes	September 20, 2017	n/a	n/a
Holt	City of Craig	No		n/a	n/a
	City of Mound City	Yes	December 20, 2017	n/a	n/a
	Village of Big Lake	Yes	December 1, 2017	n/a	n/a
	Village of Bigelow	Yes	December 29, 2017	n/a	n/a
Howard	City of Fayette	No		No	No
	City of Franklin	Yes	December 19, 2017	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Howard	City of Glasgow	Yes	December 8, 2017	No	No
	City of New Franklin	No		n/a	n/a
Howell	City of Mountain View	No		No	No
Iron	City of Arcadia	Yes	August 23, 2017	Yes	No
	City of Ironton	No		n/a	n/a
	City of Pilot Knob	Yes	August 25, 2017	Yes	Yes
	City of Viburnum	No		No	No
Jackson	City of Greenwood	Yes	November 14, 2017	Yes	Yes
	City of Independence	Yes	December 21, 2017	Yes	Yes
	City of Lake Tapawingo	No		No	No
	City of Lee's Summit	Yes	December 29, 2017	Yes	Yes
	City of Lone Jack	Yes	December 22, 2017	Yes	Yes
	City of Alba	Yes	September 18, 2017	n/a	n/a
Jasper	City of Carthage	Yes	December 26, 2017	Yes	Yes
	City of La Russell	No		n/a	n/a
	City of Neck City	No		n/a	n/a
	City of Oronogo	Yes	November 14, 2017	Yes	Yes
	City of Waco	No		n/a	n/a
	Town of Brooklyn Heights	Yes	October 19, 2017	n/a	n/a
Jefferson	City of Byrnes Mill	No		No	No
	City of Herculaneum	Yes	December 29, 2017	Yes	Yes
	City of Hillsboro	Yes	November 6, 2017	No	No
	City of Olympian Village	No		n/a	n/a
Johnson	City of Holden	No		n/a	n/a
Knox	City of Hurdland	Yes	December 31, 2017	n/a	n/a
Laclede	City of Lebanon	Yes	November 28, 2017	Yes	Yes
	Village of Evergreen	No		n/a	n/a
Lafayette	City of Corder	Yes	July 13, 2017	n/a	n/a
	City of Waverly	Yes	October 20, 2017	No	Yes
	City of Wellington	Yes	December 14, 2017	n/a	n/a
	Village of Aullville	No		n/a	n/a
Lawrence	City of Miller	Yes	October 13, 2017	Yes	Yes
Lewis	City of Canton	Yes	November 21, 2017	No	n/a
	City of Ewing	No		n/a	n/a
	City of Lewistown	No		n/a	n/a
	Village of Monticello	No		n/a	n/a
Lincoln	City of Troy	Yes	December 26, 2017	Yes	Yes
Livingston	City of Chula	No		n/a	n/a
	Village of Mooresville	No		n/a	n/a
Macon	City of Bevier	Yes	December 21, 2017	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Macon	City of Callao	Yes	December 28, 2017	n/a	n/a
	City of La Plata	Partial	March 6, 2017	n/a	n/a
Madison	Village of Cobalt City	No		n/a	n/a
Maries	City of Belle	Yes	December 8, 2017	Yes	Yes
	City of Vienna	Yes	September 12, 2017	n/a	n/a
Marion	City of Hannibal	Yes	December 19, 2017	Yes	Yes
Mercer	City of Mercer	Yes	December 29, 2017	n/a	n/a
Miller	City of Bagnell	No		n/a	n/a
	Village of Brumley	Yes	December 29, 2017	n/a	n/a
Mississippi	City of Bertrand	Yes	July 26, 2017	No	Yes
	Village of Wilson City	No		n/a	n/a
Moniteau	City of Clarksburg	Yes	July 19, 2017	Yes	n/a
Monroe	City of Madison	No		n/a	n/a
Montgomery	City of Middletown	No		n/a	n/a
	City of Montgomery	Yes	December 1, 2017	No	No
	City of New Florence	Yes	December 20, 2017	Yes	Yes
Morgan	City of Stover	No		n/a	n/a
	Town of Gravois Mills	Yes	October 28, 2017	n/a	n/a
New Madrid	City of Gideon	No		No	No
	City of Howardville	No		No	No
	City of Lilbourn	No		n/a	n/a
	City of Parma	Yes	December 8, 2017	Yes	No
	Village of Catron	Yes	November 17, 2017	n/a	n/a
Newton	Village of North Lilbourn	Yes	July 6, 2017	n/a	n/a
	City of Diamond	Yes	December 20, 2017	No	No
	City of Granby	No		No	No
	Village of Dennis Acres	Yes	July 21, 2017	n/a	n/a
	Village of Saginaw	Yes	December 20, 2017	n/a	n/a
	Village of Stark City	Yes	November 22, 2017	n/a	n/a
	Village of Stella	No		n/a	n/a
Nodaway	City of Arkoe	No		n/a	n/a
	City of Barnard	No		n/a	n/a
	City of Burlington Junction	No		n/a	n/a
	City of Elmo	No		n/a	n/a
	City of Skidmore	No		n/a	n/a
Oregon	City of Alton	No		n/a	n/a
	City of Koshkonong	Yes	July 21, 2017	n/a	n/a
	City of Thayer	No		n/a	n/a
Osage	City of Meta	No		n/a	n/a
Ozark	Village of Bakersfield	No		n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Pemiscot	City of Caruthersville	Yes	August 28, 2017	Yes	Yes
	City of Hayti	Yes	November 20, 2017	Yes	Yes
	City of Hayti Heights	Yes	June 29, 2017	No	No
	City of Steele	No		Yes	Yes
	Town of Cooter	Yes	September 12, 2017	No	No
Perry	City of Altenburg	No		n/a	n/a
	City of Frohna	Yes	November 7, 2017	n/a	n/a
	Village of Biehle	No		n/a	n/a
Pettis	City of Green Ridge	Yes	November 1, 2017	n/a	n/a
	City of Smithton	No		n/a	n/a
Phelps	City of Doolittle	No		n/a	n/a
	City of Newburg	Yes	December 14, 2017	No	Yes
Pike	City of Clarksville	Yes	December 22, 2017	n/a	n/a
	City of Frankford	Yes	December 15, 2017	No	No
Platte	City of Houston Lake	No		n/a	n/a
	City of Northmoor	No		No	No
	City of Riverside	Yes	December 13, 2017	n/a	n/a
Polk	City of Morrisville	No		n/a	n/a
	Village of Aldrich	Yes	December 31, 2017	n/a	n/a
	Village of Flemington	Yes	November 15, 2017	n/a	n/a
Pulaski	City of Crocker	No		No	Yes
	City of Richland	No		Yes	Yes
Putnam	Village of Livonia	No		n/a	n/a
	Village of Lucerne	Yes	September 22, 2017	n/a	n/a
Ralls	City of New London	No		n/a	n/a
	Village of Rensselaer	No		n/a	n/a
Randolph	City of Clark	No		n/a	n/a
	City of Clifton Hill	Yes	September 21, 2017	n/a	n/a
	City of Huntsville	No		Yes	No
	City of Moberly	No		No	No
	Village of Jacksonville	Yes	December 11, 2017	n/a	n/a
	Village of Renick	Yes	September 25, 2017	n/a	n/a
	City of Lawson	Yes	December 19, 2017	No	No
Ray	City of Wood Heights	Yes	December 6, 2017	No	No
	Village of Elmira	No		n/a	n/a
	City of Bunker	Yes	July 26, 2017	No	n/a
Reynolds	City of Ellington	No		No	n/a
Ripley	City of Doniphan	No		n/a	n/a
Saline	City of Nelson	No		n/a	n/a
	Village of Grand Pass	Yes	December 8, 2017	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Scotland	City of South Gorin	No		n/a	n/a
	Village of Granger	No		n/a	n/a
	Village of Rutledge	Yes	November 17, 2017	n/a	n/a
Scott	City of Benton	No		No	No
	City of Scott City	No		No	No
	City of Sikeston	No		Yes	Yes
	Village of Blodgett	No		n/a	n/a
	Village of Commerce	No		n/a	n/a
	Village of Diehlstadt	Yes	October 31, 2017	n/a	n/a
	Village of Lambert	No		n/a	n/a
Shelby	Village of Vanduser	Yes	August 30, 2017	n/a	n/a
	City of Clarence	Yes	November 1, 2017	Yes	n/a
	City of Shelbina	No		No	n/a
	Village of Leonard	Yes	August 27, 2017	n/a	n/a
St. Charles	City of Lake St. Louis	Yes	December 7, 2017	Yes	Yes
	Village of Josephville	No		n/a	n/a
St. Clair	City of Lowry City	Partial	March 6, 2017	n/a	n/a
	Village of Gerster	No		n/a	n/a
St. Francois	City of Bismarck	No		No	No
	City of Desloge	Yes	November 6, 2017	Yes	Yes
	City of Leadington	Yes	October 23, 2017	Yes	Yes
St. Louis	City of Bella Villa	Yes	December 20, 2017	No	Yes
	City of Bellefontaine Neighbors	Yes	November 27, 2017	Yes	Yes
	City of Berkeley	Yes	December 29, 2017	Yes	Yes
	City of Black Jack	Yes	October 25, 2017	Yes	No
	City of Charlack	Yes	December 29, 2017	Yes	Yes
	City of Clarkson Valley	Yes	August 22, 2017	Yes	No
	City of Country Club Hills	No		n/a	n/a
	City of Creve Coeur	Yes	December 19, 2017	Yes	Yes
	City of Edmundson	Yes	December 12, 2017	Yes	Yes
	City of Eureka	Yes	December 22, 2017	Yes	Yes
	City of Ferguson	Yes	December 21, 2017	No	Yes
	City of Frontenac	Yes	December 27, 2017	Yes	Yes
	City of Glendale	Yes	November 21, 2017	Yes	Yes
	City of Hazelwood	Yes	December 20, 2017	Yes	Yes
	City of Kinloch	Yes	October 3, 2017	Yes	Yes
	City of Maplewood	Yes	December 28, 2017	Yes	Yes
	City of Oakland	Yes	November 21, 2017	Yes	Yes
	City of Olivette	Yes	December 15, 2017	Yes	Yes
	City of Overland	Yes	November 30, 2017	Yes	Yes

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
St. Louis	City of Pine Lawn	Yes	December 29, 2017	No	No
	City of Richmond Heights	Yes	December 28, 2017	Yes	Yes
	City of University City	No		No	No
	City of Valley Park	Yes	December 22, 2017	Yes	Yes
	City of Velda City	No		No	No
	City of Vinita Park	Yes	December 6, 2017	n/a	n/a
	City of Warson Woods	Yes	October 12, 2017	Yes	Yes
	City of Webster Groves	Yes	December 21, 2017	Yes	Yes
	City of Wellston	No		No	No
	City of Winchester	No		Yes	Yes
	City of Woodson Terrace	Yes	October 23, 2017	Yes	No
	Town of Grantwood Village	No		No	No
	Village of Calverton Park	Yes	December 29, 2017	Yes	Yes
	Village of Hanley Hills	Yes	December 20, 2017	Yes	Yes
	Village of Norwood Court	Yes	November 13, 2017	n/a	n/a
St. Louis City	City of St. Louis	Yes	December 26, 2017	Yes	Yes
Stoddard	City of Bell City	Yes	September 25, 2017	n/a	n/a
	City of Bernie	No		No	No
	City of Bloomfield	No		No	No
	City of Dexter	Yes	July 24, 2017	Yes	Yes
	City of Dudley	Yes	December 29, 2017	n/a	n/a
	City of Essex	Yes	December 5, 2017	n/a	n/a
	City of Puxico	Yes	December 27, 2017	Yes	Yes
	City of Crane	No		No	No
Stone	City of Hurley	Yes	July 10, 2017	n/a	n/a
	Village of Blue Eye	Yes	July 17, 2017	n/a	n/a
	Village of Coney Island	Yes	December 5, 2017	n/a	n/a
	Village of McCord Bend	Yes	July 27, 2017	n/a	n/a
Sullivan	City of Milan	Yes	December 7, 2017	n/a	n/a
Taney	City of Rockaway Beach	Yes	December 28, 2017	No	No
	Village of Bull Creek	Yes	December 11, 2017	n/a	n/a
Texas	City of Cabool	Yes	December 19, 2017	Yes	Yes
	City of Summersville	No		Yes	No
Vernon	City of Walker	Yes	October 27, 2017	n/a	n/a
Warren	City of Marthasville	Yes	November 6, 2017	n/a	n/a
	City of Truesdale	Yes	December 29, 2017	n/a	n/a
	City of Warrenton	Yes	December 20, 2017	Yes	Yes
	Village of Innsbrook	Yes	September 8, 2017	n/a	n/a
Washington	City of Irondale	No		n/a	n/a
	City of Potosi	Yes	December 28, 2017	Yes	Yes

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2017

Fiscal Year Ended June 30, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Wayne	City of Piedmont	Yes	December 13, 2017	Yes	n/a
Webster	City of Fordland	Yes	October 10, 2017	Yes	n/a
	City of Rogersville	Yes	December 20, 2017	Yes	n/a
	City of Seymour	No		Yes	n/a
	Village of Diggins	Yes	December 13, 2017	n/a	n/a
Wright	City of Hartville	Yes	July 12, 2017	Yes	No
	City of Mountain Grove	Yes	December 28, 2017	Yes	Yes
	City of Norwood	Yes	October 10, 2017	n/a	n/a
Total Filed		196		86	76
Total Partially Filed		2		0	0
Total Not Filed		130		63	61
Total n/a		0		179	191

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2017
Filed in December 2017

Fiscal Year Ended December 31, 2016

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Andrew	City of Bolckow	Yes	December 29, 2017	n/a	n/a
Atchison	City of Fairfax	***	July 25, 2017	Yes	Yes
Buchanan	City of Easton	Yes	December 14, 2017	No	No
New Madrid	City of Morehouse	**	January 6, 2017	No	Yes
St. Louis	City of Shrewsbury	**	June 29, 2017	**	Yes
Total Filed		2		1	3

** Filed by June 30, 2017.

*** Filed after June 30, 2017, but before December 2017.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2017
Filed in December 2017

Fiscal Year Ended March 31, 2017

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Camden	Village of Sunrise Beach	Yes	December 27, 2017	No	***
Cass	City of Pleasant Hill	**	September 27, 2017	***	Yes
Clay	Village of Claycomo	Yes	December 12, 2017	**	**
Cooper	City of Blackwater	Yes	December 18, 2017	n/a	n/a
Jefferson	City of Crystal City	***	October 16, 2017	No	Yes
Lawrence	City of Pierce City	***	November 15, 2017	Yes	Yes
St. Louis	City of Jennings	**	August 31, 2017	**	Yes
Total Filed		3		1	4

** Filed by September 30, 2017.

*** Filed after September 30, 2017, but before December 2017.

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2017
Filed in December 2017

Fiscal Year Ended April 30, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Benton	Village of Ionia	Yes	December 13, 2017	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not operate a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Office of Missouri State Auditor
Nicole Galloway, CPA

**Sixth Judicial Circuit
Village of Ferrelview
Municipal Division**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Sixth Judicial Circuit - Village of Ferrelview Municipal Division

Background	In August 2017, the Board of Trustees of the Village of Ferrelview voted to discontinue the village's municipal division. Pending traffic tickets were dismissed and court personnel either applied bond monies on hand to fines and court costs due or refunded the bonds. Final dissolution of the court is pending resolution of defendant licensing issues with the Department of Revenue, final storage of court files, and closure of court bank accounts. The Court Clerk position will be eliminated effective February 28, 2018. The village continues to employ a Police Chief, although he was suspended indefinitely with pay in December 2017. The Board's plan for future law enforcement activities is uncertain. Some findings in the report focus on issues that need resolution before final dissolution can occur or are required by law to be resolved, and include recommendations. Other findings do not contain recommendations due to the municipal division having been dissolved and the police department is no longer issuing traffic tickets.
Excess Revenues	The calculation of excess revenues by the village for 2016 shows the statutory percentage of court revenues allowed to be retained was exceeded. Approximately \$30,000 was calculated as the excess, but no money has been remitted to the Department of Revenue (DOR) as required. Adequate documentation was not retained to support the calculations and the Village Treasurer, who also serves as the Court Clerk, indicated some errors may exist in the amounts used in the calculation. Excess revenues calculations were not prepared for 2013 to 2015 so it is unclear if any excess revenues were due to the DOR for those years.
Liabilities	Unidentified balances exist in the municipal division bank accounts. Although the municipal division has ceased collections of fines and court costs and no longer receives bond monies, the bank accounts used to account for these functions still have balances. Since the court is now dissolving, the municipal division will need to determine the disposition of this money.
Municipal Division Procedures	Neither the Municipal Judge nor village personnel performed supervisory or independent reviews of accounting functions and records. Proper segregation of duties within the municipal division was not possible because the Court Clerk is the only municipal division employee. The Prosecuting Attorney did not sign 19 of 60 tickets we tested.
Ticket Accountability	Neither the police department nor the municipal division had developed adequate procedures to account for the numerical sequence or ultimate disposition of tickets issued. In addition, numerous tickets were unaccounted for during the audit period.

Due to the nature of this report, no overall rating has been provided.

Sixth Judicial Circuit

Village of Ferrelview Municipal Division

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Presiding Judge
Sixth Judicial Circuit
and
Municipal Judge
and
Honorable Chairman
and
Members of the Board of Trustees
Ferrelview, Missouri

We have audited certain operations of the Village of Ferrelview Municipal Division of the Sixth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2016. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's and village's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the village's compliance with state laws restricting the amount of certain court revenues that may be retained.

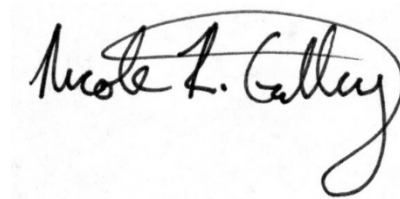
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) noncompliance with court rules, and (4) noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Ferrelview Municipal Division of the Sixth Judicial Circuit.

A petition audit of the Village of Ferrelview, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Keisha Guthrie
Audit Staff:	Amanda G. Flanigan, M.Acct.

Sixth Judicial Circuit

Village of Ferrelview Municipal Division

Introduction

Background

On August 1, 2017, the Board of Trustees (Board) of the Village of Ferrelview voted to discontinue the village's municipal division. Village officials expressed concerns about excess revenues from traffic tickets owed to the Department of Revenue.

Ongoing court operations ceased August 1, 2017. Pending traffic tickets were dismissed and court personnel either applied bond monies on hand to fines and court costs due or refunded the bonds. Pending warrants were also canceled and traffic tickets are no longer issued for ordinance violations in the village. Final dissolution of the court is pending resolution of defendant licensing issues with the Department of Revenue, final storage of court files, and closure of court bank accounts. The Court Clerk position will be eliminated effective February 28, 2018. The village continues to employ a Police Chief, although he was suspended indefinitely with pay by the Board in December 2017. The Board's plan for law enforcement activities is uncertain.

The municipal division was still in operation during the audit period and ceased ongoing operations before our audit fieldwork. Because MAR finding number 3 relates to operations of the court prior to closure, and the court is in the process of dissolution, no recommendation is provided. Given the current status of the police department and because tickets are no longer being issued, no recommendation for MAR finding number 4 is provided. Other findings focus on issues that will need resolution before final dissolution can occur or are required by law to be resolved, and include recommendations.

Sixth Judicial Circuit

Village of Ferrelview Municipal Division

Management Advisory Report - State Auditor's Findings

1. Excess Revenues

The village does not have adequate support for its 2016 excess revenues calculation, did not prepare a calculation for 2015, and has not remitted excess revenues to the Department of Revenue (DOR) even though the 2016 calculation shows the statutory percentage of court revenues the village is allowed to retain was exceeded.

The village failed to retain adequate documentation to support the calculation filed with the State Auditor's Office (SAO) for the year ended December 31, 2016. The Village Treasurer, who also serves as the Court Clerk, indicated the annual general operating revenue amount was based on amounts presented in the financial statement filed with the SAO; however, we could not agree the amounts to the financial statement originally submitted to the SAO on June 21, 2017, or the revised financial statement submitted on June 30, 2017. Also, both financial statement versions included a notation that the Village Treasurer was still working to correct errors in the village's financial records and, thus, amounts provided might not be accurate. The Village Treasurer indicated she determined the amount of fines and court costs to use in the calculation by reviewing the one write ledger. While the ledger provides information regarding the type of violation, there was no supporting documentation showing how she accumulated the amounts for the calculation. The Village Treasurer indicated fines and court costs related to some violations may have been included in error.

The village's 2016 calculation indicates the percentage of annual general operating revenue from fines, bond forfeitures, and court costs for minor traffic violations was 43 percent (the statutory threshold for 2016 was 20 percent) resulting in approximately \$30,000 due to the DOR. Because of potential additional errors in the financial records and uncertainty regarding the fines and court costs amount, it is unclear how much is actually due.

Calculations for excess revenues were not prepared and submitted to the SAO from 2013 to 2015. It is unclear whether any amounts are due to the DOR for those years.

Section 302.341.2, RSMo (as it existed from August 28, 2013, to August 27, 2015), required villages to provide an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations in their annual financial report submitted to the SAO (as required by Section 105.145, RSMo), and required villages to remit any such revenues in excess of 30 percent of annual general operating revenue to the DOR.

Effective August 28, 2015, and also August 28, 2016, Section 479.350, RSMo, was changed to provide new definitions for elements of the excess revenues calculation, including adding municipal ordinance violations as an element. Section 479.359.1, RSMo, requires villages to annually calculate the percent of annual general operating revenue from fines, bond forfeitures, and court costs for minor traffic violations and municipal ordinance violations and



Sixth Judicial Circuit
Village of Ferrelview Municipal Division
Management Advisory Report - State Auditor's Findings

send any excess revenues to the DOR. Section 479.359.2, RSMo, reduces the amount of these revenues the village may retain in the future.

To ensure compliance with state law, village officials should correct errors in the financial statements, determine if the amounts used in the calculation are accurate, recalculate the amount of excess revenues, and remit the proper amount to the state.

Recommendation

The Village of Ferrelview Municipal Division work with the Village Board of Trustees to recalculate excess revenues for calendar year 2016 and make payment to the DOR. In addition, calculations for past years should be prepared as appropriate and any excess revenues remitted to the DOR. Adequate documentation of all calculations should be maintained.

Auditee's Response

The Village Board of Trustees provided the following response:

We will work with the Village Treasurer to recalculate excess revenues for 2016 and will make the required payment to the Department of Revenue as soon as feasibly possible. We hope to complete this process by April 30, 2018. We will also have the Village Treasurer review prior years' financial records to determine if any excess revenues were collected. Documentation of all amounts determined will be retained.

2. Liabilities

Unidentified balances exist in the municipal division bank accounts. The fines and court costs account has a reconciled balance of \$375 and the bond account has a reconciled balance of \$278 as of October 31, 2017. The Court Clerk indicated lists of liabilities (open items) have not been prepared for either account in recent years. She said all open bonds have been refunded or applied to outstanding fines and court costs and she did not know what these balances represent. In addition, as of October 31, 2017, the judicial education bank account had a balance of \$190 to be used for training of court personnel. Since the court is now dissolving, the municipal division will need to determine the disposition of this money.

Missouri Supreme Court Operating Rule No. 4.59 (Uniform Record Keeping System) requires reconciling all bank balances and open items records at least monthly. Additionally, Missouri Supreme Court Operating Rule No. 4.56 requires the municipal division to prepare a record of open items monthly. Regular identification and comparison of liabilities to reconciled cash balances is necessary to ensure records are in balance, transactions are properly recorded, and errors or discrepancies are detected and corrected timely. Various statutory provisions provide for the disposition of unidentified monies.

Recommendation

The Village of Ferrelview Municipal Division review bank account balances and liabilities to determine the appropriate disposition of funds held.



Auditee's Response

The Court Clerk provided the following response:

I will do a final determination of bank account balances and confer with the Board of Trustees as to the appropriate disposition of these funds.

3. Municipal Division Procedures

The municipal division had weak procedures.

3.1 Oversight

Neither the Municipal Judge nor village personnel performed supervisory or independent reviews of accounting functions and records. Proper segregation of duties within the municipal division was not possible because the Court Clerk was the only municipal division employee.

The Court Clerk was responsible for all duties related to collecting court monies, recording and posting payments to the municipal division's records, making deposits into the municipal division's bank accounts, and disbursing funds to the village.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by implementing documented supervisory or independent reviews of accounting records.

3.2 Prosecutor approval

The Prosecuting Attorney did not sign 19 of 60 (32 percent) tickets we tested. Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the municipal division. The Prosecuting Attorney's review, documented with his signature, is needed to provide assurance that proper cases and charges are filed with the municipal division.

4. Ticket Accountability

Neither the police department nor the municipal division had developed adequate procedures to account for the numerical sequence or ultimate disposition of tickets issued. In addition, numerous tickets were unaccounted for during the audit period.

During the audit period, officers issued tickets from 2 sequences of tickets, with each sequence containing 1,100 tickets (44 ticket books). An assignment log was not maintained to indicate which ticket books were assigned to officers. The Court Clerk maintained a computerized numerical ticket log for both sequences of tickets. Tickets issued by officers were submitted to the Police Chief for review before being sent to the municipal division for processing, at which time the Court Clerk would enter the ticket information into the applicable ticket log. The logs had numerous gaps in sequence, although no explanations were provided to the municipal division by the



Sixth Judicial Circuit
Village of Ferrelview Municipal Division
Management Advisory Report - State Auditor's Findings

Police Chief. We reviewed ticket logs and unissued tickets on hand in the police department and identified 139 unaccounted for tickets. We selected 67 tickets from the logs for testing and neither the municipal division nor the police department could locate 7 of those tickets.

Without properly accounting for the numerical sequence and ultimate disposition of tickets, the municipal division and police department cannot be assured all tickets issued are properly submitted for processing. In addition, accounting for ultimate disposition of all tickets issued decreases the risk of loss, theft, or misuse of funds.

Sixth Judicial Circuit

Village of Ferrelview Municipal Division

Organization and Statistical Information

The Village of Ferrelview Municipal Division is in the Sixth Judicial Circuit, which consists of Platte County. The Honorable James W. Van Amburg serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the village treasury. The municipal division did not utilize OSCA's statewide automated case management system known as the Justice Information System. Prior to dissolving, the municipal division maintained manual records.

Personnel

At December 31, 2016, the municipal division employees were as follows:

Title	Name
Municipal Judge	Michael J. Svetlic
Court Clerk	Mickey Vulgamott
Prosecuting Attorney	Scott Campbell

Financial and Caseload Information

	Year Ended December 31, 2016
Receipts	\$71,826
Number of cases filed	604

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 11.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelter	2.00
Sheriff's Retirement	3.00
Judicial Education	1.00



NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
and
Anne L. Precythe, Director
Department of Corrections
Jefferson City, Missouri

To address our responsibilities of Section 217.595.6, RSMo, we have audited the revenues and the expenditures of the Working Capital Revolving Fund, as part of our audit of the state's Comprehensive Annual Financial Report (CAFR), as of and for the year ended June 30, 2017, and have issued our report (Report No. 2018-002), dated January 25, 2018. The state's CAFR is comprised of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information (including the Working Capital Revolving Fund) of the state of Missouri, and the related notes to the financial statements.

Our report expressed qualified audit opinions on the governmental activities and the General Fund opinion units and unmodified opinions on the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information (including the Working Capital Revolving Fund) opinion units of the state of Missouri, as of June 30, 2017.

No findings resulted from our audit procedures related to the Working Capital Revolving Fund.

Nicole R. Galloway, CPA
State Auditor

January 2018
Report No. 2018-003



MISSOURI



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

STATE OF MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Fiscal Year Ended June 30, 2017



ERIC R. GREITENS
Governor

SARAH H. STEELMAN
Commissioner
Office of Administration

STACY NEAL
Director
Division of Accounting

Prepared by
Office of Administration, Division of Accounting

On the Cover:

State Capitol, Jefferson City, Missouri, 1990s; *Department of Economic Development, Division of Tourism*, Record Group 104; Missouri State Archives.

Lake of The Ozarks, Lake Ozark, Missouri; *Department of Economic Development, Division of Tourism*, Record Group 104; Missouri State Archives.

Dogwood, 2005; *Department of Economic Development, Division of Tourism*, Record Group 104; Missouri State Archives.

This report can be viewed on the Internet at <http://oa.mo.gov/accounting/reports>

STATE OF MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017

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*The **Introductory Section** includes material to familiarize the reader with the organizational structure of the State, the nature and scope of services the State provides, and a summary of the financial activities of the State and the factors that influence these activities.*

Eric R. Greitens
Governor



Sarah Steelman
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
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Post Office Box 809
Jefferson City, Missouri 65102
573 751-2971
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E-MAIL: acctmail@oa.mo.gov

Stacy Neal
Director

January 25, 2018

The Honorable Eric R. Greitens
The Honorable Members of the Legislature
Citizens of the State of Missouri

In accordance with generally accepted accounting principles, I submit to you the Comprehensive Annual Financial Report (CAFR) of the State of Missouri for the fiscal year ended June 30, 2017. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for its contents.

The report is prepared to show the financial position and operating results of the State. The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

An annual audit of the basic financial statements is completed each year by the State Auditor's Office. The State Auditor conducts the audit in accordance with generally accepted government auditing standards, and her opinion has been included in this report. The State Auditor conducts a "Single Audit" of all federal funds in accordance with the Federal Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform guidance).

A narrative introduction, overview, and analysis of the basic financial statements is presented in the *Management's Discussion and Analysis (MD&A)* section of this report. This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE GOVERNMENT

Missouri was organized as a territory in 1812 and was the second state (after Louisiana) of the Louisiana Purchase to be admitted to the Union. Statehood was granted on August 10, 1821, making Missouri the 24th state. The State encompasses 68,945 square miles.

The State operates under three branches of government: executive, legislative, and judicial. The executive branch consists of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, and Attorney General. The legislative branch consists of 34 members of the Senate and 163 members of the House of Representatives. The judicial branch is a three-tier court system: the Supreme Court, the State's highest court, has statewide jurisdiction; a court of appeals that consists of districts established by the General Assembly; and a system of circuit courts that has original jurisdiction over all cases and matters, civil and criminal.

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, judicial systems, economic development, conservation and natural resources, labor relations, and general administration.

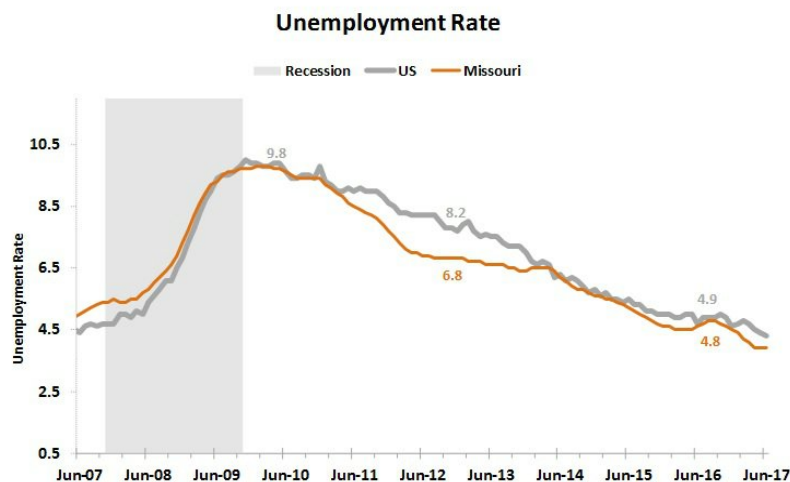
The State operates on a legally adopted budget in order to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the General Assembly and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process that original appropriations are requested. Budgets are established at the program level. Expenditures cannot exceed the individual appropriation amount. The Governor has the authority to reduce the allotments of appropriations in any fund if it appears that the revenue estimate will not be met. Article IV, Section 27 of the Missouri Constitution, amended in 2014, requires the Governor to notify the General Assembly if the Governor reduces allotments when it appears revenues will be less than estimated. This Section then gives the General Assembly the authority to overturn any of the Governor's restrictions with a two-thirds vote, similar to the procedure to overturn a veto. Unexpended appropriations lapse at the end of each fiscal year, unless reappropriated to the following budget fiscal year.

The financial reporting entity of the State includes all of the funds of the primary government as well as component units for which the State is financially accountable. The transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

ECONOMIC CONDITION AND OUTLOOK

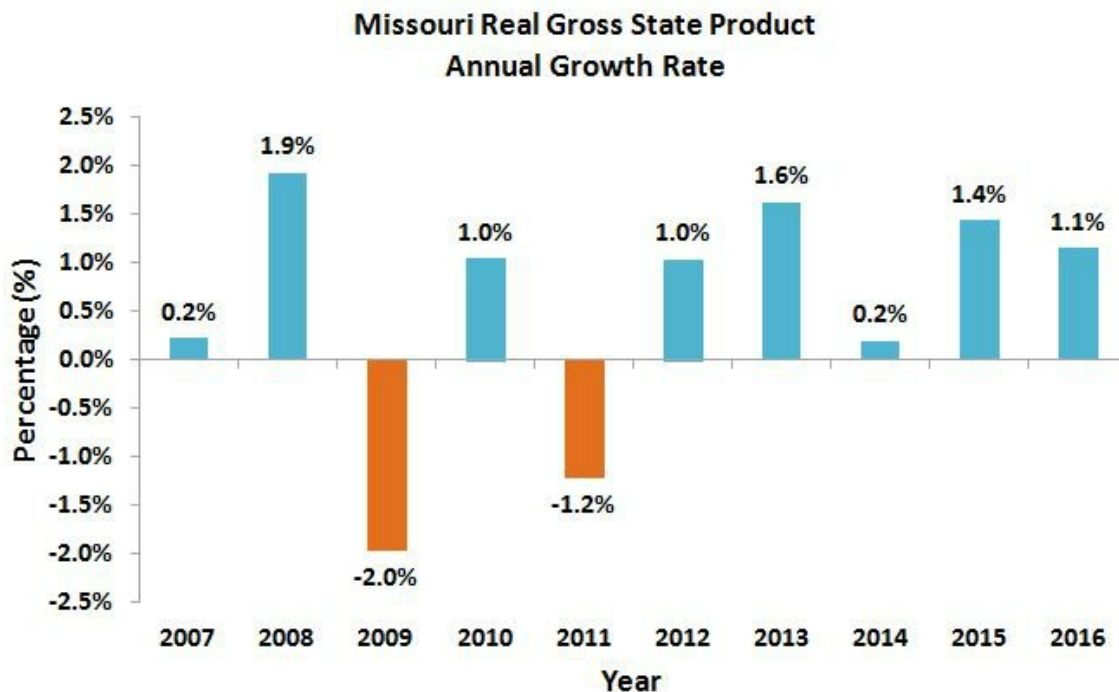
State Economy

Missouri's annual growth rate maintains an upward trend nearly 7 years after the recession. The expansion after the recession that ended in the summer of 2009 has continued despite European fiscal and geopolitical troubles, volatile stock markets, and national policy uncertainty. Between June 2016 and June 2017 Missouri added over 46,600 jobs, a 1.6% employment growth. The healthcare and social services industry, alone, added 8,146 jobs during 2016. As of June 2017, Missouri's unemployment rate was 3.8%, the lowest it has been since September 2000 and also lower than the U.S. unemployment rate of 4.5% as shown in the following graph.



Source: MERIC 2017 Missouri Economic Report

Missouri's gross domestic product (GDP) increased 1.1% from 2015 reaching \$263.9 billion in 2016. Nationally, GDP increased 1.5% over the same period. From 2012 to 2016, Missouri industries produced a total \$11.3 billion more in goods and services, growing at an annualized 1.1% per year. The graph below shows the annual growth rate for Missouri Real Gross State Product.



Source: MERIC 2017 Missouri Economic Report

Long-Term Financial Planning

During the 2014 legislative session, the legislature passed Senate Bill 509 and Senate Bill 496, relating to changes to the State's income tax structure. The legislation reduced the maximum tax rate on personal income, created an income tax deduction for business income as well as increased a personal exemption for individuals that have an adjusted gross income of less than \$20,000. The implementation of the tax cut is gradual with a 0.10% decline each calendar year and will go into effect following fiscal years where net general revenue collections grow at least \$150 million. Estimates indicate that the bills will cost at least \$620 million annually once fully in effect, which will occur in fiscal year 2023 at the earliest, due to a phased implementation. General revenue growth for fiscal year 2017 triggered the income tax reduction in tax year 2018. The estimated income tax revenue reduction for fiscal year 2018 is \$80 million.

The State has continued to implement a program of renovating capital assets by issuing bonds at historically low interest rates. The Board of Public Buildings (BPB) issued Series A 2017 bonds for \$77,165,000 in September 2017, utilizing Senate Bill 723 authorization. Senate Bill 723 authorized the Board to issue \$314.3 million in bonds to provide continued funding for capital improvement projects for the State Capitol Building, State buildings, Veteran's homes, Correctional facilities, State Parks, and State educational institutions. Additional series of BPB bonds are expected to be issued within the next year.

Relevant Financial Policies

Article X, Sections 16-24 of the Constitution of Missouri (the “Tax Limitation Amendment”), imposes a limit on the amount of taxes that may be imposed by the General Assembly in any fiscal year. This limit is tied to total state revenues for fiscal year 1981, as defined in the Tax Limitation Amendment and adjusted annually based on a formula, which is tied to increases in the personal income of Missouri for certain designated periods. If the revenue limit is exceeded by one percent or more in any fiscal year, the excess revenue will be refunded based on the liability reported on state income tax returns. If the excess revenue collected is less than one percent of the revenue limit, the excess revenue shall be transferred to the General Revenue Fund.

The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or, if the General Assembly approves by a two-thirds vote, an emergency declaration by the Governor. Strong economic growth resulted in revenues above the total state revenue limit in fiscal years 1995-1999. The State has refunded to income taxpayers \$979 million in excess revenue for these fiscal years. The revenue limit was not exceeded in fiscal years 2000 through 2017, inclusive. The State is currently \$4.0 billion below the limit and does not expect the limit to be exceeded in fiscal year 2018.

Major Initiatives

Missouri will continue to focus on streamlining government functions and investing in its citizens. Major initiatives include a focus on education and the well-being of Missouri citizens.

Education. Missouri continues to invest in education. The fiscal year 2018 budget passed by the legislature fully funded the K-12 Foundation Formula. Additionally, House Bill 93 establishes four adult high schools to be operated by a Missouri nonprofit organization. An "adult high school" is defined as a school for an individual who is at least 21 years old without a high school diploma, offers industry certification programs that include a high school diploma and provides on-site childcare for students. Missouri is also working with private sector partners to enable every public school in the State to build the infrastructure for quality internet access. The legislature appropriated \$6 million, which enables the State to receive \$39 million in matching federal E-Rate funds for the schools.

Health. Senate Bill 139 protects the MORx program. The program helps low-income Missourians pay for their prescription drugs. The entire MORx program was scheduled to expire in August 2017. Senate Bill 139 extended the MORx program until at least 2022.

Review of Regulations. Executive Order 17-03 directed each state agency to undertake a review of state regulations under its jurisdiction within the Code of State Regulations. With this review, each state agency is to encourage the public to submit comments to identify ineffective, unnecessary, or unduly burdensome rules on citizens, stakeholders, regulated entities, businesses, those working for the State, or other parties. By June 30, 2018, every state agency shall take action necessary to repeal or to cease rulemaking for any regulation that does not meet the criteria of the Executive Order.

Review of Tax Code. Executive Order 17-07 creates the Governor's Committee for Simple, Fair, and Low Taxes. The goals of this committee is to compare Missouri's tax credit programs and tax rates with peer states, to assess the economic impact of existing tax credit programs, to assess the possibility of financing cuts to state tax rates and tax credit programs, and to provide recommendations for comprehensive tax reform legislation.

2017 Tax Legislation. During the 2017 legislative session, the General Assembly passed one tax related bill that will have an impact to the general revenue funds. Senate Bill 16 exempts delivery charges from sales tax. The official fiscal note estimate was that the bill could cost more than \$100,000; however, after further review, the cost is believed to be significantly higher and some estimates put the cost at \$2.3 million or more per year.

ACKNOWLEDGEMENTS

While the Office of Administration, Division of Accounting, is responsible for the contents of this report, no one division could do it alone. Many people were involved in the compilation of materials necessary to complete the report.

We want to issue a special thanks to all the personnel at the State agencies who provided us with information quickly and accurately so that we could issue the CAFR in a timely manner. We also owe thanks to the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration, Information Technology Services Division, and the State Printing Center. We appreciate all their efforts.

Sincerely,

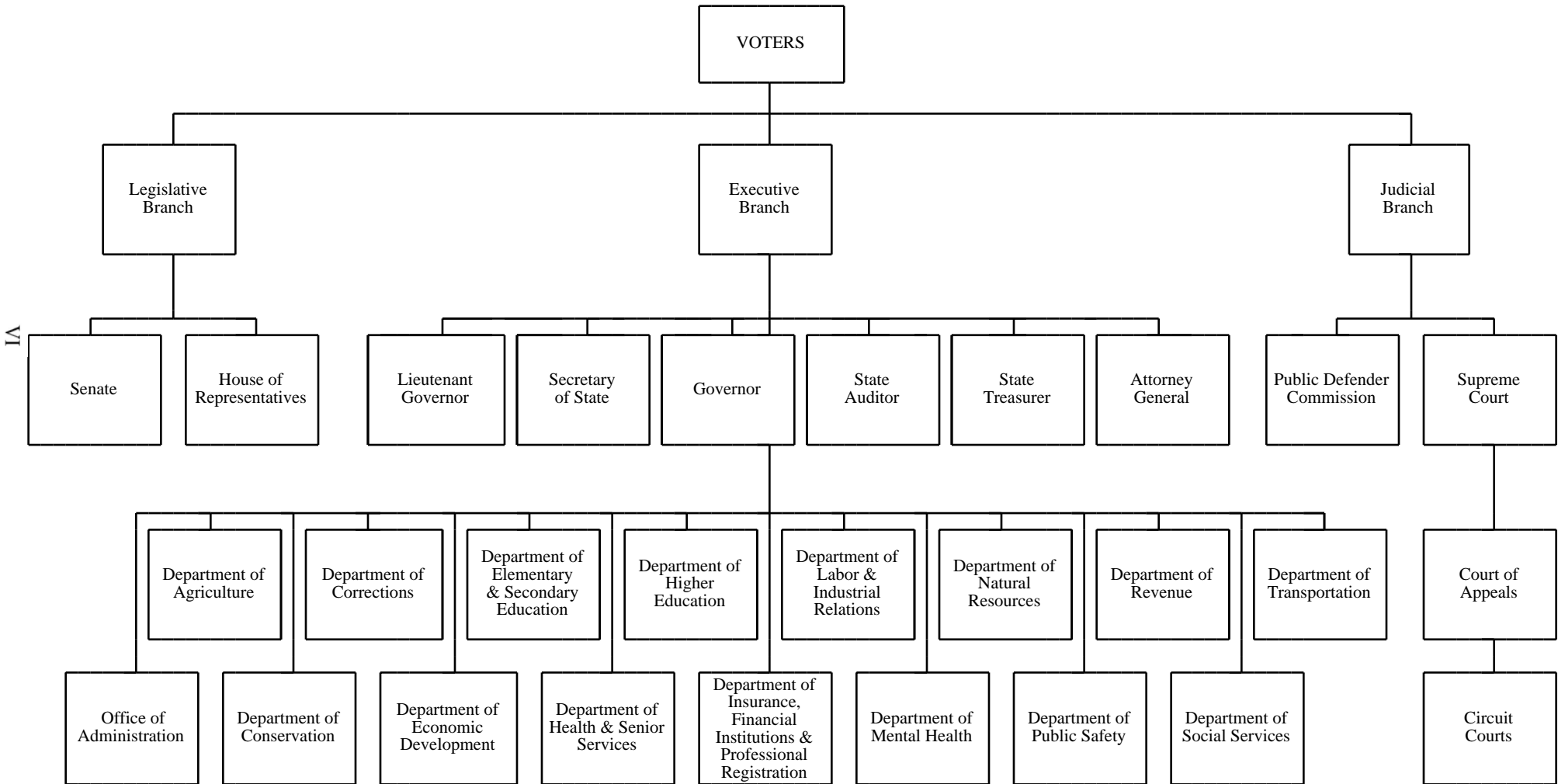
A handwritten signature in dark ink that reads "Stacy Neal". The signature is written in a cursive, flowing style.

Stacy Neal, CPA
Director

STATE OF MISSOURI

ORGANIZATIONAL CHART

June 30, 2017



**STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
as of June 30, 2017**

EXECUTIVE

Eric R. Greitens
Governor

Michael L. Parson
Lieutenant Governor

John R. Ashcroft
Secretary of State

Nicole Galloway, CPA
State Auditor

Eric Schmitt
State Treasurer

Joshua D. Hawley
Attorney General

LEGISLATIVE

Ron Richard
President Pro Tem of the Senate

Todd Richardson
Speaker of the House of Representatives

JUDICIAL

Patricia Breckenridge
Chief Justice of the Supreme Court



*The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Supplementary Information.*



NICOLE GALLOWAY, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain entities. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. Those entities were:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan which represent 77 percent of the assets and 11 percent of the revenues of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund which are both major funds and represent 14 percent of the assets and 69 percent of the revenues of the business-type activities.

3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation agency funds which represent 93 percent of the assets and 97 percent of the additions of the fiduciary funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and the Missouri Agricultural and Small Business Development Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions on the governmental activities and the General Fund opinion units and our unmodified opinions on all remaining opinion units.

Basis for Qualified Opinions on the Governmental Activities and the General Fund

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Department of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). Approximately 28 percent of governmental activity revenues and 33 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

Qualified Opinions

In our opinion, based on our audit and the reports of other auditors, and except for the possible effects of the matter described in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the state of Missouri, as of June 30, 2017, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, for the fiscal year ended June 30, 2017, the state of Missouri implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Budgetary Comparison Schedule-General Fund, Major Special Revenue Funds; the Schedule of Changes in Net Pension Liability and Related Ratios; the Schedule of Proportionate Share of the Net Pension Liability; and the Schedule of State Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The supplementary information, as listed in the table of contents, and the other information, which consists of the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

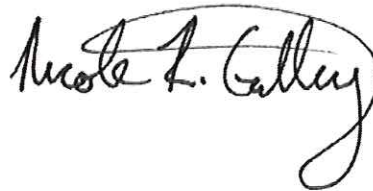
The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, and except for the possible effects on the supplementary information of the matter discussed in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the supplementary information, as listed in the table of contents, is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The information in the introductory and statistical sections has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, our report dated January 25, 2018, on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters is issued under separate cover in the Single Audit Report. The purpose of our report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the state of Missouri's internal control over financial reporting or on compliance. Our report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state of Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

January 25, 2018



The Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the State.

Management's Discussion and Analysis

The following is a discussion and analysis of the State of Missouri's financial activities for the fiscal year ended June 30, 2017. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-Wide:

- *Net Position.* Assets and deferred outflows of the State of Missouri exceeded liabilities and deferred inflows at the close of fiscal year 2017 by \$29.1 billion. Of the \$29.1 billion, “unrestricted net position” is reported as a negative \$5.0 billion, offset by \$4.1 billion in “restricted net position” and \$29.9 billion net investment in capital assets.
- *Changes in Net Position.* The State's total net position increased by \$151.0 million in fiscal year 2017. Net position for governmental-type activities decreased by \$4.9 million.
- *Excess of Revenues over (under) Expenses.* During fiscal year 2017, the State's total revenues of \$27.1 billion were \$150.3 million greater than total expenses of \$26.9 billion (excluding claims adjustments, capital contributions, transfers, and extraordinary items). Of these expenses, \$15.0 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled \$12.0 billion.

Fund-Level:

- *Governmental Funds – Fund Balance.* At the close of fiscal year 2017, the State's governmental fund assets exceeded liabilities by \$5.1 billion, a decrease of \$152.2 million or 2.9% from the prior year. The decrease was due to the net effect of several factors. Taxes increased \$327.1 million primarily from an increase in individual income tax and sales and use tax received. Contributions and Intergovernmental revenue increased \$237.4 million due to an increase in Medicaid and Other Assistance Programs and consequently related expenditures in human services also increased by \$592.2 million. Education expenditures also increased by \$178.6 million primarily due to an increase in funding for State K-12 schools.
- *General Fund – Fund Balance.* At the end of the current fiscal year, the State's General Fund reported a balance of \$1.4 billion.

Additional information regarding individual funds begins on Page 10.

Debt Issued and Outstanding:

- The primary government's total long-term obligations related to bonds payable decreased \$317.6 million, or 9.3%, over the prior year. The outstanding bonds payable represents 33.7% of financial assets (cash, receivables, and investments) and 7.4% of total assets. Missouri Department of Transportation called Series 2006-Refunding and Series 2007 bonds resulting in a decrease of \$117,825,000. Missouri Development Finance Bond for the Fulton State Hospital Project Series 2016 was issued in the amount of \$97,225,000. Additionally bond payments of \$297,025,000 were made during the fiscal year. Additional detail is available in *Note 12*.

Revenue Limit:

- The State Constitution limits the State's ability to retain revenue collected over an amount set by a constitutional amendment known as Article X. Excess revenue of 1.0% or more must be refunded to the taxpayers each year. During fiscal year 2017, the State did not exceed the revenue limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the State's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the State's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as *net position*. Increases or decreases in net position may serve as a useful indicator of the State's financial position.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of when the cash is received. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report three activities:

Governmental Activities are primarily supported by taxes and intergovernmental revenues. They include general government, education, natural and economic resources, transportation and law enforcement, and human services.

Business-Type Activities are intended to recover all or a significant portion of their costs through user fees and charges. They include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents, and insurance coverage. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds.

Discretely Presented Component Units are operations for which the State has financial accountability, but are legally separate. They include the college and universities, Missouri Development Finance Board, Missouri Agricultural and Small Business Development Authority, Missouri Transportation Finance Corporation, and Missouri Wine and Grape Board.

Fund Financial Statements:

The fund financial statements present more detailed information about the government's operations than the government-wide statements. The State uses fund accounting to ensure and demonstrate compliance with statutory requirements. The funds of the State can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the State. Unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

Governmental funds include the general, special revenue, capital projects, debt service, and permanent funds. Major funds include general, public education, conservation and environmental protection, and the Missouri Road Fund which are presented in separate columns. Data from other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in supplementary information.

A user can compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. A reconciliation to facilitate this comparison is provided on the page immediately following each governmental fund financial statement.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees. Generally, the State uses enterprise funds to account for activities that provide goods and services to the general public. These include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, and publishing maps and documents. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds. Internal service funds report activities that provide supplies and services for the State's other programs and activities. The State uses internal service funds to account for insurance and health care plans, as well as administrative services for other state agencies, such as fleet management, data processing, and telecommunication services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds focus on economic resources and utilize the full accrual basis of accounting. The proprietary fund financial statements provide separate information for the State Lottery, Unemployment Compensation, and Petroleum Storage Tank Insurance, which are considered major enterprise funds. Non-major enterprise funds are also combined into a single column for aggregated presentation. All internal service funds are combined into a single column in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements in supplementary information.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside State government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The fiduciary funds are presented using the full accrual basis of accounting.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the General Fund and major special revenue funds. Other supplementary information includes the combining statements for the general, non-major governmental, non-major enterprise, internal service, fiduciary, and non-major component unit funds. It also includes the statistical section as well as budgetary comparison schedules for the Missouri Road Fund, non-major special revenue, debt service, and permanent funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position:

The State's total net position increased \$151.0 million or 0.52% during fiscal year 2017. Net pension liability increased \$1.3 billion and related deferred outflows of resources increased \$1.0 billion. This increase was mainly due to changes in pension plan assumptions and differences between projected and actual earnings on pension plan investments. Capital assets increased \$237.3 million mainly in construction and infrastructure in progress. Construction in progress increased \$64.2 million for Fulton State Hospital and Board of Public Buildings bond projects which were issued to improve the capital assets of the state. Net investment in capital assets and restricted net position, which do not represent resources available to pay day-to-day operating expenses, increased by \$333.2 million or 1.0%. The net investment in capital assets and restricted net position, components of net position, increase was primarily due to the increase in capital assets of \$237.3 million and a decrease in related outstanding bond and capital lease obligation of \$317.1 million.

Net investment in capital assets, which includes capital assets, bonds payable, and capital lease obligations, is the largest component of the State's net position at \$29.9 billion or 103.0%. These assets include construction in progress, software in progress, infrastructure in progress, land, easements, land improvements, buildings, equipment, software, and trademarks which are not easily converted to cash or readily available to pay state debts as they come due.

Restricted net position of the primary government totaled \$4.1 billion or 14.1% of total net position vs. 15.1% from the prior year. Net position is restricted for several reasons including constitutional, legal, enabling legislation, or external requirements. Examples of restricted net position include lottery proceeds restricted for public education, funds restricted for debt service, and certain sales taxes restricted for the maintenance of highways or state parks and conservation areas. Also, many federal funds are restricted to funding certain programs.

The following table displays the current and prior year government-wide condensed Statement of Net Position.

STATEMENT OF NET POSITION						
(In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016*	2017	2016*	2017	2016*
ASSETS:						
Current and Other Assets	\$ 8,167,498	\$ 8,177,416	\$ 1,118,929	\$ 956,187	\$ 9,286,427	\$ 9,133,603
Capital Assets, Net	32,678,572	32,460,034	117,371	98,625	32,795,943	32,558,659
<i>Total Assets</i>	<u>40,846,070</u>	<u>40,637,450</u>	<u>1,236,300</u>	<u>1,054,812</u>	<u>42,082,370</u>	<u>41,692,262</u>
DEFERRED OUTFLOWS:	<u>1,803,875</u>	<u>830,259</u>	<u>49,219</u>	<u>17,636</u>	<u>1,853,094</u>	<u>847,895</u>
LIABILITIES:						
Other Liabilities	1,665,528	1,563,850	28,818	22,433	1,694,346	1,586,283
Long-Term Liabilities	12,690,029	11,598,513	317,412	266,026	13,007,441	11,864,539
<i>Total Liabilities</i>	<u>14,355,557</u>	<u>13,162,363</u>	<u>346,230</u>	<u>288,459</u>	<u>14,701,787</u>	<u>13,450,822</u>
DEFERRED INFLOWS:	<u>161,028</u>	<u>167,039</u>	<u>1,399</u>	<u>2,095</u>	<u>162,427</u>	<u>169,134</u>
NET POSITION:						
Net Investment in Capital Assets	29,814,122	29,255,865	117,243	98,320	29,931,365	29,354,185
Restricted	4,106,445	4,348,001	3,635	6,104	4,110,080	4,354,105
Unrestricted	(5,787,207)	(5,465,559)	817,012	677,470	(4,970,195)	(4,788,089)
<i>Total Net Position</i>	<u>\$ 28,133,360</u>	<u>\$ 28,138,307</u>	<u>\$ 937,890</u>	<u>\$ 781,894</u>	<u>\$ 29,071,250</u>	<u>\$ 28,920,201</u>
*Fiscal year 2016 amounts have been restated.						

Changes in Net Position:

The schedule below reflects how the State's net position changed during the year. The State collected program revenues of \$15.0 billion and general revenues of \$12.0 billion for total revenues of \$27.1 billion during fiscal year 2017. Expenses for the State during fiscal year 2017 were \$26.9 billion. Total net position, net of contributions and transfers, increased by \$151.0 million.

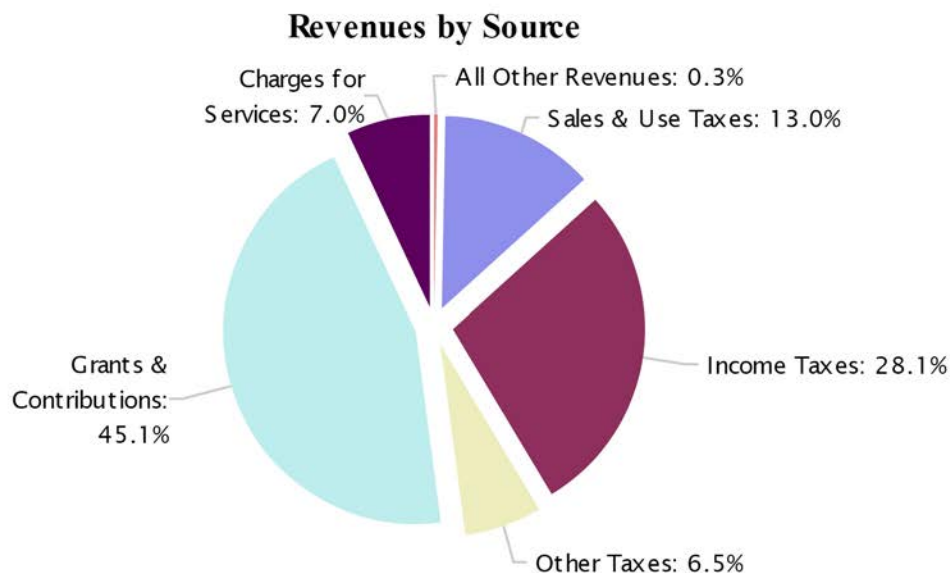
The following table displays the current and prior year government-wide condensed Statement of Activities.

STATEMENT OF ACTIVITIES (In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016*	2017	2016*	2017	2016*
REVENUES:						
Program Revenues:						
Charges for Services	\$ 1,745,361	\$ 1,612,472	\$ 1,423,190	\$ 1,383,857	\$ 3,168,551	\$ 2,996,329
Operating Grants and Contributions	10,403,733	10,178,230	552,848	677,118	10,956,581	10,855,348
Capital Grants and Contributions	923,748	917,255	—	—	923,748	917,255
General Revenues:						
Sales and Use Taxes	3,267,442	3,112,912	—	—	3,267,442	3,112,912
Income Taxes	7,041,355	6,735,687	—	—	7,041,355	6,735,687
Other Taxes	1,638,465	1,570,924	—	—	1,638,465	1,570,924
Other Revenues	73,613	85,439	13,156	11,420	86,769	96,859
<i>Total Revenues</i>	<u>25,093,717</u>	<u>24,212,919</u>	<u>1,989,194</u>	<u>2,072,395</u>	<u>27,082,911</u>	<u>26,285,314</u>
EXPENSES:						
General Government	1,179,908	1,081,421	—	—	1,179,908	1,081,421
Education	7,094,386	6,902,930	—	—	7,094,386	6,902,930
Natural and Economic Resources	1,085,649	1,039,408	—	—	1,085,649	1,039,408
Transportation and Law Enforcement	2,196,580	1,913,379	—	—	2,196,580	1,913,379
Human Services	13,703,989	13,086,606	—	—	13,703,989	13,086,606
State Lottery	—	—	1,070,591	1,025,086	1,070,591	1,025,086
Unemployment Compensation	—	—	318,686	312,295	318,686	312,295
Petroleum Storage Tank Insurance	—	—	19,392	16,205	19,392	16,205
State Fair Fees	—	—	4,712	4,369	4,712	4,369
State Parks and DNR	—	—	12,272	8,395	12,272	8,395
Historic Preservation	—	—	1,247	577	1,247	577
Veterans' Homes	—	—	114,847	100,771	114,847	100,771
Surplus Property	—	—	2,523	2,590	2,523	2,590
Revenue Information	—	—	12	14	12	14
All Other Expenses	127,835	138,426	—	—	127,835	138,426
<i>Total Expenses</i>	<u>25,388,347</u>	<u>24,162,170</u>	<u>1,544,282</u>	<u>1,470,302</u>	<u>26,932,629</u>	<u>25,632,472</u>
Increase (Decrease) in Net Position before Claims Adjustments, Capital Contributions, Transfers, and Extraordinary Items	(294,630)	50,749	444,912	602,093	150,282	652,842
<i>Adjustments to Claims Reserve</i>	—	—	—	2,500	—	2,500
<i>Capital Contributions</i>	—	—	920	—	920	—
<i>Transfers and Extraordinary Items</i>	289,683	304,320	(289,836)	(304,320)	(153)	—
Change in Net Position	(4,947)	355,069	155,996	300,273	151,049	655,342
<i>Net Position – July 1</i>	28,138,307	27,783,238	781,894	481,621	28,920,201	28,264,859
<i>Net Position – June 30</i>	<u>\$ 28,133,360</u>	<u>\$ 28,138,307</u>	<u>\$ 937,890</u>	<u>\$ 781,894</u>	<u>\$ 29,071,250</u>	<u>\$ 28,920,201</u>
*Fiscal year 2016 amounts have been restated.						

Governmental Activities

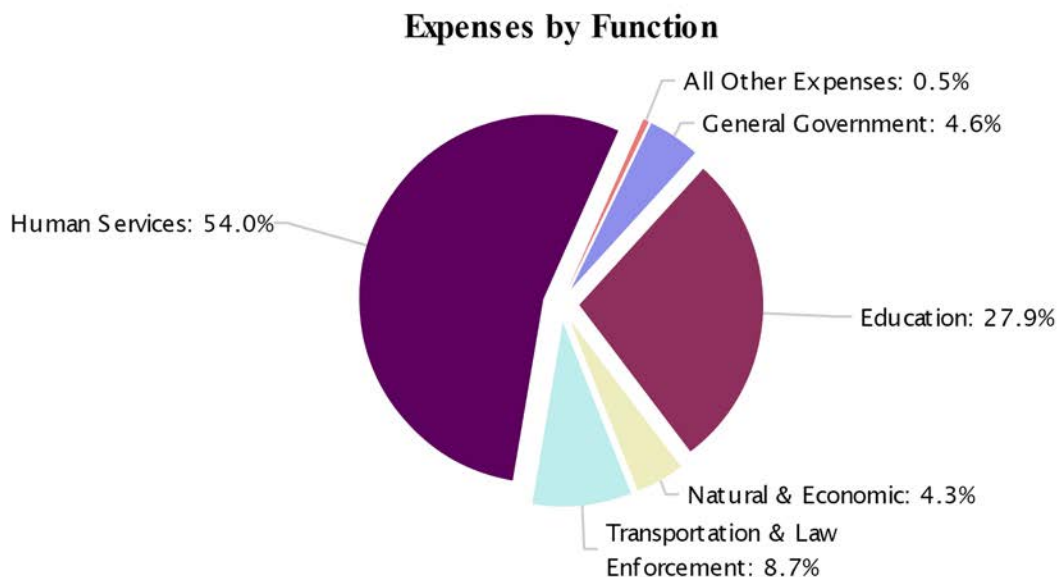
The net position of governmental activities decreased \$4.9 million in fiscal year 2017. General and program revenues of governmental activities were \$880.8 million more in fiscal year 2017 than in fiscal year 2016.

As shown in the Revenues by Source chart below, approximately 47.6% of revenues from all sources earned came from taxes. Grants and contributions, which represents amounts received from other governments/entities, primarily the federal government, provided 45.1% of total revenue. Charges for services contributed 7.0% and various other revenues provided 0.3% of the remaining governmental activity revenue sources.



The State's governmental activities program expenses for fiscal year 2017 were \$1.2 billion more than fiscal year 2016. The most notable increases are a \$191.5 million increase in education and a \$617.4 million in human services. These expenses are directly related to the government funding priorities of education and a higher demand for social services such as Medicaid. However, increases occurred in all functions except all other due to an increase in pension expense in all State retirement plans.

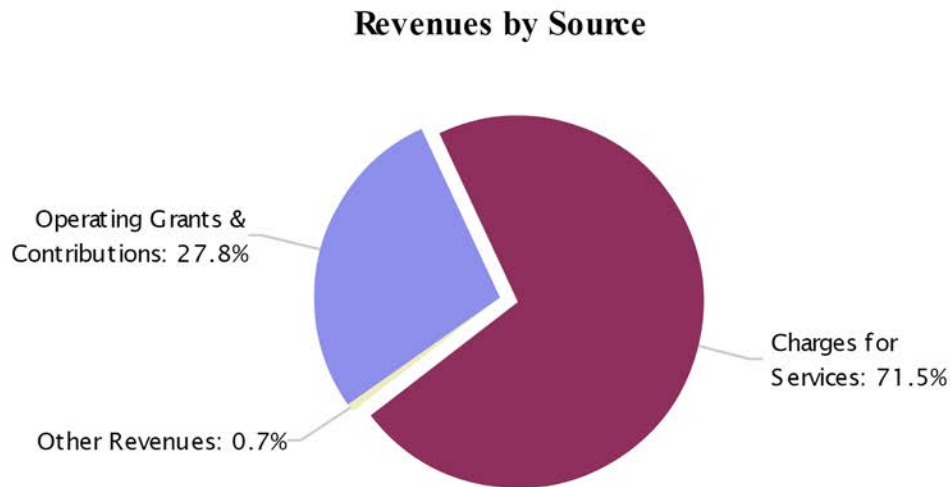
As shown in the Expenses by Function chart below, expense for Human Services makes up the largest portion, 54.0%, of total governmental activities expenses.



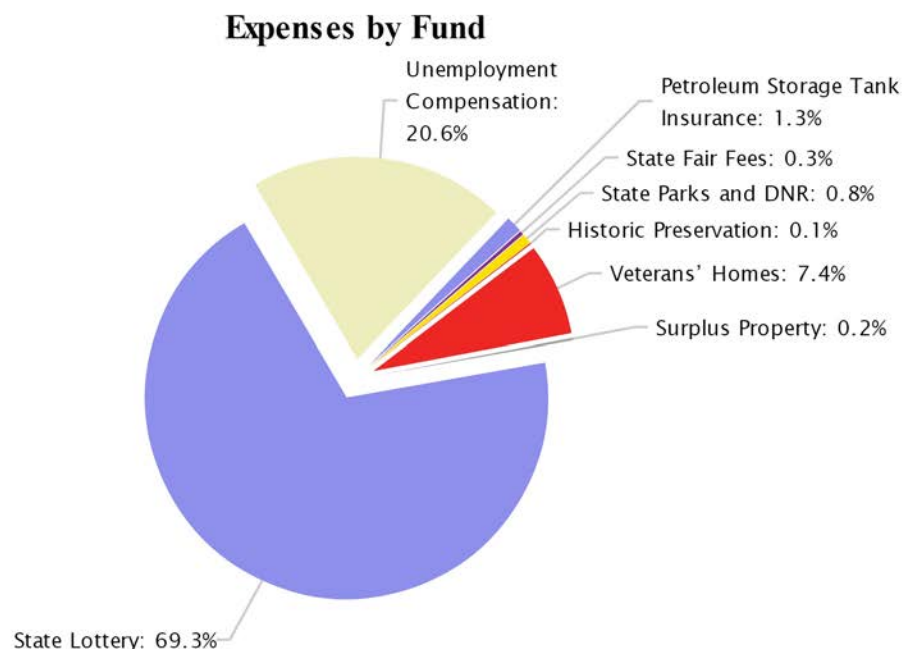
Business-Type Activities

Net position of the State's business-type activities increased \$156.0 million in fiscal year 2017, mainly due to an increase in cash in Unemployment Compensation. The increase was due to an improved economy and a low unemployment rate which is allowing excess cash to remain in the fund.

Revenues of business-type activities totaled \$2.0 billion. As shown in the Revenues by Source chart below, 71.5% of the revenues came from charges for services. Operating grants and contributions provided 27.8% of the total revenues and all other revenues provided 0.7%.



Expenses of business-type activities totaled \$1.5 billion. As shown in the Expenses by Fund chart below, State Lottery makes up the largest portion with 69.3% of total business-type expenses. Unemployment Compensation comes in second at 20.6%, followed by Veterans' Homes at 7.4%, Petroleum Storage Tank Insurance at 1.3%, State Parks and DNR at 0.8%, Historic Preservation at 0.1%, State Fair Fees at 0.3%, and Surplus Property at 0.2%.



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds:

At the end of fiscal year 2017, the State's governmental funds reported combined ending fund balances of \$5.1 billion. Approximately 60.4% is unrestricted and available for spending at the government's discretion. The remainder of fund balance is nonspendable and restricted to indicate that it is not available for new spending because it has already been allocated for: 1) inventories, 2) to pay debt service, 3) for loans receivable, and 4) for a variety of other purposes.

Fund balances (in thousands) for governmental funds are as follows:

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Total
Nonspendable	\$ 54,304	\$ 71	\$ 331	\$ 38,790	\$ 59,859	\$ 153,355
Restricted	341,053	212,592	136,860	684,758	482,962	1,858,225
Committed	590,697	2,551	1,570,667	—	41,171	2,205,086
Assigned	156,557	62,361	110,896	—	248,853	578,667
Unassigned	295,364	—	—	—	(17,628)	277,736
Total	\$ 1,437,975	\$ 277,575	\$ 1,818,754	\$ 723,548	\$ 815,217	\$ 5,073,069

The General Fund is the chief operating fund of the State. At the end of fiscal year 2017, the State's General Fund reported a total fund balance of \$1.4 billion, a decrease of \$15.7 million from fiscal year 2016. Revenues increased a total of \$562.1 million. This was mainly due to an increase in taxes of \$286.6 million, as well as an increase in contributions and intergovernmental of \$206.5 million due primarily to an increase in individual income and sales tax, as well as an increase in Medicaid and Other Assistance Programs revenue. Total expenditures went from \$17.9 billion to \$18.5 billion between fiscal years 2016 and 2017, an increase of \$627.5 million. Expenditures for human services increased \$570.3 million related to the increase in the number of people utilizing Medicaid and Other Assistance Programs and \$55.2 million in education expenditures due to increased funding for K-12 schools.

The Public Education Fund provides general and special education services to the children of the State and other related functions, such as library services and student loans. Total fund balance decreased from \$298.8 million last year to \$277.6 million this year, a decrease of 7.1%. Total revenues increased by \$35.7 million offset by an increase of expenditures of \$64.8 million. This was primarily due to an increase in funding for K-12 schools.

The Conservation and Environmental Protection Fund provides the preservation of the State's wildlife and environment. At the end of fiscal year 2017, the fund balance was \$1.8 billion, an increase of \$49.8 million from fiscal year 2016. The majority of this increase was due to an \$80.2 million dollar increase in loans receivable from the additional awarding of loans in fiscal year 2016 which are now being repaid. Total expenditures increased by \$12.0 million, mainly due to an increase in natural and economic resources related to new clean water and drinking water projects.

The Missouri Road Fund accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. The decrease in fund balance of \$105.1 million can mainly be attributed to the increase in debt service as the Missouri Department of Transportation called the Series 2006-Refunding and Series 2007 bonds in the amount of \$117.8 million. Revenues increase slightly by \$15.6 million mostly due to the timing of the federal grant reimbursements related to project expenditures associated with advance construction projects.

Proprietary Funds:

The State has three major proprietary funds: State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund. The State Lottery Fund was established in 1986 to account for the sale of lottery tickets and lottery operations. Since 1992, public education has been the sole beneficiary of lottery proceeds. Unemployment Compensation accounts for contributions and payments collected from Missouri employers under the provision of the “Unemployment Compensation Law.” This tax finances benefits for workers who become unemployed through no fault of their own. The Petroleum Storage Tank Insurance Fund accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks. The fund pays cleanup expenses for petroleum leaks or spills from underground storage tanks and certain above ground storage tanks as well as third party property damage or bodily injury resulting from such discharges. This fund is one of the largest insurers of storage tanks in the country.

The State Lottery Fund’s net position decreased by \$2.6 million in fiscal year 2017, which is partly the result of fluctuations in market yields, which increase or reduce the unrealized gain on investments. Total operating revenues increased by 2.5%, while operating expenses increase by 4.2% in fiscal year 2017. Prize expense increased by \$43.2 million, while sales increased \$34.2 million. The sales increase was the result of an increase in Scratchers and Pull-Tab sales, and a decrease in Draw Game sales mainly due to Powerball. Powerball sales were down \$35.9 million due to the prior year's record \$1.59 billion Powerball jackpot.

The Unemployment Compensation Fund’s net position increased by \$163.0 million due to an increase in cash in the fund of \$205.9 million. The increase in cash is due to an improved economy and low unemployment rate which is allowing excess cash to remain in the fund. Once the cash balance has reached the statutorily established levels that trigger contribution rate reductions, then employer contribution rates will be lowered, which occurred in 2017. Accounts receivable decreased by \$35.2 million, mainly because the new employer rates decreased from 3.51% to 2.7%.

The Petroleum Storage Tank Insurance Fund’s net position decreased by \$6.2 million due to an increase in claims paid in fiscal year 2017 and a reduction in net claims reserves.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget is the appropriated budget that is truly agreed to and finally passed by the legislature, and signed by the Governor at the beginning of the fiscal year. The final budget includes emergency and supplemental appropriations, reverted amounts, and increases to estimated appropriations, which occur during the fiscal year.

Budgeted appropriations for fiscal year 2017 from the General Fund were \$26.2 billion original budget and \$26.1 billion final budget. Actual spending was \$24.3 billion. Reasons for the final budget variances include:

- Appropriation authority exceeded cash available for expenditures.
- Lapse of various appropriations.
- Multiple year grants are appropriated in one year, but the expenditures may occur over several years.
- Capital improvement appropriations were restricted during the budget process.

Budgeted revenues/transfers in for fiscal year 2017 for the General Fund were \$25.4 billion original budget and \$25.2 billion final budget. Actual revenue/transfers in was \$24.3 billion.

Refer to the *Notes to RSI*, Budgetary Reporting, on page 145 for more information on budgetary variances.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2017, was \$32.8 billion (net of accumulated depreciation/amortization). This investment in capital assets includes construction in progress, software in progress, infrastructure in progress, land, permanent easements, land improvements, temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure.

Capital Assets of the State include (in thousands):

	Governmental Activities	Business-Type Activities	Total
Construction in Progress	\$ 308,053	\$ 45,452	\$ 353,505
Software in Progress	87,960	—	87,960
Infrastructure in Progress	1,478,649	—	1,478,649
Land	3,095,379	32,602	3,127,981
Permanent Easements	3,909	—	3,909
Land Improvements	208,276	18,972	227,248
Temporary Easements	1,513	50	1,563
Buildings and Improvements	3,387,916	33,025	3,420,941
Equipment	1,328,823	50,670	1,379,493
Software	228,107	735	228,842
Trademarks	17	—	17
Infrastructure	50,174,198	—	50,174,198
<i>Subtotal</i>	60,302,800	181,506	60,484,306
Less Accumulated Depreciation/ Amortization	(27,624,228)	(64,135)	(27,688,363)
Total Capital Assets, Net	\$ 32,678,572	\$ 117,371	\$ 32,795,943

Additional information on capital assets can be found in *Note 5* of this report.

Debt Administration:

At the end of fiscal year 2017, the primary government had total general obligation and other bonded debt outstanding of \$3.1 billion. Of this amount, \$154.8 million comprises debt backed by the full faith and credit of the government.

Principal amounts retired or refunded in fiscal year 2017 were \$54.1 million for general obligation bonds and \$360.8 million for other bonds.

The State of Missouri is proud to have maintained a Triple-A credit rating since 1989 from all three major credit rating agencies (Moody's Investor Services, Inc., Standard and Poor's, and Fitch Ratings, Inc.) on the State's General Obligation Bonds.

Outstanding Bonds Payable of the State include (in thousands):

	Governmental Activities	Component Units	Total
General Obligation Bonds	\$ 154,830	\$ —	\$ 154,830
Other Bonds	2,943,825	2,116,337	5,060,162
Total	\$ 3,098,655	\$ 2,116,337	\$ 5,214,992

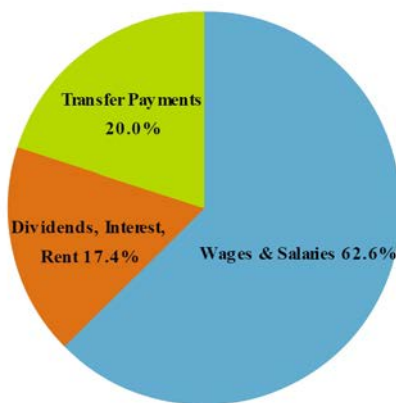
Additional information on long-term debt can be found in *Notes 11, 12, and 13* of this report.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

The State's economic outlook for Fiscal Year 2018 anticipates continued improvement in employment and wages, with continued growth in state revenue collections. During the Fiscal Year 2018 budget process, staff from the House, Senate, the University of Missouri and the Division of Budget and Planning developed a revenue estimate of 3% growth for Fiscal Year 2017 and 3.8% growth for Fiscal Year 2018. The actual Fiscal Year 2017 revenue collections increased by 2.6% growth when compared to the Fiscal Year 2016 collections. The 3.8% growth estimate for Fiscal Year 2018 will not provide sufficient resources to cover anticipated spending, therefore, the Governor restricted approximately \$251 million in July.

Since 2010, personal incomes have increased, on average, 3.2% annually for the State and 4.3% for the nation. The average income of a Missouri citizen was \$43,723 in 2016, which was lower than the national average of \$49,571. Missouri's per capita personal income grew 3.2% from the first quarter. While the State's per capita income is lower than the national average, so is the cost of living. Missouri is among the most affordable states as it had the eleventh lowest cost of living costs in the United States in 2016. The below graph depicts the components of personal income, with transfer payments (such as social security, Medicare, etc.) comprising 20.0% of the State's total personal income, due in part to the State's aging population.

**Components of Personal Income
Missouri - 2016**



Source: Missouri Economic Report, 2017, U.S. Bureau of Economic Analysis 2016.

The outlook for general revenue for fiscal year 2018 remains uncertain. Most economic forecasts are calling for moderate economic growth. Equity markets have been strong in the first half of 2017, but have become more volatile as national and global uncertainty continues. While the number of jobs is steadily improving, the rate of growth has slowed as the labor market reaches full employment. Growth in sales tax is expected to moderate as consumers have released most of the pent up demand from the Great Recession.

Missouri's strong fiscal management and directives to review the State Code of Regulations and the tax code are ways in which Missouri is looking to streamline functions and decrease costs for the citizens of the State. Conservative management, including Missouri's constitutional provisions for the Governor to line item veto and restrict expenditures below appropriated levels, ensures the budget is balanced each year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration, Division of Accounting, P.O. Box 809, Jefferson City, MO 65102.



*The **Basic Financial Statements** include the Government-Wide Financial Statements, the Governmental Fund Financial Statements, the Proprietary Fund Financial Statements, the Fiduciary Fund Financial Statements, the Component Unit Financial Statements, and the accompanying notes to the statements.*

STATE OF MISSOURI
STATEMENT OF NET POSITION
June 30, 2017
(In Thousands of Dollars)

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Units
Assets				
Cash and Cash Equivalents (Note 3)	\$ 1,097,505	\$ 824,813	\$ 1,922,318	\$ 419,592
Investments (Note 3)	2,650,607	73,605	2,724,212	2,672,833
Invested Securities Lending Collateral (Note 3)	—	—	—	7,437
Receivables, Net (Note 14)	4,263,137	190,756	4,453,893	677,691
Internal Balances	8,408	(8,408)	—	—
Inventories	78,937	1,617	80,554	58,338
Deposits and Prepaid Expenses	190	—	190	44,790
Restricted Assets:				
Cash and Cash Equivalents (Note 3)	32,533	—	32,533	210,643
Investments (Note 3)	36,181	36,546	72,727	1,435,346
Receivables, Net	—	—	—	56,599
Other Assets	—	—	—	19,194
Capital Assets (Note 5):				
Non-Depreciable	4,973,950	78,054	5,052,004	495,163
Depreciable, Net	27,704,622	39,317	27,743,939	4,976,241
Total Assets	40,846,070	1,236,300	42,082,370	11,073,867
Deferred Outflows of Resources (Note 15)	1,803,875	49,219	1,853,094	443,346
Liabilities				
Bank Overdraft (Notes 3 and 10)	2	—	2	—
Payables (Note 14)	1,479,639	26,790	1,506,429	663,972
Securities Lending Obligation (Note 3)	—	—	—	7,437
Unearned Revenue (Note 1)	77,225	2,028	79,253	154,197
Escheat/Unclaimed Property	108,662	—	108,662	—
Long-Term Liabilities (Note 11):				
Due Within One Year	754,998	101,170	856,168	485,071
Due in More Than One Year	11,935,031	216,242	12,151,273	3,730,233
Total Liabilities	14,355,557	346,230	14,701,787	5,040,910
Deferred Inflows of Resources (Note 15)	161,028	1,399	162,427	56,010
Net Position				
Net Investment in Capital Assets	29,814,122	117,243	29,931,365	3,053,770
Restricted for:				
Budget Reserve	590,374	—	590,374	—
Debt Service	399,250	—	399,250	—
Grants	336,899	—	336,899	—
Enabling Legislation (Note 1)	511,411	—	511,411	—
Loans Receivable	1,350,849	—	1,350,849	—
Permanent Trusts:				
Expendable	109	—	109	588,606
Non-Expendable	55,522	—	55,522	1,156,556
External Parties	862,031	3,635	865,666	96,052
Unrestricted	(5,787,207)	817,012	(4,970,195)	1,525,309
Total Net Position	\$ 28,133,360	\$ 937,890	\$ 29,071,250	\$ 6,420,293

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,179,908	\$ 673,494	\$ 71,945	\$ 154
Education	7,094,386	53,012	1,176,614	—
Natural and Economic Resources	1,085,649	278,481	321,856	14
Transportation and Law Enforcement	2,196,580	228,547	251,828	923,559
Human Services	13,703,989	499,778	8,581,490	21
Interest on Debt (Excluding Direct Expense)	127,835	12,049	—	—
Total Governmental Activities	<u>25,388,347</u>	<u>1,745,361</u>	<u>10,403,733</u>	<u>923,748</u>
Business-Type Activities:				
State Lottery	1,070,591	1,361,996	—	—
Unemployment Compensation	318,686	—	468,931	—
Petroleum Storage Tank Insurance	19,392	12,894	—	—
State Fair Fees	4,712	4,631	151	—
State Parks and DNR	12,272	14,282	10,679	—
Historic Preservation	1,247	—	—	—
Missouri Veterans' Homes	114,847	26,505	73,087	—
Surplus Property	2,523	2,027	—	—
Revenue Information	12	855	—	—
Total Business-Type Activities	<u>1,544,282</u>	<u>1,423,190</u>	<u>552,848</u>	<u>—</u>
Total Primary Government	<u>\$ 26,932,629</u>	<u>\$ 3,168,551</u>	<u>\$ 10,956,581</u>	<u>\$ 923,748</u>
Component Units:				
College and Universities	\$ 4,642,291	\$ 3,134,109	\$ 1,437,498	\$ 162,977
Non-Major Component Units	10,045	10,329	—	—
Total Component Units	<u>\$ 4,652,336</u>	<u>\$ 3,144,438</u>	<u>\$ 1,437,498</u>	<u>\$ 162,977</u>

General Revenues:

Taxes:

Sales and Use

Individual Income

Corporate Income

County Foreign Insurance

Alcoholic Beverage

Corporate Franchise

Fuel

Miscellaneous Taxes

Grants and Contributions not Restricted to Specific Programs

Unrestricted Investment Earnings

Capital Contributions

Special Items

Extraordinary Item

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expenses) Revenues and Changes in Net Position				
Primary Government				Component Units
Governmental Activities	Business-Type Activities	Total		
\$ (434,315)	\$ —	\$ (434,315)	\$ —	
(5,864,760)	—	(5,864,760)	—	
(485,298)	—	(485,298)	—	
(792,646)	—	(792,646)	—	
(4,622,700)	—	(4,622,700)	—	
(115,786)	—	(115,786)	—	
(12,315,505)	—	(12,315,505)	—	
—	291,405	291,405	—	
—	150,245	150,245	—	
—	(6,498)	(6,498)	—	
—	70	70	—	
—	12,689	12,689	—	
—	(1,247)	(1,247)	—	
—	(15,255)	(15,255)	—	
—	(496)	(496)	—	
—	843	843	—	
—	431,756	431,756	—	
(12,315,505)	431,756	(11,883,749)	—	
—	—	—	92,293	
—	—	—	284	
—	—	—	92,577	
3,267,442	—	3,267,442	—	
6,648,917	—	6,648,917	—	
392,438	—	392,438	—	
254,686	—	254,686	—	
32,764	—	32,764	—	
2,490	—	2,490	—	
667,639	—	667,639	—	
680,886	—	680,886	—	
62,173	—	62,173	4,682	
11,440	13,156	24,596	296,801	
—	920	920	—	
—	—	—	5,868	
—	(153)	(153)	—	
289,683	(289,683)	—	—	
12,310,558	(275,760)	12,034,798	307,351	
(4,947)	155,996	151,049	399,928	
28,138,307	781,894	28,920,201	6,020,365	
\$ 28,133,360	\$ 937,890	\$ 29,071,250	\$ 6,420,293	

The notes to the financial statements are an integral part of this statement.



*The **Governmental Funds** focus on current financial resources.*

Governmental Fund Financial Statements

Major Funds

General Fund - Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Major Special Revenue Funds:

Public Education - Provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection - Provides for the preservation of the State's wildlife and environment.

Major Capital Projects Fund:

Missouri Road Fund - Accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system.

Non-Major Funds

Non-Major Governmental Funds are presented in the Combining and Individual Fund Statements and Schedules for non-major funds as part of Supplementary Information.

**STATE OF MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017
(In Thousands of Dollars)**

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Totals June 30, 2017
ASSETS						
Cash and Cash Equivalents (Note 3)	\$ 350,435	\$ 47,478	\$ 88,729	\$ 302,009	\$ 177,701	\$ 966,352
Investments (Note 3)	1,023,985	113,982	385,679	340,294	591,523	2,455,463
Accounts Receivable, Net	2,340,734	158,666	55,555	106,826	174,250	2,836,031
Interest Receivable	3,036	501	2,814	1,111	1,192	8,654
Due from Other Funds (Note 16)	—	1,569	—	—	3,377	4,946
Due from Component Units (Note 16)	—	—	561	—	—	561
Inventories	25,246	71	331	38,790	4,337	68,775
Advance to Component Units (Note 16)	—	—	517	—	—	517
Loans Receivable	29,058	888	1,317,997	—	2,906	1,350,849
Restricted Assets:						
Cash and Cash Equivalents (Note 3)	—	—	—	31,845	—	31,845
Investments (Note 3)	—	—	—	35,881	—	35,881
Total Assets	<u>\$ 3,772,494</u>	<u>\$ 323,155</u>	<u>\$ 1,852,183</u>	<u>\$ 856,756</u>	<u>\$ 955,286</u>	<u>\$ 7,759,874</u>
LIABILITIES						
Accounts Payable	\$ 1,114,922	\$ 572	\$ 5,476	\$ 87,167	\$ 119,670	\$ 1,327,807
Accrued Payroll	59,881	236	5,023	16,970	12,152	94,262
Due to Other Funds (Note 16)	5,420	66	143	241	994	6,864
Unearned Revenue (Note 1)	40,362	—	181	5,588	—	46,131
Escheat/Unclaimed Property	108,662	—	—	—	—	108,662
Total Liabilities	<u>1,329,247</u>	<u>874</u>	<u>10,823</u>	<u>109,966</u>	<u>132,816</u>	<u>1,583,726</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)						
	<u>1,005,272</u>	<u>44,706</u>	<u>22,606</u>	<u>23,242</u>	<u>7,253</u>	<u>1,103,079</u>
FUND BALANCES (Note 4)						
Nonspendable	54,304	71	331	38,790	59,859	153,355
Restricted	341,053	212,592	136,860	684,758	482,962	1,858,225
Committed	590,697	2,551	1,570,667	—	41,171	2,205,086
Assigned	156,557	62,361	110,896	—	248,853	578,667
Unassigned	295,364	—	—	—	(17,628)	277,736
Total Fund Balances	<u>1,437,975</u>	<u>277,575</u>	<u>1,818,754</u>	<u>723,548</u>	<u>815,217</u>	<u>5,073,069</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,772,494</u>	<u>\$ 323,155</u>	<u>\$ 1,852,183</u>	<u>\$ 856,756</u>	<u>\$ 955,286</u>	<u>\$ 7,759,874</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2017
(In Thousands of Dollars)

Total Fund Balances - Governmental Funds	\$ 5,073,069
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources and are not reported in the funds. These assets consist of (Note 5):

Construction in Progress	307,810	
Software in Progress	87,234	
Infrastructure in Progress	1,478,649	
Land	3,087,657	
Permanent Easements	3,909	
Land Improvements	205,276	
Temporary Easements	1,513	
Buildings and Improvements	2,898,236	
Equipment	1,197,975	
Software	202,617	
Trademarks	17	
Infrastructure	50,174,198	
Accumulated Depreciation/Amortization	<u>(27,291,240)</u>	
		32,353,851

Deferred inflows of resources related to the State's revenues that will be collected after year-end, but are not available soon enough to pay for the current period's expenditures are deferred in the funds.	1,103,079
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Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and therefore, not reported in the funds.	1,525,649
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Deferred outflows and inflows of resources related to deferred charges or credits on debt refundings and other assets are applicable to future reporting periods and therefore, not reported in the funds.	79,543
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Some liabilities are not due and payable in the current period and therefore, not reported in the funds. Those liabilities consist of (Note 11):

Due to Other Entities	(1,361)	
General Obligation and Other Bonds Payable	(3,098,655)	
Unamortized Bond Premium	(203,179)	
Accrued Interest on Bonds	(28,591)	
Obligation under Lease Purchases	(60,674)	
Pollution Remediation	(47,431)	
Compensated Absences	(170,261)	
Claims Liability	(37,989)	
Contingent Liabilities	(1,911,336)	
Net Other Postemployment Benefit Obligation	(1,094,726)	
Net Pension Liability	<u>(5,770,683)</u>	
		(12,424,886)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Position.	<u>423,055</u>
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Net Position of Governmental Activities	<u><u>\$ 28,133,360</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Eliminations	Totals June 30, 2017
Revenues:							
Taxes	\$ 9,084,735	\$ 1,286,494	\$ 214,908	\$ 174,144	\$ 1,117,022	\$ —	\$ 11,877,303
Licenses, Fees, and Permits	91,142	2,297	83,312	103,624	397,670	—	678,045
Sales	496	—	7,158	—	1,381	—	9,035
Leases and Rentals	23	—	134	—	1	—	158
Services	121,670	—	—	—	861	—	122,531
Contributions and Intergovernmental	10,090,297	13,955	94,927	853,385	342,468	—	11,395,032
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	(3,250)	(469)	(2,031)	(1,534)	(3,246)	—	(10,530)
Interest	14,397	1,624	6,960	4,271	4,952	—	32,204
Penalties and Unclaimed Properties	83,824	1,747	1,170	—	10,384	—	97,125
Cost Reimbursement/ Miscellaneous	317,803	112,769	3,809	56,373	77,376	—	568,130
Total Revenues	19,801,137	1,418,417	410,347	1,190,263	1,948,869	—	24,769,033
Expenditures:							
Current:							
General Government	644,887	554	1,982	—	237,218	—	884,641
Education	4,259,063	2,709,655	—	—	102,992	—	7,071,710
Natural and Economic Resources	286,541	4,496	354,354	—	251,094	—	896,485
Transportation and Law Enforcement	337,828	184	783	804,060	330,942	—	1,473,797
Human Services	12,916,307	12,727	786	—	700,036	—	13,629,856
Capital Outlay:							
General Government	—	—	—	—	14,057	—	14,057
Education	—	—	—	—	348	—	348
Natural and Economic Resources	—	—	—	—	2,027	—	2,027
Transportation and Law Enforcement	—	—	—	710,606	2,110	—	712,716
Human Services	—	—	—	—	54,915	—	54,915
Debt Service:							
Principal	70,891	—	315	184,255	181,477	—	436,938
Interest	29,949	—	3	61,047	68,978	—	159,977
Bond Issuance Costs	—	—	—	—	336	—	336
Underwriter's Discount	—	—	—	—	972	—	972
Total Expenditures	18,545,466	2,727,616	358,223	1,759,968	1,947,502	—	25,338,775
Excess Revenues (Expenditures)	1,255,671	(1,309,199)	52,124	(569,705)	1,367	—	(569,742)
Other Financing Sources (Uses):							
Proceeds from Notes/Capital Leases	1,522	—	—	17	3	—	1,542
Proceeds From Bonds	—	—	—	—	97,225	—	97,225
Bond Premium (Note 11)	—	—	—	—	5,877	—	5,877
Proceeds from Sale of Capital Assets	7,921	—	—	5,436	6,948	—	20,305
Transfers In (Note 17)	44,550	1,311,475	975	459,141	321,109	(1,840,021)	297,229
Transfers Out (Note 17)	(1,326,319)	(23,510)	(3,243)	—	(492,547)	1,840,021	(5,598)
Total Other Financing Sources (Uses)	(1,272,326)	1,287,965	(2,268)	464,594	(61,385)	—	416,580
Net Change in Fund Balances	(16,655)	(21,234)	49,856	(105,111)	(60,018)	—	(153,162)
Fund Balances - Beginning (Note 18)	1,453,679	298,786	1,768,948	828,659	875,211	—	5,225,283
Increase (Decrease) in Reserve for Inventory	951	23	(50)	—	24	—	948
Fund Balances - Ending	\$ 1,437,975	\$ 277,575	\$ 1,818,754	\$ 723,548	\$ 815,217	\$ —	\$ 5,073,069

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES IN
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

Net Change in Fund Balances - Total Governmental Funds	\$	(153,162)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement.		948
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Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount that capital outlays of \$918,546 exceeds depreciation/amortization of \$665,754 in the current period.		252,792
---	--	---------

In the Statement of Activities only the gain/loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus the change in net position differs from the change in governmental fund balance by the net book value of the assets sold.		(18,317)
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The net effect of the donation of capital assets increased net position.		196
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Deferred inflows do not provide current financial resources and are not recognized as revenues until available in governmental funds.		78,104
---	--	--------

Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Contributions		497,049
Pension Expense		(747,416)

Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the Combined Statement of

Net Position (Note 11):

Bonds Issued	(97,225)	
Bond Premiums and Refunding Costs	(5,877)	
Bonds Retired	414,850	
Capital Leases Issued	(1,539)	
Capital Lease Payments	22,087	
		332,296

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, not reported as expenditures in governmental funds (Note 11):

Amortization of Bond Premium and Refunding Costs	28,016	
Decrease in Accrued Interest	4,507	
Decrease in Pollution Remediation	2,294	
Increase in Due to Other Entities	(3)	
Increase in Compensated Absences	(83)	
Increase in Contingent Liabilities	(139,611)	
Increase in Claims Liability	(106)	
Increase in Net Other Postemployment Benefit Obligation	(91,293)	
		(196,279)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of internal service funds are reported with governmental activities.		(51,158)
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Change in Net Position of Governmental Activities	\$	(4,947)
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The notes to the financial statements are an integral part of this statement.



*The **Proprietary Funds** focus on economic resources and are operated in a manner similar to private business enterprises.*

Proprietary Fund Financial Statements

Major Funds

State Lottery - Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation - Accounts for contributions and payments collected under the provisions of the “Unemployment Compensation Law” to pay benefits.

Petroleum Storage Tank Insurance - Accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

Non-Major Funds

Non-major enterprise funds and all internal service funds are presented in our combining non-major fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Major Funds				Totals	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2017	
ASSETS						
Current Assets:						
Cash and Cash Equivalents (Note 3)	\$ 14,759	\$ 793,672	\$ 12,207	\$ 4,175	\$ 824,813	\$ 131,153
Investments (Note 3)	22,687	—	37,716	13,202	73,605	83,004
Restricted:						
Investments (Note 3)	3,417	—	—	—	3,417	100
Accounts Receivable, Net	50,712	128,831	1,532	9,014	190,089	66,199
Interest Receivable	51	—	87	41	179	324
Due from Other Funds (Note 16)	—	—	—	17	17	7,074
Due from Component Units (Note 16)	—	—	—	—	—	2
Inventories	—	—	—	1,617	1,617	10,162
Prepaid Items	—	—	—	—	—	190
Loans Receivable	—	—	—	488	488	—
Total Current Assets	91,626	922,503	51,542	28,554	1,094,225	298,208
Non-Current Assets:						
Investments	—	—	—	—	—	112,140
Restricted:						
Cash and Cash Equivalents (Note 3)	—	—	—	—	—	688
Investments (Note 3)	33,129	—	—	—	33,129	200
Capital Assets (Note 5):						
Construction in Progress	7	—	—	45,445	45,452	243
Software in Progress	—	—	—	—	—	726
Land	353	—	—	32,249	32,602	7,722
Land Improvements	—	—	—	18,972	18,972	3,000
Temporary Easements	—	—	—	50	50	—
Buildings	5,270	—	—	27,755	33,025	489,680
Equipment	7,093	—	158	43,419	50,670	130,848
Software	565	—	—	170	735	25,490
Less Accumulated Depreciation/Amortization	(10,318)	—	(147)	(53,670)	(64,135)	(332,988)
Total Non-Current Assets	36,099	—	11	114,390	150,500	437,749
Total Assets	127,725	922,503	51,553	142,944	1,244,725	735,957
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	5,667	—	764	42,788	49,219	38,824
LIABILITIES						
Current Liabilities:						
Bank Overdraft (Note 3 and 10)	—	—	—	—	—	2
Accounts Payable	5,689	16,248	27	2,024	23,988	26,996
Accrued Payroll	289	—	34	2,479	2,802	1,983
Due to Other Funds (Note 16)	1,585	3,377	4	59	5,025	148
Unearned Revenue (Note 1)	815	—	524	689	2,028	31,094
Claims Liability (Note 11)	—	—	15,000	—	15,000	80,880
Grand Prize Winner Liability (Note 11)	81,708	—	—	—	81,708	—
Obligations under Lease Purchase (Note 11)	—	—	—	128	128	6,300
Compensated Absences (Note 11)	631	—	73	3,630	4,334	4,026
Total Current Liabilities	90,717	19,625	15,662	9,009	135,013	151,429
Non-Current Liabilities:						
Claims Liability (Note 11)	—	—	66,868	—	66,868	58,809
Grand Prize Winner Liability (Note 11)	29,477	—	—	—	29,477	—
Obligations under Lease Purchase (Note 11)	—	—	—	—	—	32,842
Compensated Absences (Note 11)	—	—	3	267	270	728
Net Pension Liability (Note 11)	16,213	—	2,069	101,345	119,627	110,149
Total Non-Current Liabilities	45,690	—	68,940	101,612	216,242	202,528
Total Liabilities	136,407	19,625	84,602	110,621	351,255	353,957
DEFERRED INFLOWS OF RESOURCES (Note 15)	163	—	21	1,215	1,399	1,169
NET POSITION						
Net Investment in Capital Assets	2,970	—	11	114,262	117,243	285,579
Restricted for:						
Other Purposes	3,635	—	—	—	3,635	988
Unrestricted	(9,783)	902,878	(32,317)	(40,366)	820,412	133,088
Total Net Position (Note 19)	\$ (3,178)	\$ 902,878	\$ (32,306)	\$ 73,896	\$ 941,290	\$ 419,655
Total Net Position Reported Above					\$ 941,290	
Consolidation Adjustment of Internal Service Activities Related to Enterprise Funds					(3,400)	
Net Position of Business-Type Activities					\$ 937,890	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Major Funds				Totals	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2017	
Operating Revenues:						
Employer Contributions	\$ —	\$ 464,423	\$ —	\$ —	\$ 464,423	\$ 442,415
Employee Contributions	—	—	—	—	—	162,322
Federal Contracts	—	4,508	—	—	4,508	—
Medicare Part D Subsidy	—	—	—	—	—	6,266
Licenses, Fees, and Permits	—	—	12,894	10,294	23,188	14,728
Sales	1,361,874	—	—	4,511	1,366,385	28,119
Leases and Rentals	—	—	—	3,931	3,931	62,312
Charges for Services	—	—	—	26,767	26,767	131,269
Cost Reimbursement/Miscellaneous	122	—	—	731	853	31,019
Total Operating Revenues	<u>1,361,996</u>	<u>468,931</u>	<u>12,894</u>	<u>46,234</u>	<u>1,890,055</u>	<u>878,450</u>
Operating Expenses:						
Cost of Goods Sold	23,624	—	—	1,475	25,099	22,500
Personal Service	11,359	—	1,725	96,779	109,863	80,087
Operations	94,490	—	4,078	30,025	128,593	118,483
Prizes Expense	932,097	—	—	—	932,097	—
Specific Programs	—	—	13,565	2,152	15,717	10,976
Insurance Benefits	—	—	—	—	—	655,026
Unemployment Benefits	—	318,686	—	—	318,686	—
Depreciation/Amortization	1,013	—	5	4,251	5,269	24,261
Other Charges	7,925	—	—	557	8,482	14,455
Total Operating Expenses	<u>1,070,508</u>	<u>318,686</u>	<u>19,373</u>	<u>135,239</u>	<u>1,543,806</u>	<u>925,788</u>
Operating Income (Loss)	<u>291,488</u>	<u>150,245</u>	<u>(6,479)</u>	<u>(89,005)</u>	<u>346,249</u>	<u>(47,338)</u>
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	(27)	—	—	83,917	83,890	24
Interest Expense	—	—	—	(9)	(9)	(1,217)
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(2,553)	—	(150)	(55)	(2,758)	(2,249)
Interest	215	15,175	384	140	15,914	3,435
Penalties and Unclaimed Properties	—	—	—	77	77	—
Disposal of Capital Assets	(19)	—	—	(234)	(253)	(63)
Extraordinary Item	—	—	—	(153)	(153)	—
Total Non-Operating Revenues (Expenses)	<u>(2,384)</u>	<u>15,175</u>	<u>234</u>	<u>83,683</u>	<u>96,708</u>	<u>(70)</u>
Income (Loss) Before Transfers	289,104	165,420	(6,245)	(5,322)	442,957	(47,408)
Capital Contributions	—	—	—	920	920	—
Transfers In (Note 17)	27	—	—	5,482	5,509	179
Transfers Out (Note 17)	(291,686)	(2,454)	—	(1,052)	(295,192)	(2,127)
Change in Net Position	(2,555)	162,966	(6,245)	28	154,194	(49,356)
Total Net Position - Beginning (Note 18)	(623)	739,912	(26,061)	73,868	787,096	469,011
Total Net Position - Ending (Note 19)	<u>\$ (3,178)</u>	<u>\$ 902,878</u>	<u>\$ (32,306)</u>	<u>\$ 73,896</u>	<u>\$ 941,290</u>	<u>\$ 419,655</u>
Total Net Change in Net Assets Reported Above					\$ 154,194	
Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds					1,802	
Change in Net Assets of Business-Type Activities					<u>\$ 155,996</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Major Funds				Totals	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2017	
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	\$ —	\$ 2,144	\$ —	\$ 636	\$ 2,780	\$ 640,479
Receipts from External Customers and Users	1,356,827	501,955	12,845	44,191	1,915,818	201,566
Payments to Suppliers	(116,414)	—	(4,727)	(31,494)	(152,635)	(144,426)
Payments to Employees	(10,092)	—	(1,565)	(86,807)	(98,464)	(71,204)
Payments Made for Program Expense	(922,664)	(313,224)	(14,932)	(2,152)	(1,252,972)	(670,860)
Other Receipts	122	—	—	731	853	31,019
Other Payments	(7,925)	—	—	(557)	(8,482)	(14,455)
Net Cash Provided (Used) by Operating Activities	299,854	190,875	(8,379)	(75,452)	406,898	(27,881)
Cash Flows from Non-Capital Financing Activities:						
Loans Made to Outside Entities	—	—	—	36	36	—
Due to/from Other Funds	(6,203)	2,298	(2)	182	(3,725)	1,009
Due to/from Component Units	—	—	—	—	—	(1)
Contributions and Intergovernmental	(27)	—	—	76,703	76,676	24
Transfers to/from Other Funds	(291,686)	(2,454)	—	4,393	(289,747)	(1,974)
Net Cash Provided (Used) by Non-Capital Financing Activities	(297,916)	(156)	(2)	81,314	(216,760)	(942)
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	—	—	—	(9)	(9)	(1,217)
Purchases and Construction of Capital Assets	(1,040)	—	(1)	(15,183)	(16,224)	(8,361)
Capital Lease Downpayment/Obligations	—	—	—	(176)	(176)	(10,021)
Disposal of Capital Assets	—	—	—	—	—	195
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,040)	—	(1)	(15,368)	(16,409)	(19,404)
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	—	—	—	3,122	3,122	1,190,166
Purchase of Investments	(6,940)	—	(4,410)	(908)	(12,258)	(1,200,205)
Interest and Dividends Received	187	15,175	360	145	15,867	3,400
Investment Fees	—	—	—	—	—	(23)
Penalties and Other Receipts	—	—	—	77	77	—
Net Cash Provided (Used) by Investing Activities	(6,753)	15,175	(4,050)	2,436	6,808	(6,662)
Net Increase (Decrease) in Cash	(5,855)	205,894	(12,432)	(7,070)	180,537	(54,889)
Cash and Cash Equivalents, Beginning of Year	20,614	587,778	24,639	11,245	644,276	186,728
Cash and Cash Equivalents, End of Year	\$ 14,759	\$ 793,672	\$ 12,207	\$ 4,175	\$ 824,813	\$ 131,839
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 291,488	\$ 150,245	\$ (6,479)	\$ (89,005)	\$ 346,249	\$ (47,338)
Depreciation/Amortization Expense	1,013	—	5	4,251	5,269	24,261
Changes in Assets and Liabilities:						
Accounts Receivable	(4,673)	35,168	(43)	(650)	29,802	(8,316)
Inventories	—	—	—	(90)	(90)	895
Deferred Outflows of Resources	(3,638)	—	(488)	(27,457)	(31,583)	(24,991)
Prepaid Items	—	—	—	—	—	(57)
Accounts Payable	1,700	5,462	(649)	97	6,610	(4,281)
Accrued Payroll	3	—	(2)	180	181	132
Unearned Revenue	(374)	—	(6)	(26)	(406)	2,930
Grand Prize Winner Liability	9,433	—	—	—	9,433	—
Claims Liability	—	—	(1,367)	—	(1,367)	(4,858)
Compensated Absences	(51)	—	(11)	267	205	134
Net Pension Liability	5,029	—	673	37,589	43,291	34,052
Deferred Inflows of Resources	(76)	—	(12)	(608)	(696)	(444)
Net Cash Provided (Used) by Operating Activities	\$ 299,854	\$ 190,875	\$ (8,379)	\$ (75,452)	\$ 406,898	\$ (27,881)
Non-Cash Financing and Investing Activities:						
Capital Asset Donations	\$ —	\$ —	\$ —	\$ 8,134	\$ 8,134	\$ —
Increase (Decrease) in Fair Value of Investments	(2,553)	—	(150)	(55)	(2,758)	(2,249)
Net Non-Cash Financing and Investing Activities	\$ (2,553)	\$ —	\$ (150)	\$ 8,079	\$ 5,376	\$ (2,249)

The notes to the financial statements are an integral part of this statement.



*The **Fiduciary Funds** account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.*

Individual fund financial statements for pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds are presented as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2017
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents (Note 3)	\$ 2,421,843	\$ 6,932	\$ 107,427
Investments at Fair Value (Note 3):			
U.S. Government Securities	4,195,505	2,453	517,316
U.S. Agency Sponsored Securities	—	18,003	25,269
Repurchase	571	—	—
Stocks	648,790	81	18
Bonds	993,143	—	—
International Equities	981,291	—	—
Mutual and Index Funds	1,204,270	—	—
Venture Capital Limited Partnership	4,480,294	—	—
Other Investments	824,623	2,684	791
Invested Securities Lending Collateral (Note 3)	56,823	—	—
Assets Held in Escheat	—	23,998	—
Receivables:			
Accounts Receivable	85,051	15	444,815
Interest Receivable	5,686	9	337
Inventories	—	1	—
Prepaid Expenses	106	—	—
Capital Assets:			
Land	351	—	—
Buildings	4,829	—	—
Equipment	1,539	58	—
Software	4,028	99	—
Accumulated Depreciation/Amortization	(6,214)	(90)	—
Total Capital Assets, Net	4,533	67	—
Total Assets	15,902,529	54,243	\$ 1,095,973
TOTAL DEFERRED OUTFLOWS OF RESOURCES			
(Note 15)	—	444	\$ —
LIABILITIES			
Accounts Payable	37,226	1,123	\$ 33
Obligations under Repurchase Agreements	3,373,774	—	—
Accrued Payroll	—	23	—
Due to Other Entities	—	—	1,069,791
Due to Individuals	—	—	26,149
Securities Lending Obligation (Note 3)	58,390	—	—
Unearned Revenue (Note 1)	3,846	—	—
Claims Liability	9,888	—	—
Compensated Absences	606	41	—
Net Pension Liability	—	1,093	—
Total Liabilities	3,483,730	2,280	\$ 1,095,973
TOTAL DEFERRED INFLOWS OF RESOURCES			
(Note 15)	—	12	\$ —
Net Position Restricted for Pension Benefits, OPEB, Deferred Compensation, and Other Purposes	\$ 12,418,799	\$ 52,395	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Employer	\$ 643,464	\$ —
Plan Member	138,368	—
Other	109,715	—
Total Contributions	891,547	—
Investment Earnings:		
Increase (Decrease) in Appreciation of Assets	649,589	7,305
Interest and Dividends	189,788	751
Securities Lending Income	641	—
Total Investment Earnings	840,018	8,056
Less Investment Expenses:		
Investment Activity Expense	(170,731)	—
Securities Lending Expense	(341)	—
Total Investment Expense	(171,072)	—
Net Investment Earnings (Loss)	668,946	8,056
Unclaimed Property	—	30,132
Cost Reimbursement/Miscellaneous	2,982	6,963
Total Additions	1,563,475	45,151
Deductions:		
Benefits	1,261,626	—
Administrative Expenses	23,166	2,522
Program Distributions	80,363	53,600
Service Transfer Payments	1,844	—
Depreciation/Amortization	586	38
Total Deductions	1,367,585	56,160
Change in Net Position	195,890	(11,009)
Net Position - Beginning of Year (Note 18)	12,222,909	63,404
Net Position - End of Year	\$ 12,418,799	\$ 52,395

The notes to the financial statements are an integral part of this statement.



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Component Unit Financial Statements

Major

College and Universities

Non-Major

Non-Major proprietary component unit statements are found in the combining fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2017
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2017
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 370,111	\$ 49,481	\$ 419,592
Investments	240,057	28,723	268,780
Invested Securities Lending Collateral	7,437	—	7,437
Receivables, Net	514,150	1,644	515,794
Inventories	58,337	1	58,338
Restricted Assets:			
Cash and Cash Equivalents	190,521	596	191,117
Investments	23,510	11,413	34,923
Receivables, Net	26,982	5,456	32,438
Deposits and Prepaid Expenses	44,577	213	44,790
Other Assets	767	—	767
Total Current Assets	<u>1,476,449</u>	<u>97,527</u>	<u>1,573,976</u>
Non-Current Assets:			
Investments	2,379,193	24,860	2,404,053
Receivables, Net	136,300	25,597	161,897
Restricted Assets:			
Cash and Cash Equivalents	11,170	8,356	19,526
Investments	1,388,466	11,957	1,400,423
Receivables, Net	1,492	22,669	24,161
Other Assets	18,427	—	18,427
Capital Assets, Net of Accumulated Depreciation/Amortization (Note 5)	<u>5,404,151</u>	<u>67,253</u>	<u>5,471,404</u>
Total Non-Current Assets	<u>9,339,199</u>	<u>160,692</u>	<u>9,499,891</u>
Total Assets	<u>10,815,648</u>	<u>258,219</u>	<u>11,073,867</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	<u>442,016</u>	<u>1,330</u>	<u>443,346</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	501,924	266	502,190
Due to Primary Government (Note 16)	—	563	563
Securities Lending Obligation	7,437	—	7,437
Unearned Revenue (Note 1)	136,149	—	136,149
Deposits	91,170	—	91,170
Claims Liability (Note 22)	45,688	—	45,688
Compensated Absences	75,719	74	75,793
Other Postemployment Obligations, Net	386	—	386
Capital Lease Obligations (Note 6)	5,624	—	5,624
Bonds and Notes Payable (Note 12)	<u>357,366</u>	<u>214</u>	<u>357,580</u>
Total Current Liabilities	<u>1,221,463</u>	<u>1,117</u>	<u>1,222,580</u>
Non-Current Liabilities:			
Accounts Payable and Accrued Liabilities	53,697	—	53,697
Advance from Primary Government (Note 16)	—	517	517
Unearned Revenue (Note 1)	17,211	837	18,048
Deposits and Reserves	402	15,433	15,835
Claims Liability (Note 22)	45,201	—	45,201
Compensated Absences	32,982	40	33,022
Other Postemployment Obligations, Net	220,657	—	220,657
Capital Lease Obligations (Note 6)	39,885	—	39,885
Bonds and Notes Payable (Note 12)	2,041,547	19,482	2,061,029
Net Pension Liability	<u>1,328,141</u>	<u>2,298</u>	<u>1,330,439</u>
Total Non-Current Liabilities	<u>3,779,723</u>	<u>38,607</u>	<u>3,818,330</u>
Total Liabilities	<u>5,001,186</u>	<u>39,724</u>	<u>5,040,910</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)	<u>55,950</u>	<u>60</u>	<u>56,010</u>
NET POSITION			
Net Investment in Capital Assets	3,006,213	47,557	3,053,770
Restricted for:			
Expendable	588,606	—	588,606
Non-Expendable	1,156,556	—	1,156,556
Other Purposes	—	96,052	96,052
Unrestricted	<u>1,449,153</u>	<u>76,156</u>	<u>1,525,309</u>
Total Net Position	<u>\$ 6,200,528</u>	<u>\$ 219,765</u>	<u>\$ 6,420,293</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION/STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2017	Adjustments	Statement of Activities
Revenues:					
Operating Revenues:					
Licenses, Fees, and Permits	\$ —	\$ 1,188	\$ 1,188	\$ —	\$ 1,188
Student Tuition and Fees (Net of Scholarship Allow.)	1,035,576	—	1,035,576	—	1,035,576
Sales and Services of Educational Departments	48,419	—	48,419	—	48,419
Auxiliary Enterprises	1,957,920	—	1,957,920	—	1,957,920
Leases and Rentals	—	6,635	6,635	—	6,635
Cost Reimbursement/Miscellaneous	91,019	2,506	93,525	1,175	94,700
Total Charges for Services					3,144,438
Federal Appropriations, Grants, and Contracts	190,023	—	190,023	200,096	390,119
State Grants and Contracts	89,642	—	89,642	748,451	838,093
Private Gifts, Grants, and Contracts	80,556	—	80,556	94,365	174,921
Additions to Endowments	1,226	—	1,226	33,139	34,365
Total Operating Grants and Contributions					1,437,498
Interest Revenue	—	2,070	2,070	(2,070)	
Total Operating Revenues	3,494,381	12,399	3,506,780	1,075,156	
Expenses:					
Operating Expenses:					
Personal Service	2,799,191	1,680	2,800,871	—	2,800,871
Operations	—	4,591	4,591	—	4,591
Specific Programs	—	650	650	—	650
Scholarships and Fellowships	144,703	—	144,703	—	144,703
Utilities	33,818	—	33,818	—	33,818
Supplies and Other Services	1,174,879	—	1,174,879	—	1,174,879
Contracted Services	37,370	—	37,370	—	37,370
Interest Expense	—	—	—	96,989	96,989
Depreciation/Amortization	316,600	1,988	318,588	—	318,588
Bad Debt Expense	—	22	22	—	22
Miscellaneous	37,216	67	37,283	2,572	39,855
Total Operating Expenses	4,543,777	8,998	4,552,775	99,561	4,652,336
Operating Income (Loss)	(1,049,396)	3,401	(1,045,995)	975,595	
Non-Operating Revenues (Expenses):					
Federal Appropriations, Grants, and Contracts	200,096	—	200,096	(200,096)	—
State Appropriations, Grants, and Contracts	748,451	—	748,451	(748,451)	—
Private Gifts, Grants, and Contracts	94,365	—	94,365	(94,365)	—
Contributions and Intergovernmental	—	4,682	4,682	—	4,682
Total Unrestricted Grants and Contributions					4,682
Investment Earnings:					
Increase (Decrease) in the Fair Value of Investment and Endowment Income (Loss)	—	(482)	(482)	—	(482)
Interest	294,098	—	294,098	—	294,098
Interest and Bond Related Expenses	—	1,115	1,115	2,070	3,185
Gain (Loss) on Sale of Capital Assets	(95,993)	(996)	(96,989)	96,989	—
Miscellaneous Revenues (Expenses)	(2,521)	—	(2,521)	2,521	—
Total Unrestricted Investment Earnings	1,175	(51)	1,124	(1,124)	—
Total Non-Operating Revenues (Expenses)	1,239,671	4,268	1,243,939	(942,456)	296,801
Income Before Other Revenues (Expenses) Or Gains (Losses)	190,275	7,669	197,944	33,139	
State Capital Appropriations	162,977	—	162,977	—	162,977
Total Capital Grants and Contributions					162,977
Additions to Endowments	33,139	—	33,139	(33,139)	—
Special Items	—	5,868	5,868	—	5,868
Change in Net Position	386,391	13,537	399,928	—	399,928
Net Position - Beginning of Year (Note 18)	5,814,137	206,228	6,020,365	—	6,020,365
Net Position - End of Year	\$ 6,200,528	\$ 219,765	\$ 6,420,293	\$ —	\$ 6,420,293

The notes to the financial statements are an integral part of this statement.



The Notes to the Financial Statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri (primary government) and its component units have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statements include the departments, agencies, boards, commissions, and other organizational units over which the State has financial accountability. GASB set forth the following criteria in Statement No. 14, *The Financial Reporting Entity*, for determining financial accountability: appointment of a voting majority of an organization's governing body and either: 1) the ability to impose the State's will on the organization; or 2) the organization's ability to provide specific benefits to, or impose specific burdens on, the primary government. Where the State does not appoint a voting majority of the governing body, the entity would still be included if it is fiscally dependent on the State. Statement No. 39, *Determining Whether Certain Entities are Component Units*, added a requirement to include all entities whose relationship with the State would make it misleading to exclude it. Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, improves financial reporting by amending GASB Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in blending component units: 1) if there is a financial benefit or burden relationship with the primary government; 2) management of the primary government has operational responsibility for the component unit's activities; and 3) if the total outstanding debt is expected to be repaid entirely or almost entirely with the resources of the primary government. GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, requires component units to be blended if they are incorporated as not-for-profit corporations and the primary government is the sole corporate member.

In addition to the legislative, executive, and judicial branches, the following organizations are included in these financial statements:

Component Units (Blended):

Blended component units are legally separate entities from the State, but are so intertwined with the State that they are, for all practical purposes, the same as the State. They are reported as part of the primary government and blended into the appropriate funds. The following component units are blended because they provide services entirely or almost entirely to the primary government:

Governmental Funds:

Board of Fund Commissioners – The Board was created by state law and is comprised of the Governor, Lieutenant Governor, Attorney General, State Treasurer, and the Commissioner of Administration. The Board's purpose is to issue, redeem, and cancel state general obligation bonds and perform other administrative activities related to state general obligation debt as assigned by law. Separate financial statements are not required or issued for the Board.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

Board of Private Investigator and Private Fire Investigator Examiners – The Board was created by state law and is charged with the licensure and regulation of the practice of private investigators and private fire investigators in Missouri. The seven member board shall consist of three private investigators, two private fire investigators, and two public members, appointed by the Governor. The Board is appointed by the primary government. It is therefore considered blended special revenue fund and shown in the financial statements as part of the primary government.

Board of Unemployment Fund Financing – The Board was created by state law to provide a method of providing funds for the payment of unemployment benefits and maintaining an adequate fund balance in the Unemployment Compensation Fund. The Board is comprised of the Governor, Lieutenant Governor, Attorney General, the Director of the Department of Labor and Industrial Relations, and the Commissioner of Administration. The Board is substantively the same as the primary government and is therefore reported as part of the primary government, within the General Fund .

Coordinating Board for Early Childhood – The Board was created by state law within the Missouri Children’s Services Commission. The Board’s purpose is to develop a comprehensive statewide long-range strategic plan for a cohesive early childhood system, and to work with public and private entities for the purpose of promoting and improving the development of Missouri’s children from birth through age five. The 17 member Board is composed of representatives from the Governor's Office; the following departments: Health and Senior Services, Mental Health, Social Services, and Elementary and Secondary Education; the judiciary; the Family and Community Trust Board; the Head Start Program; and nine members appointed by the Governor. The majority of the board members are appointed by the primary government and, therefore, separate financial statements are not required for the Board.

Missouri State Penitentiary Redevelopment Commission – The Commission was established to coordinate the planning and redevelopment of the old Jefferson City Correctional Center. The ten member commission consists of three members appointed by the Jefferson City mayor, three members appointed by the Cole County Commission, and four members appointed by the Governor. The majority of the board members are appointed by the primary government. Therefore, it is considered a blended special revenue fund and is shown in the financial statements as part of the primary government.

Internal Service Funds:

Board of Public Buildings – This is reported with the State Facility Maintenance and Operation Fund. The Board was created by state law and its governing body is made up of the Governor, the Lieutenant Governor, and the Attorney General. Its purpose is to provide state buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the Division of Facilities Management, Design and Construction, and its projects must be approved by the General Assembly. The Board can require state agencies to occupy its projects. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds and pay the costs of operations.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

Conservation Employees' Insurance Plan – The Plan provides health and life insurance coverage to eligible employees and retirees of the Missouri Department of Conservation. The Plan is administered by a five member board of trustees made up of three members of the Plan appointed by the Conservation Commission which consist of two Conservation employees and Division Chief, the Chief Financial Officer, and the Human Resources Division Chief. Copies of the Plan's financial statements may be requested from:

Missouri Department of Conservation
P.O. Box 180
Jefferson City, Missouri 65102

Transportation Self-Insurance Plan – The Plan provides fleet vehicle liability, workers' compensation, and general liability insurance. The Plan is administered by the Missouri Department of Transportation. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Missouri State Employee's Insurance Plan – The Plan was created to provide basic life insurance to eligible members and is administered through the Missouri State Employees' Retirement System (MOSERS). Death benefits, optional life insurance, and long-term disability benefits are also provided by the Plan for certain members. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209

Missouri Consolidated Health Care Plan (MCHCP) – The Plan was created by state law to provide medical benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate; two members of the House; six members appointed by the Governor; the Director of the Department of Health and Senior Services; the Director of the Department of Insurance, Financial Institutions and Professional Registration; and the Commissioner of Administration. The management of MCHCP is the responsibility of the Executive Director who is appointed by the Board. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

MoDOT/MSHP Medical and Life Insurance Plan – The Plan provides health and life insurance coverage to eligible employees, retirees, and their dependents of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP). The Plan is administered by a board of trustees consisting of four active MoDOT employees, one retired MoDOT employee appointed by the Director of MoDOT, two active MSHP employees, and one retired MSHP employee appointed by the Superintendent of MSHP. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Pension (and other employee benefit) trust funds:

Missouri State Employees' Retirement System (MOSERS) – The System was created by state law and provides retirement, survivor, and disability benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate, two members of the House, two members appointed by the Governor, three members elected by the System's members, the State Treasurer, and the Commissioner of Administration. The management of MOSERS is the responsibility of the Executive Director who is appointed by the Board. The MOSERS Board of Trustees also oversees the State's Deferred Compensation Plan which is administered by a third party. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209

Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) – The System provides retirement, survivor, and disability benefits to qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff. The System is administered by a board of trustees consisting of three members of the Missouri Highways and Transportation Commission, the Director of the Missouri Department of Transportation, the Superintendent of the Missouri State Highway Patrol, one member of the Senate, one member of the House, one member elected by MoDOT employees, one member elected by the Missouri State Highway Patrol employees, one retired member elected by retired MoDOT employees, and one retired member elected by retired Missouri State Highway Patrol employees. Copies of the System's financial statements may be requested from:

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

Missouri Consolidated Health Care Plan (MCHCP) State Retiree Welfare Benefit Trust – The Trust was established on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except those covered by other State sponsored post-employment benefit plans. The Trust is administered by the MCHCP board of trustees, which also administers the benefits for the active participants of the Plan. The net position and activity related to active participants are reported in an internal service fund. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

Missouri State Public Employees' Deferred Compensation Plan – The Missouri State Public Employees' Deferred Compensation Plan is administered by ICMA-RC and oversight of the Plan is provided by the MOSERS board of trustees. Under this Plan, employees are permitted to defer a portion of their current salary until future years. In addition, eligible employees have the opportunity to participate in the Missouri State Employees' Deferred Compensation Incentive Plan. Under this Plan, the State contributes \$25, \$30, or \$35 per month on behalf of any employee who contributes at least that amount to the Missouri State Public Employees' Deferred Compensation Plan and who has been an employee of the State for at least one year. However, due to budget constraints, the State's contribution amount was suspended in March 2010. Copies of financial statements for both Plans may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
Jefferson City, Missouri 65102-0209

Component Units (Discretely Presented):

Discretely presented component units are legally separate entities for which the State is financially accountable. The financial data for these entities is reported separately from the financial data of the primary government.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

Major

College and Universities - The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public college and universities included in the financial statements:

Harris-Stowe State University

3026 Laclede Avenue
St. Louis, Missouri 63103

Lincoln University

820 Chestnut Street
Jefferson City, Missouri 65102

Missouri Southern State University

3950 East Newman Road
Joplin, Missouri 64801-1595

Missouri State University

901 South National Avenue, Room 119
Springfield, Missouri 65897

Missouri Western State University

4525 Downs Drive
St. Joseph, Missouri 64507

Northwest Missouri State University

107 Administration Building
800 University Drive
Maryville, Missouri 64468-6001

Southeast Missouri State University

One University Plaza, Mail Stop 3200
Cape Girardeau, Missouri 63701

State Technical College of Missouri

One Technology Drive
Linn, Missouri 65051

Truman State University

Business Office
100 East Normal
Kirksville, Missouri 63501

University of Central Missouri

316 Administration Building
Warrensburg, Missouri 64093

University of Missouri System

118 University Hall
Columbia, Missouri 65211

Non-Major

Missouri Development Finance Board - The Board was created by state law as an independent, self-supporting, body corporate and politic to promote economic development of the State and was created within the Department of Economic Development. The Board is empowered to issue taxable, tax-exempt, and public purpose infrastructure industrial revenue bonds or notes; provide loans or loan guarantees to eligible businesses; provide loans and grants to political subdivisions to fund public infrastructure improvements; and issue tax credits against certain state income taxes in exchange for contributions made to the Board. The twelve member board is made up of the Lieutenant Governor and the Directors of the Department of Economic Development, the Department of Natural Resources, and the Department of Agriculture, who serve as ex-officio voting members, and eight members appointed by the Governor and confirmed by the Senate. Copies of the Board's financial statements may be requested from:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

Missouri Agricultural and Small Business Development Authority - The Authority was created by state law and is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions/renovations and pollution control facilities throughout the State. If for any reason, the Authority ceases to exist, all rights and properties of the Authority will pass to the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements may be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Missouri Transportation Finance Corporation - The Corporation is a not-for-profit corporation organized under the Missouri Nonprofit Corporation Law. The Corporation is financed by federal highway and transit dollars, plus state and local matching funds. It is authorized to issue revenue bonds. The Corporation provides loans to assist public and private entities fund highway and transportation projects throughout the State. Missouri Transportation Finance Corporation's board determines which applicants are extended loans. Copies of the Corporation's financial statements may be requested from:

Missouri Department of Transportation
Central Office, Financial Services
105 West Capitol Avenue
Jefferson City, Missouri 65101

Missouri Wine and Grape Board – The Board was created by state law to further growth and development of the grape growing industry in Missouri and foster the expansion of the grape market for Missouri grapes. The eleven member board consists of seven members representing the grape and wine industry, food service industry, or media marketing industry. The four other members include the director of the Department of Agriculture and the presidents of the Missouri Grape Growers Association, the Missouri Vintners Association, and the Missouri Wine Marketing and Research Council. Copies of the Board's annual report may be requested from:

Missouri Wine and Grape Board
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

Related Organizations

Related organizations are excluded from the financial reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organization's board members. Related organizations of the State of Missouri include:

Missouri Health and Educational Facilities Authority – finances health and educational facilities.

Missouri Higher Education Loan Authority – provides a secondary market for loans made under the Federal Family Education Loan Program.

Missouri Housing Development Commission – finances the purchase, development or rehabilitation of affordable housing and funds housing assistance.

Missouri Technology Corporation – promotes the modernization of businesses through the development of science and technology applications.

Missouri Public Entity Risk Management Fund – provides liability protection to participating public entities, their officials, and employees.

State Environmental Improvement and Energy Resources Authority – finances, acquires, constructs, and equips projects to reduce, prevent, and control pollution and develop the energy resources of the State.

Jackson County Sports Complex Authority – responsible for construction, operation, and financing of the Jackson County Sports Complex.

Kansas City Regional Sports Complex Authority – responsible for the study and review of all current major sports leagues, clubs, or franchises in Kansas City.

St. Charles County Convention and Sports Facility Authority – responsible for planning, constructing, and managing convention and sports facilities in the St. Charles area.

Missouri Cotton Growers' Organization – organized for boll weevil eradication.

KCT Intermodal Transportation Corporation – organized to pay for a railroad bridge in the Blue Valley Industrial District in Kansas City.

Westside Intermodal Transportation Corporation – organized to pay for rail additions and improvements of the Kansas City Terminal Railway.

Universal Service Board – organized to ensure just, reasonable, and affordable rates for comparable essential local telecommunication services throughout the State.

Interstate Commission for Adult Offender Supervision – responsible for promoting public safety and protecting the rights of victims through the control and regulation of the interstate movement of adults placed under community supervision.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

Board of Trustees of the Missouri Mesothelioma Risk Management Fund – provides coverage of liabilities for participating employers relating to mesothelioma awards.

P-20 Council – organized to create a more efficient and effective education system that more adequately prepares students for the challenges of entering the workforce.

Missouri Propane Safety Commission – responsible for developing comprehensive plans and programs for the prevention, control, and abatement of propane-related accidents in Missouri.

Missouri Family Trust Board of Trustees – provides trust services for persons with disabilities.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The government-wide financial statements focus on the government as a whole. The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Governmental activities include governmental type funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services and consist of enterprise funds.

The Statement of Net Position presents the reporting entity's non-fiduciary assets plus deferred outflows and liabilities plus deferred inflows with the difference reported as net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Indirect costs, such as depreciation/amortization expense, are included in the direct expenses reported for individual functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred. Fiduciary funds have been excluded from the government-wide financial statements because, by definition, the resources of these funds cannot be used to support government operations. Generally, interfund transactions have also been eliminated. Some interfund transactions, such as the exchange of services, were not eliminated because doing so would mistakenly understate both expenses of the buyer and revenues of the seller.

The difference between fund assets plus deferred outflows and liabilities plus deferred inflows is reported as "Net Position" on the government-wide, proprietary, and fiduciary fund statements and "Fund Balance" on the governmental fund financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Material revenues susceptible to accrual include federal grants and sales and income taxes. Expenditures are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method.

The proprietary, pension (and other employee benefit) trust, and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets, deferred outflows, liabilities, and deferred inflows associated with the operation of these funds are included on the Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net position. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The agency fund financial statements are presented on the accrual basis of accounting.

The discretely presented component unit financial statements are presented using the economic resources measurement focus and accrual basis of accounting with the following exception in regard to the college and universities. Revenues and related expenditures in connection with the summer sessions in progress at June 30 are deferred at that date.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

The State reports the following major funds categories:

General Fund – accounts for all current financial resources not required by law or administrative action to be accounted for in another fund. Major revenues include contributions and taxes.

Public Education – provides general and special education needs of the State and other related areas such as library services and student loans. Major revenues include contributions and taxes.

Conservation and Environmental Protection – provides for the preservation of the State's wildlife and environment. Major revenues include contributions, taxes and licenses, fees, and permits.

Missouri Road Fund – accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Major revenues are from contributions.

State Lottery – accounts for proceeds from the sale of lottery tickets and all other moneys credited to this fund. A minimum of 45% of the moneys are used for prizes. Major revenues are from sales of lottery tickets.

Unemployment Compensation – accounts for contributions, payments, and federal loans collected under the provisions of the Unemployment Compensation Law to pay benefits. Major revenues include federal and employer contributions.

Petroleum Storage Tank Insurance – accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks. Major revenues are from fees.

C. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds and discretely presented component units:

Primary Government:

Governmental Funds include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the State.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

Proprietary Funds include enterprise funds and internal service funds. These funds account for the cost of certain services provided by the State.

Fiduciary Funds include pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments, and other entities.

Discretely Presented Component Units:

Major

College and Universities account for moneys from student tuition and fees, federal and state grants, debt proceeds, gifts and contributions, state appropriations, investments, and endowments. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

Non-Major

Non-Major Component Units account for moneys from bond proceeds, loans, contributions, gifts, grants, and other revenue sources. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, and all investments with an original maturity of 92 days or less, such as certificates of deposit, money market certificates, and repurchase agreements. Cash and cash equivalents on the Proprietary Funds Statement of Cash Flows are also reported under this definition. This definition excludes Fiduciary funds. Cash balances of most state funds are pooled and invested by the State Treasurer (see *Note 3*).

E. Investments

These are long-term investments with an original maturity greater than 92 days which are expected to be held to maturity and redeemed at face value. The majority of investments are reported in pension (and other employee benefit) trust funds, however, investments are held in all fund types. Repurchase agreements held by the State Treasurer's Office are reported at amortized cost. The Missouri State Public Employees' Deferred Compensation Plan and the Missouri State Public Employees' Deferred Compensation Incentive Plan report their Stable Value Funds at contract value. All other investments of the State are reported at fair value.

There are multiple funds that have income from investments which are directed to the General Fund. These funds consist of special revenue, enterprise, internal service, private-purpose, and agency funds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

F. Interfund Receivables/Payables

The State makes various transactions between funds or between the primary government and component units to distribute interest earnings, finance operations, provide services, and acquire capital assets. These receivables at June 30 are classified as “due from other funds” or “due from primary government/component units” on the Balance Sheet and Statement of Net Position. Payables are classified as “due to other funds” or “due to primary government/component units” on the Balance Sheet and Statement of Net Position (see *Note 16*). These receivables/payables are due within one year. Any receivables/payables that are due to and due from an enterprise fund are eliminated on the face of the Proprietary Funds Statement of Net Position. If any receivables/payables that remain after this elimination are both in the same activity (Governmental), they are eliminated at the Government-Wide Statement of Net Position. Interfund receivables/payables between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

G. Advances to/from Other Funds

Long-term interfund receivables are classified as “advances to other funds” or “advances to primary government/component units” on the Balance Sheet and Statement of Net Position. Long-term interfund payables are classified as “advances from other funds” or “advances from primary government/component units” on the Balance Sheet and Statement of Net Position (see *Note 16*). These receivables/payables are eliminated if both the receivable and payable are in the same activity (Governmental). Advances to/from that are between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining long-term interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

H. Inventories

Inventories in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method. Inventory balances for governmental funds are shown in the nonspendable fund balance classification. Inventories in the proprietary funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using various methods such as moving average; weighted average; and first-in, first-out.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

I. Capital Assets

Capital assets, which include construction in progress, software in progress, infrastructure in progress, land, land improvements, permanent and temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated acquisition value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement (see *Notes 5 and 6*).

Infrastructure assets (including highways, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items) are capitalized. Interest costs incurred during construction of capital assets are not capitalized.

The capitalization threshold for all capital assets is as follows: land improvements – \$15,000, buildings and improvements – \$15,000, software and trademarks – \$5,000, and equipment – \$1,000. No dollar threshold is set for land, easements, or infrastructure.

Capital assets are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 to 50 years, land improvements and building improvements – 15 to 20 years, temporary easements – term of easement, equipment – 2 to 5 years, software – 3 to 5 years, trademarks – 10 years, and infrastructure – 12 to 50 years. Construction in progress, software in progress, infrastructure in progress, land, and permanent easements are not depreciated/amortized.

Most works of art and historical treasures are not capitalized or depreciated/amortized. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, monuments, and other art throughout the capitol grounds. Assets that were previously capitalized continue to be reported in the government-wide financial statements.

Component unit capital assets are stated at cost and are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 years, land improvements and building improvements – 20 years, equipment – 5 to 15 years, and software – 3 to 5 years.

J. Deferred Outflow of Resources and Deferred Inflow of Resources

In addition to assets, the Statement of Net Position/Balance Sheet may report a separate line item for deferred outflows of resources. Deferred outflows of resources consist of the decrease of net position by the State that is applicable to a future reporting period and will not be recognized as outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position/Balance Sheet may report a separate line item for deferred inflows of resources. Deferred inflows of resources consist of the increase of net position by the State that is applicable to a future reporting period and will not be recognized as inflow of resources (revenue) until then.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

K. Unearned Revenues

Unearned revenues are amounts collected in advance of the year in which earned.

L. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements. However, the long-term liabilities are reported on the government-wide financial statements. The reconciliation between fund financial statements and government-wide financial statements includes a line item for the long-term liabilities of governmental funds. These long-term liabilities include the following:

1. Due to Other Entities includes outstanding principal on advances from other governments and contractual obligations to other governments. The expenditures are recorded in the appropriate governmental funds when the liability is paid (see *Note 11*).
2. Outstanding principal for general obligation debt. The expenditure for payment of principal and interest for general obligation debt is recorded in the debt service funds when paid (see *Note 12*).
3. Outstanding principal for bonds issued by the Board of Public Buildings, bonds issued by the Health and Educational Facilities Authority, the Regional Convention and Sports Complex Authority, the Missouri Development Finance Board, and the State Road Bonds issued by the Missouri Highways and Transportation Commission. The expenditure for payment of principal and interest for these bonds is recorded in the appropriate governmental funds when paid (see *Note 12*).
4. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums on debt issuances are reported as other financing sources (see *Note 11*).

5. Obligations under lease/purchases reported include the present value of net minimum future lease payments, which will be paid from the General Fund, various special revenue funds, proprietary funds, and the Missouri Road Fund (see *Notes 6 and 11*).
6. Pollution remediation liabilities are measured based on the pollution remediation outlays expected to be incurred to settle those liabilities. These liabilities include all remediation work that the State expects to perform, including work expected to be performed for other responsible parties or potentially responsible parties, whether or not the State is required to do that work. For goods or services used for pollution remediation activities, amounts that are normally expected to be liquidated with expendable available financial resources are recognized as liabilities upon receipt of those goods and services (see *Note 11 and 23*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

7. Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds, but are recorded as expenditures when paid (see *Note 11*).

Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State. However, unused sick leave may be converted to additional credited service upon retirement (usable only for benefit computation, not eligibility).

8. Claims and contingent liabilities include estimates of the risk of loss related to tort liability, general liability, motor vehicle liability, contractor liability, and injuries to employees. These liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported. Expenditures are recorded in the fund from which the liability is paid (see *Notes 11, 22, and 24*).
9. The State provides postemployment health care and life insurance benefits to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT/MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. The annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer (see *Note 8*).
10. The State has two major retirement systems which cover substantially all State employees and a retirement plan for University of Missouri employees. These systems are the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The Missouri State Employees' Plan (MSEP) is a cost-sharing multiple employer defined benefit public employee retirement plan administered by MOSERS. MOSERS also administers the Judicial Plan, a single-employer defined benefit public employee retirement plan. MPERS is a single-employer defined benefit public employee retirement plan. The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer defined benefit plan for all qualified employees.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see *Note 7*).

Long-term liabilities of all proprietary, pension (and other employee benefit) trust, and private-purpose trust funds are accounted for in the respective funds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

M. Net Position

Net Position is reported in three categories:

Net Investment in Capital Assets – An account used to segregate the portion of net position attributable to capital assets and related debt. It consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributed to acquisition, construction, or improvement of those assets.

Restricted Net Position – An account used to segregate the portion of net position that have constraints on their use, which are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. At June 30, 2017, net position restricted by enabling legislation equaled \$511,411,000 for governmental activities.

Unrestricted Net Position – An account used to segregate the portion of net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, generally the State uses restricted resources first, then unrestricted resources as they are needed. However, there may be instances in which restricted funds may only be spent in proportion to unrestricted funds spent.

N. Interfund Transactions

During the fiscal year, the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. Interfund transactions consist of these three types:

1. Transactions that would be treated as revenues or expenditures/expenses, if they involved organizations external to the State, are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to internal service funds from other funds for services rendered and to agency funds for contributions for employee benefits.
2. Transactions that reimburse another fund for an expense reduce the expenses of the fund that is being reimbursed and increase the expenses for the fund doing the reimbursement. Therefore, they are not shown on the face of the statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 1 - Significant Accounting Policies (cont.)

3. Operating subsidies and transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers (see *Note 17*). These transactions are eliminated on the face of the financial statements if the transfer in and transfer out are either both in governmental funds or both in enterprise funds. Of the remaining transfers, any transfers in and transfers out that are within the governmental activities are eliminated at the Government-Wide Statement of Activities.

O. Property Taxes

Presently there is a state property tax of three cents on each hundred dollars assessed valuation on all real estate and personal property. The tax collected is deposited into the Blind Pension Fund, which is a component of social assistance.

Property taxes in Missouri are levied by October 31 of each year on assessed valuation as of January 1 of that year. Property taxes are due and payable by December 31 and penalties on unpaid taxes are imposed after that date. Assessed values are established by each county assessor's office and are calculated as a percent of market value except for agricultural land which is calculated on productive capability. The percentage for real property varies according to use: residential at 19%, commercial at 32%, and agricultural at 12%. Personal property is assessed according to type with the majority at 33 1/3% of market value.

Note 2 - Reporting Changes and Classifications

The State of Missouri implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ending June 30, 2017:

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which addresses financial reporting for Other Postemployment Benefits in defined benefit and defined contribution plans administered through trusts meeting specified criteria, as well as guidance for plans not in a trust. For plans administered through trusts meeting the specified criteria, the standard requires a statement of fiduciary net position and a statement of changes in fiduciary net position, as well as note disclosures and RSI. The implementation of this statement did not have an impact on the State's Comprehensive Annual Financial Report, however the Missouri Consolidated Health Care Plan, the MoDOT and MSHP Medical and Life Insurance Plan, and the Conservation Employees' Insurance Plan implemented this statement in their separately issued financial statements.
- GASB Statement No. 77, *Tax Abatement Disclosures*, which requires note disclosure of programs of state and local governments that reduce tax revenues through agreements made with individuals or entities where the individual or entity promises to take specific action that contributes to the economic development of the government. It also requires disclosure of tax abatement programs initiated by other governments that reduce the reporting government's tax revenues. The implementation of this statement affects disclosures found in *Note 20 - Tax Abatement Disclosures*.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 2 - Reporting Changes and Classifications (cont.)

- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and with state or local governmental employers whose employees are provided with such pensions. The statement establishes new guidance for these employers, including requirements for recognition and measurement of pension expense and liabilities, note disclosures, and RSI. The implementation of this statement did not have an impact on the financial statements.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, which requires blending component units which are incorporated as not-for-profit corporations in the financial statements when the government is the sole corporate member. The implementation of this statement resulted in the blended presentation in the University of Missouri's financial statements and note disclosures of the Medical Alliance, Columbia Surgical Services (CSS), and Columbia Family Medical Services (CFMS). The Medical Alliance and CSS had previously been reported as discretely presented component units while CFMS began operations in fiscal year 2017.
- GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements Nos. 67, 68, and 73*, which addresses the presentation of payroll-related measures in RSI, the selection of assumptions and the treatment of deviations from guidance in Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy member contribution requirements. The implementation of this statement affects disclosures found in *Note 7- Retirement Systems* and RSI.

Note 3 - Deposits and Investments

The State Treasurer's Office maintains a cash and short-term investment pool that is used by substantially all state funds of the primary government. These funds do not include accrued interest. Certain organizational units are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized on the following page is the portfolio that represents the "Cash and Cash Equivalents," "Investments," "Restricted Assets – Cash and Cash Equivalents," and "Restricted Assets – Investments" as reported at June 30, 2017.

A. Deposits

The State minimizes custodial credit risk by restrictions set forth in state law and stipulations in the State Treasurer's Office Investment Policy. Custodial credit risk is risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateralized securities that are in the possession of an outside party. Statutes restrict the State Treasurer's Office to deposit funds in financial institutions that are physically located in Missouri, which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50% at the time of deposit and deposits must be collateralized at least 100% in excess of FDIC coverage with approved securities. Deposits must have a maturity of five years or less and earn interest at varying rates based on State law.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

Primary Government

At June 30, 2017, the bank balance of the primary government's deposits was \$1,420,813,000. Of the bank amount, \$2,944,000 was exposed to custodial credit risk by being uninsured and uncollateralized, \$16,195,000 by being uninsured and collateralized with securities held by the pledging financial institutions, \$788,297,000 was held by the U.S. Treasury, and the remainder was not exposed to custodial risk.

Fiduciary

At June 30, 2017, the bank balance of the deposits of the fiduciary funds was \$111,832,000. Of the bank amount, \$54,000 was exposed to custodial credit risk by being uninsured and uncollateralized.

Component Units

Information on the component units' deposits is available within their individual financial statements.

B. Investments

Statutes authorize the State Treasurer's Office to invest in U.S. Treasury or Agency securities maturing within five years, commercial paper and banker's acceptances maturing within 180 days, or in repurchase agreements maturing within 90 days secured by U.S. Treasury, or Agency securities of any maturity. There have been no violations of these investment restrictions during fiscal year 2017.

The State Treasurer's Office minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer's Office also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the State Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the State will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer's Office minimizes custodial credit risk by requiring that all securities be held in the State's name at the State's custodial bank, Wells Fargo Bank, National Association, or at one of the State Treasurer's Office approved collateral custodians.

Primary Government

At June 30, 2017, the reported amount of the primary government's investments was \$3,404,520,000. Of this amount, \$151,664,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State's counterparty.

Fiduciary

At June 30, 2017, the reported amount of the fiduciary funds investments was \$16,329,857,000. Of this amount, \$19,961,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State's counterparty.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

Component Units

Information on the component units investments is available within their individual financial statements.

The following table (in thousands of dollars) provides information about the interest rate risks associated with the State's investments. Statutes also authorize investment of funds not held by the State Treasurer's Office. The externally-held internal service funds, the agency and pension (and other employee benefit) trust funds, and the component units, in accordance with statutory authority, invest primarily in U.S. government securities, repurchase agreements, preferred and common stocks, bonds, real estate, fixed income securities, mutual funds, and investments in limited partnerships. The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity, or in certain instances, a weighted average maturity in years. The State Treasurer's Office minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 2.5 years, and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less.

	Maturity in Years					Total Fair Value *
	Less than 1	1-5	6-10	More than 10	No Maturity	
All Fund Types except Fiduciary Funds and Component Units:						
U.S. Treasury Securities	\$ 366,245	\$ 41,282	\$ 12,633	\$ 7,916	\$ —	\$ 428,076
U.S. Agency Securities	304,164	1,726,043	—	—	—	2,030,207
U.S. Government Guaranteed Mortgages	97	4,911	—	—	—	5,008
Collateralized Mortgage Obligations	60	1,867	—	—	—	1,927
U.S. Agency- Sponsored Securities	7,554	111,222	902	—	—	119,678
Repurchase Agreements	807,182	—	—	—	—	807,182
Stocks	—	—	—	—	6,768	6,768
Bonds	279	934	412	627	—	2,252
Certificates of Deposit	—	594	—	—	—	594
Mutual Funds	—	—	—	—	2,828	2,828
Subtotal	<u>1,485,581</u>	<u>1,886,853</u>	<u>13,947</u>	<u>8,543</u>	<u>9,596</u>	<u>3,404,520</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

	Maturity in Years					Total Fair Value	*
	Less than 1	1-5	6-10	More Than 10	No Maturity		
Fiduciary Funds:							
U.S. Government Securities	47,943	16,251	—	66,394	—	130,588	
U.S. Treasury Securities	793,523	2,625,074	—	1,032,626	—	4,451,223	
U.S. Agency Securities	3,689	53,708	12,455	38,794	—	108,646	
U.S. Government Mortgage-Backed Securities	—	12,669	1,230	34,230	—	48,129	
U.S. Agency-Sponsored Securities	19,961	—	—	—	—	19,961	
Repurchase Agreements	20,035	—	—	—	—	20,035	
Stocks	—	—	—	—	648,889	648,889	
Bonds	2,501	834,994	33,584	115,261	6,803	993,143	
International Equities	—	48,598	—	—	932,693	981,291	
Mortgages/Real Estate	—	12,429	—	54,214	241,421	308,064	
Asset-Backed Securities	—	405	101,341	90,644	—	192,390	
Short-Term Securities	2,586,356	—	—	—	—	2,586,356	
Foreign Currencies	85	—	—	—	—	85	
Mutual Funds	—	—	—	—	1,204,270	1,204,270	
Venture Capital Limited Partnership	—	—	—	—	4,480,294	4,480,294	
Absolute Return	—	—	—	—	149,641	149,641	
Other	—	—	—	—	6,852	6,852	
Subtotal	3,474,093	3,604,128	148,610	1,432,163	7,670,863	16,329,857	
Total Investments	\$ 4,959,674	\$ 5,490,981	\$ 162,557	\$ 1,440,706	\$ 7,680,459	\$ 19,734,377	

*The State Treasurer's Office reports their repurchase agreements in the amount of \$780,508 at amortized costs. The Missouri State Public Employees Deferred Compensation Plan and the Missouri State Public Employees Deferred Compensation Incentive Plan reports their Stable Value Funds in the amounts of \$480,000 and \$335,000 respectively, at contract value.

The State minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer's Office from investing more than 10% of the total time deposits with any single financial institution. State investment policy limits investment in commercial paper to 5% of the total portfolio per issuer and no more than 15% of the total portfolio may be invested in repurchase agreements with a single counterparty. There are no restrictions in the amount that can be invested in U.S. securities. During fiscal year 2017, the State did not have any instances of noncompliance with these requirements and policies.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

Fair Value Measurement

The State of Missouri categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurements and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are unobservable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lower level input that is significant to the valuation. The State's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The State Treasurer's Office uses the market approach for the determination of the fair value of investments, except for repurchase agreements, which are measured at amortized costs.

Debt, equities, and investment derivatives classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Debt securities and liabilities classified in level 2 have non-proprietary information that was readily available to market participants from multiple independent sources, which are known to be actively involved in the market. Pricing inputs may include market quotations, yields, maturities, call features, and ratings. A portion of the derivative securities classified in level 2 are securities whose values are derived daily from associated traded securities. Other investments listed as level 2 include debt securities where an independent pricing evaluator had direct observable information, including: trading volume, multiple sources of market data and benchmark spreads. FX forwards are included due to the valuation coming from observable forward rates on the underlying currencies. The equity index swap is included because valuation inputs include an observable interest rate and the underlying index.

Private equity securities classified at level 2 are valued at the price observed in subsequent market activity.

Investments listed as level 3 include debt securities where an independent pricing evaluator did not have direct observable information for comparable securities. Significant inputs used in the valuation are not available aside from the evaluator providing the price. Direct investments in private equity, real estate, credit, and real assets are included because the valuation techniques utilize discounted cash flows or other non-observable market information.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2017 for the Primary Government (in thousands):

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities				
Repurchase Agreements	\$ 35,400	\$ 6,792	\$ 28,608	\$ —
Stocks	6,768	6,768	—	—
Mutual Funds	2,828	2,828	—	—
Total Equity Securities	44,996	16,388	28,608	—
Debt Securities				
U.S. Treasury Securities	428,076	58,420	369,656	—
U.S. Agency Securities	2,030,207	—	2,030,207	—
U.S. Government Guaranteed Mortgages	5,008	—	5,008	—
Collateralized Mortgage Obligations	1,928	—	1,928	—
U.S. Agency- Sponsored Securities	119,678	—	119,678	—
Bonds	2,252	2,252	—	—
Certificates of Deposit	594	594	—	—
Total Debt Securities	2,587,743	61,266	2,526,477	—
Total Primary Government Investments	\$ 2,632,739	\$ 77,654	\$ 2,555,085	\$ —

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2017 for the Fiduciary funds (in thousands):

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short Term Securities	\$ 163,527	\$ 163,527	\$ —	\$ —
Equity Securities				
Stocks	279,695	279,667	22	6
Mutual Funds	388,037	388,037	—	—
Other Investments	6,852	6,852	—	—
Total Equity Securities	674,584	674,556	22	6
Debt Securities				
U.S. Treasury Securities	4,782,174	4,723,138	59,036	—
U.S. Agency Securities	477,460	19,962	457,498	—
U.S. Short-Term Securities	717,520	717,520	—	—
Collateralized Debt Obligations	200,948	—	87,399	113,549
Repurchase Agreements	1,100,571	—	1,100,571	—
Bonds	166,031	—	75,719	90,312
Foreign Debt Securities	49,144	—	49,144	—
Mortgage Backed Securities	107,691	—	46,150	61,541
Total Debt Securities	7,601,539	5,460,620	1,875,517	265,402
Private Markets*				
Private Equity	348,962	—	—	348,962
Real Estate	72,515	—	—	72,515
Real Assets	221,757	—	—	221,757
Opportunistic Debt	156,103	—	—	156,103
Total Private Markets	799,337	—	—	799,337
Reverse Repurchase Agreements	(3,373,774)	—	(3,373,774)	—

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2017 for the Fiduciary funds (in thousands) (cont.):

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Derivative Instruments				
Future Contracts	\$ 21,913	\$ 21,913	\$ —	\$ —
Foreign Exchange Foreign	80	80	—	—
Swap Market Value	(3,925)	—	(3,925)	—
Equity Futures	151	151	—	—
Equity Swaps	(218)	—	(218)	—
FX Forwards (liabilities)	(455)	—	(455)	—
Total Investment Derivative Instruments	17,546	22,144	(4,598)	—
Total Investments by Fair Value Level	<u>\$ 5,882,759</u>	<u>\$ 6,320,847</u>	<u>\$ (1,502,833)</u>	<u>\$ 1,064,745</u>

Investments Measured at the Net Asset Value (NAV):

	Total
Active Hedge Funds	\$ 2,814,149
Commingled international equity funds	1,522,306
MOSERS investment portfolio fund	4,673
Missouri target date funds	817,453
Private equity funds	760,772
Private real estate funds	118,184
Private timber funds	216,144
Total investments measured at NAV	<u>\$ 6,253,681</u>
Total Investments Measured at Fair Value	<u>\$ 12,136,440</u>
Other Investments	
Other cash and receivables/payables	\$ (10,593)
Reported at Contract Value	814,750
Total Other Investments	<u>\$ 804,157</u>

*As of June 30 2017, Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) has unfunded commitments in private markets investments consisting of \$117,075,000 in private equity, \$68,646,000 in real estate, \$61,038,000 in real assets, and \$113,439,000 in opportunistic debt.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

Investments Measured at the Net Asset Value as of June 30, 2017 (in thousands):

Investments	Fair Value	Unfunded Commitments (U.S. Dollars)	Unfunded Commitments (Euro Currency)	Redemption Frequency (If currently eligible)	Redemption Notice Period (Days)
Active hedge funds					
Activist equity ¹	\$ 27,305	\$ —	€ —	Yearly, Every 3 Years	90
Commodity trading advisors ²	19,289	—	—	Monthly	30
Equity long/short ³	249,893	—	—	Quarterly, Semi- Annually, Annually	30-60
Equity market neutral ⁴	115,017	—	—	Quarterly for MOSERS; Monthly for MPERS	90
Event driven ⁵	230,386	—	—	Quarterly for MOSERS; Monthly for MPERS	60-90
Fund-of-funds ⁶	240,744	—	—	Monthly	95
Global asset allocation ⁷	17,771	—	—	Monthly	5
In liquidation ⁸	204,512	—	—	N/A	N/A
Macro ⁹	223,258	—	—	Monthly, Quarterly	30-90
Merger arbitrage ¹⁰	115,091	—	—	Monthly	45
Multi-strategies ¹¹	83,785	—	—	Quarterly	60-90
Risk parity ¹²	867,274	—	—	Monthly	5-15
Risk premia ¹³	408,424	—	—	Bi-weekly, Monthly	15-30
Structured credit - relative value ¹⁴	11,400	—	—	Quarterly	60
Total active hedge funds	2,814,149	—	—		
Commingled international equity funds ¹⁵	1,522,306	—	—	Daily, Monthly	0-90
MOSERS investment portfolio fund ¹⁶	4,673	—	—	Monthly	None
Missouri target date funds ¹⁷	817,453	—	—	Daily	None
Private equity funds ¹⁸	760,772	307,845	€ 869	N/A	N/A
Private real estate funds ¹⁸	118,184	19,099	—	N/A	N/A
Private timber funds ¹⁸	216,144	—	—	N/A	N/A
Total investments measured at NAV	\$ 6,253,681	\$ 326,944	€ 869		

The following is a description of valuation methodologies used for assets recorded at fair value.

¹Activist equity— This value is 100% from MPERS. Consisting of 2 funds, this strategy focuses on obtaining publicly traded shares of companies and effecting changes within the companies that it owns whether that be value creation through operational, financial or corporate governance changes. One fund's focus is on North American companies and the other fund's focus is on European and Nordic companies. Due to contractual lock-up restrictions and the necessity for activist managers to retain capital in order to realize desired company changes, 50% of this strategy's investments are eligible for redemption on a rolling 3-year basis. The remaining 50% are eligible for redemption on a rolling 1-year basis.

²Commodity trading advisors— This value is 100% from MPERS. Consisting of 1 fund, the focus is on a systematic strategy that follows medium-term trends. The value of this investment is eligible for redemption in the next 2 months.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

³Long/short equity hedge funds – This value is 89.9% from MOSERS and 10.1% from MPERS. Consisting of 3 funds for MOSERS and 3 funds for MPERS, this strategy invests both long and short in U.S. and global equity securities, with a goal of adding growth and minimizing market exposure. Due to contractual lock-up restrictions, these investments remain restricted from anywhere ranging from 4 to 18 months for MOSERS and 6 to 9 months for MPERS.

⁴Equity market neutral hedge fund – This value is 86.8% from MOSERS and 13.2% from MPERS. For MOSERS, this consists of 1 fund whereby the strategy invests both long and short in U.S. and global equity securities, with the goal of having little to no net market exposure. This investment is redeemable quarterly and is not subject to lockup restrictions. For MPERS, this consists of 1 fund whereby the strategy invests in both long and short equities capturing price differences and seeks to maintain a neutral exposure to the market by having no sector, industry, market capitalization, or country biases. Due to contractual lock-up restrictions, the value of these investments is eligible for redemption in the next 4 months.

⁵Event driven hedge funds – This value is 95.0% from MOSERS (with a redemption period of 60-65 days) and 5.0% from MPERS (with a redemption period of 90 days). Consisting of 2 funds for MOSERS and 1 fund for MPERS, this strategy seeks to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a merger, corporate action, or related event. Due to contractual lock-up restrictions, (a) approximately 29% of the value of these investments are eligible for redemption quarterly, with the remaining 71% of the value of these investments remaining restricted for 4 to 20 months for MOSERS and (b) the value of these investments is eligible for redemption in the next 4 months for MPERS.

⁶Fund-of-funds – This value is 100% from MOSERS. Consisting of 1 fund, this fund seeks to provide diversification by holding a number of funds within a single fund structure. This investment is redeemable monthly and is not subject to lock-up restrictions.

⁷Global asset allocation – This value is 100% from MPERS. Consisting of 1 fund, this strategy is highly diversified and uses fundamental research to develop systematic rules for trading positions. Due to contractual lock-up restrictions, the value of these investments is eligible for redemption in the next 4 months.

⁸Pending liquidated hedge funds – This value is 99.6% from MOSERS and .4% from MPERS. MOSERS has 12 hedge funds that have been fully redeemed as of June 30, 2017, which are awaiting final distribution of the proceeds. Approximately 83% of the value was received within 90 days of June 30, 2017. The remaining 17% will be received upon sale of the underlying investments or upon completion of the audit of the firm's annual financial statements. MPERS has a small investment in 3 hedge funds that are in liquidation and have been closed, which are awaiting the sale of the final assets.

⁹Macro hedge funds – This value is 100% from MOSERS. For MOSERS, consisting of 2 funds, this strategy seeks to take advantage of macroeconomic dislocations between countries by trading a number of different markets and financial instruments. This investment is redeemable monthly and quarterly and is not subject to lock-up restrictions.

¹⁰Merger arbitrage hedge fund – This value is 100% from MOSERS. Consisting of 1 fund, this strategy invests in the common stock of companies that are involved in publicly announced mergers and seeks to generate attractive returns while dampening volatility. These investments are redeemable monthly and are not subject to lock-up restrictions.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

- ¹¹Multi-strategy hedge fund – This value is 74.9% from MOSERS and 25.1% from MPERS. Consisting of 1 fund for MOSERS and 3 funds for MPERS, these strategies seek to generate attractive returns or diversify risk while reducing volatility. For MOSERS, this investment is redeemable quarterly and is not subject to lock-up restrictions. For MPERS, due to contractual lock-up restrictions, the value of these investments are eligible for redemption in the next 6 to 9 months.
- ¹²Risk parity funds – This value is 100% from MOSERS. Consisting of 2 funds, these strategies attempt to build a more efficient portfolio through an equal risk methodology. They take long only positions across equity indices, developed nominal bonds, TIPS, commodities and credit. Diversification benefits decrease both the expected return and volatility thus requiring leverage to maintain a similar return to a more conventional portfolio. This investment is redeemable monthly and is not subject to lock-up restrictions.
- ¹³Risk premia hedge funds – This value is 100% from MOSERS. Consisting of 2 funds, these strategies seek to capture hedge fund betas through the use of systematic, bottoms up security selection across major hedge fund strategies. Style premia such as value, momentum and carry help build the long/short portfolios. This investment is redeemable at least monthly and is not subject to lock-up restrictions.
- ¹⁴Structured credit – relative value – This value is 100% from MPERS. Consisting of 1 fund, this strategy's main focus is to benefit from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing or selling these instruments. Due to contractual lock-up restrictions, all funds are eligible for redemption within the next six months.
- ¹⁵Commingled international equity funds – This value is 79.3% from MOSERS (with a redemption period of 65 days) and 20.7% from MPERS (with a redemption period of 0-30 days and 90 days). These international equity funds (3 for MOSERS and 3 for MPERS) are considered to be commingled in nature. For MOSERS, each are valued at the net asset value held at the end of the period based upon the fair value of the underlying investments. For MPERS, due to contractual lock-up restrictions, 70% of this capital is eligible for redemption in 1 month; the remaining 30% has daily liquidity.
- ¹⁶MOSERS Investment Portfolio (MIP) fund - This value is 83.5% from the Deferred Compensation Plan and 16.5% from the Deferred Compensation Incentive Plan. Participant transactions (purchases and sales) may occur monthly. The significant investment strategies are designed to achieve long-term total returns, comprised of capital appreciation and income. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments nor does the Plan have any contractual obligations to further invest in any of these funds.
- ¹⁷Missouri target date funds - This value is 77.8% from Deferred Compensation Plan and 22.2% from the Deferred Compensation Incentive Plan. Participant transactions (purchases and sales) may occur daily. The significant investment strategies of the funds are to seek the highest total return over time, consistent with the fund's asset mix. The asset allocations within these target date funds adjust automatically over time. Each fund invests more aggressively in its early years and becomes more conservative as it reaches its time horizon. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments nor are there any contractual obligations to further invest in any of these funds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

¹⁸Private equity, real estate and timber funds – This value is 100% from MOSERS. MOSERS' private equity portfolio consists of 48 funds with exposure to buyout funds, distressed funds, infrastructure, energy, royalty funds, and special situations. The real estate portfolio, comprised of five funds, invests mainly in U.S. commercial real estate. The timber portfolio consists of 4 funds which invests in global timberland. The fair values of the majority of these funds has been determined using net assets valued 1 quarter in arrears plus current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments as the funds are liquidated, which on average, can occur over the span of 5 to 10 years.

The State Treasurer's Office requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (such as A1/P1) as rated by at least two Nationally Recognized Statistical Rating Organizations (NRSROs). The Treasurer does not have any additional policies regarding credit ratings of investments.

The following table (in thousands of dollars) provides information on the credit ratings associated with the State's investments in debt securities.

	Moody's	S & P	Fair Value
Primary Government/Fiduciary:			
U.S. Government Securities	NR	NR	\$ 82,622
U.S. Treasury	Aaa	AA+	897,330
	Aaa	NR	16,930
	NR	NR	36,545
U.S. Agencies	Aaa	NR	49,243
	NR	AA	47,005
	NR	NR	7,567
U.S. Government Mortgage-Backed Securities	NR	NR	36,349
Bonds	Aaa	NR	527
	Aa1	NR	476
	Aa3	NR	218
	A+	NR	10,821
	A1	NR	204
	A3	NR	139
	NR	AAA	45,435
	NR	AA+	814,750
	NR	AA	90,978
	NR	A	8,900
	NR	BBB	2,255
	NR	NR	26,447
Repurchase Agreements	Aaa	AA+	29,472
	NR	NR	1,880,571
U.S. Agency-Sponsored Securities	Aaa	AAA	9,994
	Aaa	AA+	2,134,023
	Aaa	AA	14,998
	Aaa	NR	2,810
	NR	NR	12,973

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

	Moody's	S & P	Fair Value
Asset-Backed Securities	NR	AAA	\$ 59,020
	NR	AA	48,249
	NR	A	4,504
	NR	BB	4,448
	NR	NR	76,169
Mutual Funds	3-STAR	NR	24,205
Certificates of Deposit	NR	NR	594
Pooled Investments	NR	AAA	167,537
Implicit U.S. Agencies	NR	AA	299,535
U.S. Agency Securities	Aaa	AA+	2,689
U.S Government			
Guaranteed Mortgages	Aaa	AA+	2,512
	Aaa	NR	14,276
Collateralized Mortgage			
Obligations	Aaa	AA+	1,928
	Aaa	NR	11,518
Equities	A	NR	19,143
Equity Funds	NR	NR	2,593
Fixed Income	NR	NR	235
Stocks	NR	NR	6,786
Other	NR	AAA	9,662
	NR	AA	26,756
	NR	A	9,678
	NR	BBB	25,093
	NR	BB	15,227
	NR	B	5,457
	NR	CCC	2,014
	NR	CC	143
	NR	D	4,608
	NR	NR	31,247
Total Rated Investments			<u>\$ 7,135,408</u>

NR = Not Rated.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk. The Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System do have foreign currency deposits and investments which may be used for hedging purposes. The following table (in thousands of dollars) provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

Currency	Investment Type					Total
	Cash	Equities	Fixed Income	Alternatives	Real Estate	
Australian Dollar	\$ 1,599	\$ 610	\$ (276)	\$ —	\$ —	\$ 1,933
Brazilian Real	10	10,905	5,289	—	—	16,204
British Pound Sterling	894	158,079	(296)	—	11,577	170,254
Canadian Dollar	(705)	4,181	(374)	—	—	3,102
Chilean Peso	32	1,443	160	—	—	1,635
Colombian Peso	8	491	4,376	—	—	4,875
Czech Koruna	13	287	—	—	—	300
Danish Krone	—	7,916	—	—	—	7,916
Egyptian Pound	—	189	—	—	—	189
Euro	(16,060)	156,837	5,257	23,991	16,039	186,064
Hong Kong Dollar	266	107,421	—	—	—	107,687
Hungarian Forint	8	526	—	—	—	534
Indian Rupee	115	14,430	—	—	—	14,545
Indonesian Rupiah	68	4,039	5,540	—	—	9,647
Japanese Yen	2,065	271,831	—	—	—	273,896
Malaysian Ringgit	78	3,920	2,777	—	—	6,775
Mexican Peso	24	8,140	8,684	—	—	16,848
Norwegian Krone	—	2,852	—	—	—	2,852
Pakistani Rupee	—	117	—	—	—	117
Peruvian Nuevo Sol	—	—	849	—	—	849
Philippine Peso	12	1,935	—	—	—	1,947
Polish Zloty	1	2,154	5,624	—	—	7,779
Qatari Riyal	10	1,093	—	—	—	1,103
Russian Ruble	(1)	1,572	4,755	—	—	6,326
Singapore Dollar	—	36,856	—	—	—	36,856
South African Rand	(638)	10,851	5,354	—	—	15,567
South Korean Won	(699)	40,900	1,313	—	—	41,514
Swedish Krona	—	12,276	—	—	—	12,276
Swiss Franc	—	109,896	—	—	—	109,896
Taiwan New Dollar	161	52,296	—	—	—	52,457
Thai Baht	17	30,525	1,910	—	—	32,452
Turkish Lira	1	11,343	3,574	—	—	14,918
United Arab Emirates Dirham	1	1,090	—	—	—	1,091
Uruguayan Peso	—	—	456	—	—	456
Total	<u>\$ (12,720)</u>	<u>\$ 1,067,001</u>	<u>\$ 54,972</u>	<u>\$ 23,991</u>	<u>\$ 27,616</u>	<u>\$ 1,160,860</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

C. Securities Lending Program

Missouri State Employees' Retirement System:

The Missouri State Employees' Retirement System's (MOSERS) board of trustees' investment policies permit the pension trust funds to participate in a securities lending program. Certain securities of the pension trust funds are loaned to participating brokers who provide collateral in the form of cash, U.S. Treasury or government agency securities, or letters of credit issued by approved banks. Collateral must be provided in the amount of 102% of market value for domestic loans and 105% of market value for international loans. MOSERS does not have the authority to pledge or sell collateral securities without borrower default. On June 30, 2017, MOSERS had no credit risk exposure to borrowers because the collateral amounts received exceeded amounts out on loan.

Deutsche Bank AG, New York Branch served as the agent for the fixed income, domestic equity, and international equity securities lending programs. MOSERS reduces credit risk by allowing Deutsche Bank to lend these securities to a diverse group of dealers on behalf of MOSERS. Deutsche Bank provides indemnification against dealer default. With each of MOSERS' securities lending programs, a majority of loans are open loans and can be terminated on demand by either MOSERS or the borrower. Net income from the three lending programs is split on a 90/10 basis between MOSERS and Deutsche Bank, respectively.

Daily monitoring of securities that are on loan ensure proper collateralization levels and mitigate counterparty risk. Cash collateral from all three programs is commingled and invested in a separately managed short-term investment account for MOSERS. The cash collateral account is managed by Deutsche Bank. On June 30, 2017, there were no securities on loans or cash collateral held in the account. At June 30, 2017 and June 30, 2016, MOSERS had earned \$22,000 and \$0, respectively, on the securities lending program.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

In accordance with the investment policies set by the board of trustees, the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS), lends its securities to broker-dealers and banks pursuant to a form of loan agreement. MPERS custodial bank, Northern Trust, is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

MPERS may lend securities and receive cash, securities insured or guaranteed by the U.S. government or its agencies, and irrevocable bank letters of credit as collateral. MPERS cannot pledge or sell non-cash collateral unless a borrower defaults. Borrowers are required to deliver collateral for each loan equal to: 1) 102% of the fair value of the loaned securities plus any accrued interest in the case of loaned securities denominated in United States dollars or whose primary trading market is located in the United States, and 2) 105% of the fair value of the loaned securities plus any accrued interest in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States.

MPERS did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on its behalf. There were no known failures by any borrowers to return loaned securities or pay distributions thereon during the year.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

MPERS and borrowers maintained the right to terminate all securities lending transactions on demand. At June 30, 2017, the cash collateral fund had a fair value of \$56,823,000.

At June 30, 2017 and June 30, 2016, MPERS had earned \$278,000 and \$203,000, respectively, on the securities lending program.

Component Units:

Information on the component units securities lending program is available within their individual financial statements.

D. Derivatives

Missouri State Employees' Retirement System:

While the Board has no formal policy specific to derivatives, Missouri State Employees' Retirement System (MOSERS), through its external investment managers, holds investments in futures contracts, swap contracts and forward foreign currency exchange contracts. MOSERS does not anticipate additional significant market risk from the swap arrangements. The forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign equities. For the year ended June 30, 2017, the change in fair value of the foreign exchange contracts resulted in \$3,200,000 of investment income. MOSERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. MOSERS anticipates that the counterparties will be able to satisfy their obligation as credit evaluations and credit limits are monitored by the investment managers. MOSERS also invests in mortgage-backed securities to diversify the portfolio and increase the return while minimizing the extent of risk. At June 30, 2017, MOSERS Foreign Currency Forward Contracts had a pending receivable of \$37,025,000 and a pending payable of \$36,865,000 resulting in a final asset of \$160,000.

The following table (in thousands of dollars) summarizes the various contracts in MOSERS portfolio as of June 30, 2017. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

Futures Contracts:

<u>Notional Amount</u>	<u>Exposure</u>
\$1,593,465	\$24,097

Swap Contracts:

<u>Notional Amount</u>	<u>Counterparty Exposure</u>
\$1,491,463	\$3,853

Foreign Currency
Forward Contracts:

<u>Notional Amount</u>	<u>Exposure</u>
\$160	\$160

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 3 - Deposits and Investments (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

MPERS has an investment policy which holds investments in future contracts, swap contracts, options contracts, and forward foreign currency exchange contracts. Derivative financial instruments involve credit risk and market risk. The notional value related to these derivative instruments are generally not recorded on the financial statements; however, the change in market value of these instruments is incorporated in performance.

The following table (in thousands of dollars) summarizes the various contracts in MPERS portfolio as of June 30, 2017. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

Type	Notional/Fair Value		Unrealized Gain (Loss)	
Futures Contracts	\$	210,481	\$	15,329
Swap Contracts		26,936		2,923
Rights/Warrants		12		—
Foreign Currency Forward Contracts		(20,458)		(1,308)
Total	\$	216,971	\$	16,944

Through the use of derivatives, MPERS is exposed to risk if the counterparties involved in the contracts are unable to meet the term of their obligation. MPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. MPERS anticipates the counterparties will be able to satisfy their obligations under the contracts. The associated counterparty's credit rating is an A-.

Component Units:

Information on the component units derivatives is available within their individual financial statements.

E. Assets Held in Escheat

The Unclaimed Property Division of the Missouri State Treasurer's Office holds unclaimed stocks, bonds, mutual fund positions, and other securities that have been turned over by their holders on behalf of the securities' owners. The State takes custody of these securities until the owner claims them or if unclaimed, liquidates them after 18 to 24 months. The State holds the securities in order to return them to their owners. The State does not report these securities as investments because they do not meet the Governmental Accounting Standards Board's definition of "investments". This is because the State does not hold the securities for income or profit, nor do the securities have a present service capacity for the State. A total of \$23,998,000 of these unclaimed securities is shown as "Assets Held in Escheat" on the private-purpose trust funds combining statement of fiduciary net position in Unclaimed Property.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 4 - Governmental Fund Balance

A. Governmental Fund Balance Classifications

The State's fund balances are classified as:

Nonspendable – Amounts that are not expected to be converted to cash or amounts that are legally or contractually required to be maintained intact.

Restricted – Amounts that are restricted for specific purpose due to constraints that are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the legislature. Committed amounts cannot be used for other purposes unless the General Assembly passes legislation to remove the restraints.

Assigned – Amounts that are constrained by the legislature's intent to be used for a specific purpose, but do not meet the criteria for restricted or committed. The constraint for assigned fund balance is established by the Revised Statutes of the State of Missouri.

Unassigned – Amounts that do not meet the criteria of any of the classifications listed above.

Fund Balance Classifications by Purpose – In the basic financial statements, the fund balance classifications are presented in the aggregate. The following displays the fund balances by major purpose (in thousands of dollars):

	Nonspendable	Restricted	Committed	Assigned
General Fund				
Inventories	\$ 25,246	\$ —	\$ —	\$ —
Loans Receivable	29,058	—	—	—
Consumer Protection	—	—	—	20,275
Budget Reserve	—	—	590,374	—
Education	—	3,323	—	18,654
Medical and Other Assistance	—	—	1	71,940
Energy Programs	—	—	—	27,170
Forfeited Financial Instruments	—	—	—	1,526
Federal Government	—	336,899	—	—
Taxes	—	—	—	6,043
Other	—	831	322	10,949
Total	<u>\$ 54,304</u>	<u>\$ 341,053</u>	<u>\$ 590,697</u>	<u>\$ 156,557</u>
Public Education				
Inventories	\$ 71	\$ —	\$ —	\$ —
Loans Receivable	—	—	—	888
Education	—	212,592	2,551	61,473
Total	<u>\$ 71</u>	<u>\$ 212,592</u>	<u>\$ 2,551</u>	<u>\$ 62,361</u>
Conservation and Environmental				
Inventories	\$ 331	\$ —	\$ —	\$ —
Loans Receivable	—	2,303	1,305,628	10,066
Conservation Commission	—	75,801	—	—
Environmental Conservation	—	41,935	265,039	99,903
State Parks	—	16,821	—	—
Forfeited Financial Instruments	—	—	—	927
Total	<u>\$ 331</u>	<u>\$ 136,860</u>	<u>\$ 1,570,667</u>	<u>\$ 110,896</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 4 - Governmental Fund Balance (cont.)

	Nonspendable	Restricted	Committed	Assigned
Missouri Road Fund				
Inventories	\$ 38,790	\$ —	\$ —	\$ —
Highways and Transportation	—	684,758	—	—
Total	<u>\$ 38,790</u>	<u>\$ 684,758</u>	<u>\$ —</u>	<u>\$ —</u>
Non-Major Special Revenue Funds				
Inventories	\$ 4,337	\$ —	\$ —	\$ —
Loans Receivable	—	—	—	2,906
Professional Boards and Licensure	—	—	17,168	39,192
Legal Assistance	—	24,277	314	7,401
Agriculture	—	3,529	602	6,616
Medical and Other Assistance	—	—	17,348	1,040
Transportation	—	25,353	—	165,607
Highway Patrol and Water Patrol	—	5,053	915	12,398
Workers' Compensation and Unemployment Compensation	—	35,536	—	—
Veterans' Homes	—	55,982	—	—
Other	—	11,661	4,824	13,584
Total	<u>\$ 4,337</u>	<u>\$ 161,391</u>	<u>\$ 41,171</u>	<u>\$ 248,744</u>
Non-Major Debt Service Funds				
General Obligation Bonds	\$ —	\$ 56,192	\$ —	\$ —
Fulton State Hospital	—	12,469	—	—
Missouri Road Bond	—	56,528	—	—
Total	<u>\$ —</u>	<u>\$ 125,189</u>	<u>\$ —</u>	<u>\$ —</u>
Non-Major Capital Projects Funds				
Board of Public Buildings-State Capitol	\$ —	\$ 27,070	\$ —	\$ —
Board of Public Buildings-State Facility	—	30,107	—	—
Fulton State Hospital	—	105,645	—	—
State Historical Society	—	33,560	—	—
Total	<u>\$ —</u>	<u>\$ 196,382</u>	<u>\$ —</u>	<u>\$ —</u>
Non-Major Permanent Funds				
Arrow Rock State Historic Site Endowment	\$ 29	\$ —	\$ —	\$ —
Confederate Memorial Park	75	—	—	104
State Public School	55,053	—	—	—
Smith Memorial Endowment Trust	365	—	—	5
Total	<u>\$ 55,522</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 109</u>

B. Negative Fund Balance

A negative fund balance is prohibited in all fund balance classifications except Unassigned. When a negative fund balance exists, the shortfall would be covered by the next fund balance classification for that specific purpose.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 4 - Governmental Fund Balance (cont.)

C. Budget Reserve Fund

The Budget Reserve Fund is established in Article IV, Section 27(a) of the Missouri Constitution. The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any other fund when necessary to meet the cash requirements of the State. However, the Budget Reserve Fund must be paid back with interest prior to May 16th of the fiscal year in which the transfer was made.

Budget stabilization expenditures may occur in a fiscal year in which the Governor reduces the expenditures of the State or any of its agencies below their appropriation or in which there is a budget need due to a natural disaster as proclaimed by the Governor to be an emergency. An appropriation from the Budget Reserve Fund may be granted by a two-thirds vote of the members elected to each house. The maximum amount which may be appropriated at any one time for budget stabilization purposes is one-half the sum of the balance of the Budget Reserve Fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the fund for budget stabilization purposes but not yet appropriated for repayment to the fund. One-third of the amount expended or transferred from the Budget Reserve Fund for budget stabilization purposes plus interest shall stand appropriated to the Budget Reserve Fund during each of the next three fiscal years from the fund which received the budget stabilization appropriation. The balance of the Budget Reserve Fund at June 30, 2017, was \$590,374,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows (in thousands of dollars):

	*Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Governmental Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	\$ 206,122	\$ 121,623	\$ (19,692)	\$ 308,053
Software in Progress	52,962	48,467	(13,469)	87,960
Infrastructure in Progress	1,404,441	657,097	(582,889)	1,478,649
Land	3,095,768	6,429	(6,818)	3,095,379
Permanent Easements	3,785	124	—	3,909
Total Capital Assets not being Depreciated/Amortized	4,763,078	833,740	(622,868)	4,973,950
Capital Assets being Depreciated/Amortized:				
Land Improvements	198,909	9,562	(195)	208,276
Temporary Easements	1,798	234	(519)	1,513
Buildings and Improvements	3,387,140	8,284	(7,508)	3,387,916
Equipment	1,308,034	97,485	(76,696)	1,328,823
Software	212,321	16,295	(509)	228,107
Trademarks	17	—	—	17
Infrastructure	49,657,137	582,894	(65,833)	50,174,198
Total Capital Assets being Depreciated/Amortized	54,765,356	714,754	(151,260)	55,328,850
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(113,844)	(4,552)	30	(118,366)
Temporary Easements	(447)	(598)	519	(526)
Buildings and Improvements	(1,724,419)	(106,203)	6,439	(1,824,183)
Equipment	(942,676)	(88,970)	71,440	(960,206)
Software	(116,317)	(17,553)	505	(133,365)
Trademarks	(10)	(2)	—	(12)
Infrastructure	(24,170,687)	(472,137)	55,254	(24,587,570)
Total Accumulated Depreciation/Amortization	(27,068,400)	(690,015)	134,187	(27,624,228)
Total Capital Assets being Depreciated/Amortized, Net	27,696,956	24,739	(17,073)	27,704,622
Governmental Activities Capital Assets, Net	\$ 32,460,034	\$ 858,479	\$ (639,941)	\$ 32,678,572
Business-Type Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	\$ 39,061	\$ 11,969	\$ (5,578)	\$ 45,452
Software in Progress	—	37	(37)	—
Land	23,754	8,848	—	32,602
Total Capital Assets not being Depreciated/Amortized	62,815	20,854	(5,615)	78,054
Capital Assets being Depreciated/Amortized:				
Land Improvements	14,777	4,195	—	18,972
Temporary Easements	50	—	—	50
Buildings and Improvements	32,967	269	(211)	33,025
Equipment	50,607	4,711	(4,648)	50,670
Software	1,178	74	(517)	735
Total Capital Assets being Depreciated/Amortized	99,579	9,249	(5,376)	103,452
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(7,289)	(546)	—	(7,835)
Temporary Easements	(21)	(2)	—	(23)
Buildings and Improvements	(21,018)	(894)	57	(21,855)
Equipment	(34,513)	(3,724)	4,348	(33,889)
Software	(928)	(103)	498	(533)
Total Accumulated Depreciation/Amortization	(63,769)	(5,269)	4,903	(64,135)
Total Capital Assets being Depreciated/Amortized, Net	35,810	3,980	(473)	39,317
Business-Type Activities Capital Assets, Net	\$ 98,625	\$ 24,834	\$ (6,088)	\$ 117,371

*Beginning balances as of July 1, 2016 have been restated (see Note 18).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 5 - Capital Assets (cont.)

Depreciation/amortization expense of governmental activities was charged to functions as follows (in thousands of dollars):

General Government	\$ 46,914
Education	3,676
Natural and Economic Resources	22,638
Transportation and Law Enforcement	554,950
Human Services	61,837
	<hr/>
Total	<u>\$ 690,015</u>

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (in thousands of dollars):

	College and Universities	Non-Major Component Units	Total
Capital Assets not being Depreciated/Amortized:			
Construction in Progress	\$ 286,390	\$ 204	\$ 286,594
Land	177,535	7,220	184,755
Other Non-Depreciable/Amortizable Assets	23,814	—	23,814
	<hr/>	<hr/>	<hr/>
Total Capital Assets not being Depreciated/Amortized	487,739	7,424	495,163
Capital Assets being Depreciated/Amortized:			
Land Improvements	35,632	—	35,632
Buildings and Improvements	6,786,443	78,588	6,865,031
Equipment, Fixtures, and Books	1,583,679	479	1,584,158
Software	64,659	26	64,685
Infrastructure	793,550	—	793,550
	<hr/>	<hr/>	<hr/>
Total Capital Assets being Depreciated/Amortized.....	9,263,963	79,093	9,343,056
Less Total Accumulated Depreciation/Amortization ...	(4,347,551)	(19,264)	(4,366,815)
	<hr/>	<hr/>	<hr/>
Total Capital Assets being Depreciated/Amortized, Net	4,916,412	59,829	4,976,241
Discretely Presented Component Units – Capital Assets, Net	<u>\$ 5,404,151</u>	<u>\$ 67,253</u>	<u>\$ 5,471,404</u>

Capital Asset Impairment

Due to a fire which destroyed the Thousand Hills Service Buildings, owned by the Department of Natural Resources (DNR), an impairment amount of \$39,000 is reported as an extraordinary item in the Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position. Due to flooding, Current River Lake House, owned by DNR, was damaged. An extraordinary item of \$114,000 is reported in the Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 6 - Leases

Capital

The State has entered into various agreements to lease buildings, equipment and software. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee to be accounted for as the acquisition of a capital asset and the incurrence of an obligation by the lessee (a capital lease liability).

Capital leases for the internal service funds, enterprise funds, and college and universities are reported as a long-term obligation in those funds along with the related assets. Capital leases and the related assets are not reported on the fund financial statements of governmental type funds. However, the capital leases and related assets of governmental funds are included on the government-wide financial statements and they are shown on the reconciliation between fund financial statements and government-wide statements.

Following is a summary of the future minimum lease payments for capital leases (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Internal Service Funds	Enterprise Funds	College and Universities
2018	\$ 7,724	\$ 4,931	\$ 129	\$ 7,312
2019	6,550	3,081	—	7,300
2020	5,474	2,021	—	6,069
2021	5,048	1,178	—	5,666
2022	4,501	121	—	5,424
2023-2027	5,240	604	—	19,342
2028-2031	2,247	362	—	1,292
Total Minimum Lease Payments	36,784	12,298	129	52,405
Less Amount Representing Interest	(2,880)	(466)	(1)	(6,896)
Present Value of Net Minimum Lease Payments	\$ 33,904	\$ 11,832	\$ 128	\$ 45,509

The State has entered into a lease with the Missouri Development Finance Board. The State's obligation under this lease does not constitute a general obligation or other indebtedness of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the Leasehold Revenue Bonds issued by the Board. In November 2005, the Board issued \$28,995,000 of Leasehold Revenue Bonds Series 2005 for the purpose of purchasing buildings in Florissant, St. Louis, and Jennings. In May 2006, the Board issued \$9,865,000 of Leasehold Revenue Bonds Series 2006 for the purpose of purchasing one building in St. Louis. In June 2013, the Board issued \$21,820,000 of Leasehold Revenue Refunding Bonds Series A 2013 and \$7,450,000 of Leasehold Revenue Refunding Bonds Series B 2013 for the purpose of refunding \$20,805,000 of Leasehold Revenue Bonds Series 2005 and \$7,100,000 of Leasehold Revenue Bonds Series 2006, respectively. The payments on these leases are subject to annual appropriation by the State legislature.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 6 - Leases (cont.)

Following is a summary of the future minimum lease payments to pay interest and principal of the Leasehold Revenue Bonds (in thousands of dollars):

Fiscal Year Ending June 30	Internal Service Funds
2018	\$ 2,418
2019	2,416
2020	2,412
2021	2,414
2022	2,413
2023-2027	12,039
2028-2031	9,624
Total Minimum Lease Payments	<u>33,736</u>
Less Amount Representing Interest	<u>(6,426)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 27,310</u></u>

Series A 2005 Refunding Certificates of Participation dated March 1, 2005, in the amount of \$120,490,000 refunded \$13,945,000 of Missouri Public Facilities Corporation Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994, \$13,400,000 of Missouri PRC Corporation Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995, \$9,915,000 of Northwest Missouri Public Facilities Corporation Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995, and \$83,480,000 of Missouri Public Facilities Corporation II Certificates of Participation (Bonne Terre Prison Project) Series A 1999. The State issued Refunding Certificates of Participation Series A 2011 dated June 7, 2011, in the amount of \$76,910,000. The Refunding Certificates of Participation refunded \$76,065,000 of Series A 2005 Refunding Certificates of Participation.

The State's obligation under these leases does not constitute a general obligation or other indebtedness of the State. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificate and are subject to annual appropriation by the State legislature.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 6 - Leases (cont.)

Following is a summary of the future minimum lease payments for the Certificates of Participation (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds
2018	\$ 13,665
2019	13,668
Total Minimum Lease Payments	<u>27,333</u>
Less Amount Representing Interest	<u>(563)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 26,770</u></u>

Assets acquired through these capital lease agreements are recorded as capital assets at the lower of the present value of the minimum lease payments or the fair value at the time of acquisition. The following is the value of the property under capital lease by asset category as of June 30, 2017 (in thousands of dollars):

	Governmental Funds	Internal Service Funds	Enterprise Funds	College and Universities
Buildings	\$ 209,094	\$ 41,865	\$ —	\$ 26,676
Equipment	5,145	30,960	655	13,375
Software	2,896	3,711	—	—
	<u>\$ 217,135</u>	<u>\$ 76,536</u>	<u>\$ 655</u>	<u>\$ 40,051</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 6 - Leases (cont.)

Operating

The State has entered into various operating leases for land, buildings, and equipment. Most of these leases are classified as operating, because the lease period is one year with multiple renewal options. Future minimum commitments due under operating leases as of June 30, 2017, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Enterprise Funds	Component Units
2018	\$ 20,284	\$ 323	\$ 11,591
2019	789	308	7,851
2020	634	117	6,459
2021	591	4	5,055
2022	567	1	3,516
2023-2027	868	—	7,471
2028-2032	53	—	—
2033-2037	50	—	—
2038-2042	50	—	—
2043-2047	50	—	—
2048-2052	50	—	—
2053-2057	50	—	—
2058-2062	50	—	—
Total Minimum Commitments	<u>\$ 24,086</u>	<u>\$ 753</u>	<u>\$ 41,943</u>

Expenditures for rent under operating leases for the years ended June 30, 2017 and June 30, 2016 were \$22,740,000 and \$43,145,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 6 - Leases (cont.)

Rental Revenue

The State leases certain state owned facilities to entities outside the State. These lessor arrangements are generally long-term commitments which either generate revenue from otherwise idle property or better serve Missouri's citizens by providing convenient access to products and services. The total asset value of the leased facilities and land is \$93.3 million less accumulated depreciation of \$22.5 million for component units. The Department of Natural Resources (DNR) has \$71,000 in income from easements on DNR property. This income will be received in perpetuity. The contract conditions and amount for each individual easement can change with the sale of the property requiring the easement. New contracts will be negotiated with new property owners. Future minimum receivables, payable from lessor arrangements as of June 30, 2017, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Component Units
2018	\$ 4,045
2019	3,831
2020	3,467
2021	3,402
2022	3,389
2023-2027	17,002
2028-2032	16,718
2033-2037	17,030
2038-2042	15,179
2043-2047	7,274
2048-2052	2,637
2053-2057	1,787
2058-2062	1,711
2063-2067	500
2068-2072	500
2073-2077	500
2078-2082	500
2083-2087	500
2088-2092	500
2093-2097	50
Total Minimum Receivables	<u>\$ 100,522</u>

Note 7 - Retirement Systems

The State has two major retirement systems which cover substantially all State employees. These systems are the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). MOSERS is comprised of the Missouri State Employees' Plan (MSEP), a cost-sharing multiple employer defined benefit public employee retirement plan and the Judicial Plan, a single-employer defined benefit public employee retirement plan. MPERS is a single-employer defined benefit public employees' retirement plan.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

Plan Descriptions

The Missouri State Employees' Plan (MSEP) is a cost-sharing multiple employer defined benefit public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 104.010 and 104.312-104.1215, RSMo.

The MSEP has three benefit structures known as MSEP (closed plan), MSEP 2000, and MSEP 2011. The MSEP covers all full-time employees hired before July 1, 2000, who are not covered under another state-sponsored retirement plan. MSEP 2000 covers all full-time employees hired on or after July 1, 2000 and before January 1, 2011. MSEP 2011 covers all full-time employees first hired on or after January 1, 2011. Members of the closed plan have the option at retirement to choose between the benefit structure of the MSEP or MSEP 2000.

The Judicial Plan is a single-employer defined benefit public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 476.445 to 476.690, RSMo. The Judicial Plan covers eligible members appointed/elected before January 1, 2011. The Judicial Plan 2011 covers eligible members appointed/elected for the first time on or after January 1, 2011.

MOSERS provides retirement, survivor, and disability benefits to its members. General employees are fully vested after 5 years of creditable service if covered by the MSEP and MSEP 2000 plans and after 10 years of creditable service if covered by the MSEP 2011 plans. Elected officials are fully vested after 4 years of creditable service and Members of the General Assembly are fully vested after 6 years of creditable service. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The retirement eligibility requirements are as follows for general employees:

MSEP

Age 65 and active with 4 years of service
Age 65 with 5 years of service
Age 60 with 15 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 55 with at least 10 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.6% multiplied by the final average pay multiplied by years of credited service.

MSEP 2000

Age 62 with 5 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 57 with at least 5 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.7% multiplied by the final average pay multiplied by years of credited service.

Judicial Plan

Age 62 with 12 years of service
Age 60 with 15 years of service
Age 55 with 20 years of service
Employees may retire early at age 62 with less than 12 years of service or age 60 with less than 15 years of service with a reduced benefit that is based upon years of service relative to 12 or 15 years.
The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

Judicial Plan 2011

Age 67 with 12 years of service
Age 62 with 20 years of service
Employees may retire early at age 67 with less than 12 years of service with reduced benefits or age 62 with less than 20 years of service with a reduced benefit based on years of service.
The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

MSEP 2011

Age 67 with 10 years of service
Age 55 with age and service equaling 90
or more (Rule of 90)
Employees may retire early at age 62 with
at least 10 years of service with
reduced benefits.
The base benefit in the general employee
plan is equal to 1.7% multiplied by the
final average pay multiplied by years
of credited service.

For members hired prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the percentage increase in the average Consumer Price Index (CPI) from one year to the next, with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members hired on or after August 28, 1997, COLAs are provided annually based on 80% of the percentage increase in the average CPI from one year to the next, up to a maximum rate of 5%. Qualified, terminated-vested members of MSEP and the Judicial Plan may make a one-time election to receive the present value of their benefit in a lump sum payment. To qualify, a member must have terminated with at least 5, but less than 10 years of service, be less than age 60, and have a benefit present value of less than \$10,000.

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) is a single-employer defined benefit public employee retirement plan administered in accordance with Sections 104.010-104.1093, RSMo.

MPERS is considered a single-employer plan because its membership is composed of qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff.

MPERS provides retirement, survivor, and disability benefits to its members. The MPERS has three benefit structures known as the Closed Plan, the Year 2000 Plan, and the Year 2000 Plan-2011 Tier. Generally, the Closed Plan covers employees hired before July 1, 2000. The Year 2000 Plan generally covers employees hired on or after July 1, 2000 and before January 1, 2011. The Year 2000 Plan-2011 Tier covers employees hired on or after January 1, 2011. Employees covered by the Closed Plan and the Year 2000 Plan are fully vested after 5 years of creditable service. Employees covered by the 2011 Tier are fully vested after 10 years of creditable service.

The retirement eligibility requirements are as follows:

Closed Plan

MoDOT and non-uniformed patrol members:

Age 65 and active with 4 or more years
of service
Age 65 with 5 or more years of service
Age 60 with 15 or more years of service
Age 48 with sum of age and service
equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 55 and active with 4 or more years
of service
Age 55 with 5 or more years of service
Age 48 with sum of age and service
equaling 80 or more (Rule of 80)
Mandatory retirement at age 60

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

All non-uniformed members may retire early with reduced benefits at age 55 with at least 10 years of service.

The base benefit in the Closed Plan is equal to 1.6% multiplied by the final average pay multiplied by years of creditable service. For members of the uniformed patrol, the base benefit is calculated by applying the same formula, then multiplying the product by 1.33%.

For members employed prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the increase in the Consumer Price Index (CPI) with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter, the 4% minimum rate is eliminated. For members employed on or after August 28, 1997, COLAs are provided annually based on 80% of the increase in the CPI, up to a maximum rate of 5%.

Year 2000 Plan

MoDOT and non-uniformed patrol members:

Age 62 with 5 or more years of service
Age 48 with sum of age and service
equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 48 with sum of age and service
equaling 80 or more (Rule of 80)
Mandatory retirement at age 60 with
5 or more years of service

All members may retire early with reduced benefits at age 57 with at least 5 years of service.

The base benefit in the Year 2000 Plan is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 80, and uniform patrol members retiring at the mandatory retirement age (currently 60), receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service. COLAs are provided annually based on 80% of the change in the CPI, up to a maximum rate of 5%.

Year 2000 Plan-2011 Tier

MoDOT and non-uniformed patrol members:

Age 67 with 10 or more years of service
Age 55 and active with sum of age and service
equaling 90 or more (Rule of 90)

Uniformed patrol members:

Age 55 and active with 10 or more years
of service
Mandatory retirement at age 60 with no
minimum service amount, active only.

Active MoDOT and non-uniformed patrol members may retire early with reduced benefits at age 62 with at least 10 years of service. Terminated and vested uniformed patrol members may retire at age 67 with 10 or more years of service. COLAs are provided annually based on 80% of the change in the CPI, up to a maximum rate of 5%.

The base benefit in the 2011 Tier is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 90, and uniform patrol members retiring at the mandatory retirement age (currently 60) or at age 55 with 10 years of creditable service, receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

Single-Employer Plans:

Employees Covered by Benefit Terms – Single-Employers Only

As of June 30, 2016 valuation, membership consisted of the following:

	<u>Judicial Plan</u>	<u>MPERS</u>
Retirees, beneficiaries, and disabilities currently receiving benefits	540	8,684
Terminated employees entitled to, but not yet receiving benefits	27	2,334
Active		
Vested	408	5,520
Nonvested	—	1,921
Total Membership	<u>975</u>	<u>18,459</u>

Contributions

Per Chapter 104.436, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.00% of their annual pay. The State's required contribution rate for the MSEP and the Judicial Plan year ended June 30, 2016, were 16.97% and 58.45% of annual payroll, respectively. The contribution rates as a percentage of covered payroll for the MSEP and the Judicial Plan for the year ended June 30, 2016, were 16.96% and 58.59%, respectively. Contributions to the pension plan from the MSEP Plan and the Judicial Plan were \$270,198,000 and \$33,642,000 respectively, for the year ended June 30, 2016.

Per Chapter 104.070, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MPERS Board of Trustees. Beginning January 1, 2011, employee contributions of 4.00% of gross pay are required for those covered by the Year 2000 Plan-2011 Tier. Employer contributions are determined through annual actuarial valuations. Administrative expenses are financed through contributions from participating employers and investment earnings. The state's required contribution rate, as adopted by the MPERS Board of Trustees, for the year ended June 30, 2016, was to be at least 58.00%. The contribution rate as a percentage of covered payroll for the MPERS plan year ended June 30, 2016, was 58.00%. Contributions to the pension plan from the MPERS plan were \$199,609,000.

For the portion of the MSEP Plan relating to the State's component units, the required contribution rate for the year ended June 30, 2016, was 16.97%. The contribution rates as a percentage of covered payroll for the year ended June 30, 2016, range from 16.93% to 16.98%. Contributions to the pension plan were \$57,219,000 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Cost-Sharing Multiple Employer Plan:

At June 30, 2017, a liability was reported for the State's proportionate share of the net pension liability for the MSEP and the MSEP-CU plans based on an actuarial valuation as of June 30, 2016. The State's proportionate share of the net pension liability was based on the State's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for plan year ended June 30, 2016.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

The State reported the following proportionate share of the net pension liability and the pension expense for the fiscal year ended June 30, 2017 (in thousands of dollars):

	<u>MSEP</u>	<u>MSEP-CU</u>
Pension Expense	\$ 574,097	\$ 123,742
Proportionate share:		
2017	82.21%	17.41%
Net Pension Liability	\$3,816,328	\$ 808,175

Single-Employer Plans:

The State's net pension liability and related information for the Judicial and MPERS plans for the fiscal year ended June 30, 2017 (in thousands of dollars):

	<u>Judicial Plan</u> Increase (Decrease)			<u>MPERS</u> Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2016	\$ 482,969	\$ 130,851	\$ 352,118	\$3,715,846	\$ 2,009,367	\$ 1,706,479
Changes for the year:						
Service Cost	10,932	—	10,932	45,441	—	45,441
Interest	37,755	—	37,755	280,432	—	280,432
Differences between expected and actual	(5,037)	—	(5,037)	(39,810)	—	(39,810)
Changes of Assumptions	53,991	—	53,991	—	—	—
Contributions – Employer	—	33,642	(33,642)	—	199,609	(199,609)
Contributions – Employee	—	661	(661)	—	3,483	(3,483)
Net Income Investment	—	28	(28)	—	21,432	(21,432)
Benefit payments, including refunds of employee contributions	(32,989)	(32,989)	—	(236,687)	(236,687)	—
Disability Premiums	—	—	—	(1,568)	(1,568)	—
Administrative Expense	—	(137)	137	—	(4,370)	4,370
Net Transfers to Other Retirement Systems	—	—	—	(1,921)	808	(2,729)
Net Changes	64,652	1,205	63,447	45,887	(17,293)	63,180
Balances at June 30, 2017	<u>\$ 547,621</u>	<u>\$ 132,056</u>	<u>\$ 415,565</u>	<u>\$3,761,733</u>	<u>\$ 1,992,074</u>	<u>\$ 1,769,659</u>

For the year ended June 30, 2017, the Judicial Plan and MPERS recognized pension expense of \$57,957,000 and \$153,456,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

At June 30, 2017, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU	MSEP	Judicial	MPERS	MSEP-CU
Difference between expected and actual experience	\$ 39,304	\$ 4,755	\$ —	\$ 8,323	\$11,150	\$ 3,718	\$ 43,302	\$ 2,361
Changes of assumptions	397,354	39,854	—	84,147	22,939	—	—	4,858
Net difference between projected and actual earnings on pension plan investments	623,549	11,968	140,722	132,048	—	—	76,260	—
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	32	—	—	7,496	3,938	—	—	3,934
Contributions subsequent to the measurement date	274,510	34,252	206,563	58,181	—	—	—	—
Total	<u>\$ 1,334,749</u>	<u>\$ 90,829</u>	<u>\$ 347,285</u>	<u>\$ 290,195</u>	<u>\$38,027</u>	<u>\$ 3,718</u>	<u>\$119,562</u>	<u>\$ 11,153</u>

Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU
2018	\$ 262,596	\$ 19,101	\$ (16,351)	\$ 57,776
2019	262,623	16,206	(13,797)	57,565
2020	387,942	15,455	28,007	82,427
2021	109,051	2,097	23,301	23,093
Totals	<u>\$ 1,022,212</u>	<u>\$ 52,859</u>	<u>\$ 21,160</u>	<u>\$ 220,861</u>

Actuarial Assumptions

The total pension liability at June 30, 2017, is based upon the June 30, 2016, actuarial valuation for MOSERS and MPERS using the entry age normal actuarial cost method. Significant actuarial assumptions used in the June 30, 2016, actuarial valuations are the following:

	MSEP and MSEP-CU	Judicial	MPERS
Price Inflation	2.5%	2.5%	3.0%
Salary Increases	3.25-8.75%	3.0-5.2%	3.5-11.0%
Investment Rate of Return	7.65%	7.65%	7.75%

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015. As a result of this actuarial experience study, the MOSERS Board made various demographic and economic assumption changes to more closely reflect actual experience. The most significant changes included lowering the assumed annual investment rate of return from 8 % to 7.65 % and the adoption of the above mortality tables. The changes in assumptions recorded as deferred inflows and outflows of resources were due to these changes from the actuarial experience study.

Mortality rates, for post-retirement mortality, used in evaluating allowances to be paid to non-disabled pensioners were the RP-2000 Combined Healthy Mortality Tables projected 16 years and set back one year for males and females for MPERS. MOSERS mortality rates were based on the RP-2014 Healthy Annuitant Mortality table, projected from 2006 to 2026 with scale MP-2015 and scaled by 120%. MOSERS pre-retirement mortality table was the RP-2014 Employee Mortality table, projected from 2006-2026 with scale MP-2015 and scaled by 95% for males and 90% for females. MPERS pre-retirement mortality rates used was 70% for males and 50.

Amounts reported in the June 30, 2016, actuarial report are assumptions reflecting adjustments to expected rates of withdrawal, disability, normal and early retirement, mortality, and merit and seniority pay for MPERS. The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015 for MOSERS and July 1, 2007 through June 30, 2012 for MPERS. The adjustments were made to more closely reflect actual experience.

The long-term (30 year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for the MSEP and Judicial Plan and arithmetic real rates of return for MPERS for each major asset class included in the target allocation are summarized in the table below:

Asset Class	MSEP and MSEP-CU		Judicial		MPERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity					30%	4.80%
Private Equity					15%	6.50%
Fixed Income					25%	0.50%
Real Assets					5%	4.75%
Real Estate					10%	2.75%
Hedge Funds					15%	2.75%
Beta-balanced	80.0%	5.7%	80.0%	5.7%		
Illiquids portfolio**	20.0%	7.3%	20.0%	7.3%		
	<u>100.0%</u>		<u>100.0%</u>		<u>100%</u>	

** Illiquid portfolio upper limit at 27.5% of capital, no new commitments past 23%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

Discount Rate

A single discount rate based on the expected rate of return on pension investments of 7.65%, 7.65%, and 7.75% was used to measure the total pension liability for MSEP, Judicial Plan, and MPERS, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate for MPERS. The projection of cash flows used to determine the discount rate assumed that employee contributions at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined for MOSERS. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
MSEP Net Pension Liability	6.65% \$5,025,193	7.65% \$3,816,328	8.65% \$2,802,799
Judicial Plan Net Pension Liability	6.65% 471,242	7.65% 415,565	8.65% 367,892
MPERS Net Pension Liability	6.75% 2,210,589	7.75% 1,769,659	8.75% 1,401,144
MSEP-CU Net Pension Liability	6.65% \$1,064,174	7.65% \$808,175	8.65% \$593,542

Payables to the Pension Plan

As of June 30, 2017, the State had payables of \$13,449,000 to MOSERS for the outstanding amount of contributions to the pension plan, relating to a two week lag in payroll.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separate financial reports issued by MOSERS and MPERS:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209
www.mosers.org

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930
www.mpers.org

University of Missouri Retirement System

Plan Description

The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer defined benefit plan for all qualified employees. As authorized by Section 172.300, RSMo, the University's Board of Curators administers the Retirement Plan and establishes its terms.

Full-time employees vest in the Retirement Plan after five years of credited service and become eligible for benefits based on age and years of service. A vested employee who retires at age 65 or older is eligible for a lifetime annuity calculated at a certain rate times the credited service years times the compensation base (average consumption for the five highest consecutive salary years). The rate is 2.2% if the employee was hired before October 1, 2012, or 1.0% if the employee was hired after September 30, 2012. Academic members who provide summer teaching and research service receive additional summer service credit. The Board of Curators may periodically approve increases to the benefits paid to existing pensioners. However, vested members who leave the University prior to eligibility for retirement are not eligible for these pension increases. Vested employees who are at least age 55 and have ten years or more of credited service, or age 60 with at least five years of credited service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is not reduced. Up to 30% of the retirement annuity can be taken in a lump sum payment. In addition the standard annuity can be exchanged for an actuarially-equivalent annuity.

As of June 30, 2017, membership consisted of the following:

Vested members	18,233
Inactive vested members	4,215
Pensioners and beneficiaries	<u>9,242</u>
Total Membership	<u><u>31,690</u></u>

Contributions

The University's contributions to the Retirement Plan are equal to the actuarially determined contribution rate (ADC). The ADC for those employees hired before October 1, 2012 averaged 9.5% of covered payroll for the year ending June 30, 2017. The ADC for those employees hired after September 30, 2012, averaged 5.6% of covered payroll for the year ended June 30, 2017. Employees are required to contribute 1% of their salary up to \$50,000 in a calendar year and 2% of their salary in excess of \$50,000. An actuarial valuation of the Plan is performed annually and the University's contribution rate is updated on July 1 at the beginning of the University's fiscal year, to reflect the actuarially determined funding requirement from the most recent valuation, as of the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year. The University contributed \$96,631,000 during the fiscal year ended June 30, 2017.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

Employees hired after September 30, 2012, participate in a single employer, defined contribution plan. Each year the University contributes 2% of each employee's eligible salary to a 401(a) plan. The University will match up to 3% of the employee contribution to the 457(b) plan with those going into the 401(a) plan. Employees are immediately 100% vested in their contributions. The University's base contributions and matching contributions vest following three years of consecutive or nonconsecutive service. The defined contribution plan recognized \$13,891,000 of pension expense and \$3,472,000 of forfeitures for the year ended June 30, 2017.

Net Pension Liability

The Retirement Plan's net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016. Roll-forward procedures were used to measure the Retirement Plan's net pension liability as of June 30, 2017. For the year ended June 30, 2017, fiduciary net position as a percentage of the total pension liability amounted to 86.97%.

Changes in net pension liability (in thousands of dollars):

	Total Pension Liability (TPL)	Fiduciary Net Pension (FNP)	Net Pension Liability (NPL)
Balances at June 30, 2016	\$ 3,878,812	\$ 3,220,626	\$ 658,186
Changes for the year:			
Service Cost	66,269	—	66,269
Interest	296,885	—	296,885
Differences between expected and actual experience	(22,741)	—	(22,741)
Contributions – Employer	—	96,631	(96,631)
Contributions – Employee	—	15,218	(15,218)
Net Income Investment	—	364,486	(364,486)
Benefit payments, including refunds of employee	(211,036)	(211,036)	—
Net Changes	129,377	265,299	(135,922)
Balances at June 30, 2017	<u>\$ 4,008,189</u>	<u>\$ 3,485,925</u>	<u>\$ 522,264</u>

Pension Expense

Annual pension expense consists of service cost and interest on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources and recognized in pension expense over a five year period.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

For the year ended June 30, 2017, the Retirement Plan recognized pension expense of \$117,940,000. At June 30, 2017, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,846	\$ 44,857
Net difference between projected and actual earnings on pension plan investments	93,518	—
Total	<u>\$ 100,364</u>	<u>\$ 44,857</u>

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University's employees. The following table summarizes the future recognition of these items:

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources
	Recognition
2018	\$ 15,077
2019	61,543
2020	17,353
2021	(33,353)
2022	(4,941)
Thereafter	(172)
Totals	<u>\$ 55,507</u>

Actuarial Assumptions

The October 1, 2016, actuarial valuation utilized the entry age actuarial cost method. Actuarial assumptions included:

Inflation	2.75%
Salary Increases	4.1% - 4.9%
Investment Rate of Return	7.75%

For purposes of determining actuarially required contributions, the actuarial value of assets was determined using techniques that spread effects of short-term volatility in the market value of investments over a five-year period. The underfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over 27 years from the October 1, 2016, valuation date. Mortality rates were based on the RP-2000 Combined Health Mortality Table projected to 2023 using Scale BB.

The actuarial assumptions used in the October 1, 2016, valuation were based on the results the most recent quinquennial study of the University's own experience covering 2008 to 2012.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

The annual money-weighted rate of return is calculated as the internal rate of return on pension investments, net of pension plan investment expense. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return (loss) on pension plan investments for the years ended June 30, 2017, was 11.0%. The following table provides long-term expected rates of real return:

	Target	Long-Term Expected Real Rate of Return
Domestic large cap equity	18%	6.5%
Domestic small cap equity	2%	6.5%
Domestic fixed income	3%	1.7%
International equity	19%	6.7%
Emerging markets equity	6%	9.3%
International fixed income	4%	1.8%
Real estate	6%	4.3%
Private equity	10%	11.6%
Absolute return strategies	8%	4.1%
High yield fixed income	10%	4.1%
Emerging markets fixed income	6%	4.5%
Treasury inflation protection	2%	1.7%
Floating rate bank loans	4%	2.6%
Global inflation-linked bonds	2%	1.7%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the University contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2016, actuarial valuation, 7.75% was used as the net long-term expected rate of return.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
MU Net Pension Liability	6.75% \$999,575	7.75% \$522,264	8.75% \$115,926

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 7 - Retirement Systems (cont.)

Separate financial statements are not prepared for the Plan.

Detailed information concerning the Plan is presented in the University's 2017 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
118 University Hall
Columbia, Missouri 65211
www.umsystem.edu

Note 8 - Other Postemployment Benefits

In addition to the retirement benefits described in Note 7, the State provides postemployment health care and life insurance benefits, in accordance with State statutes, to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT and MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). MCHCP is a cost-sharing, multiple employer plan, while MHPML and CEIP are both single-employer plans. MOSERS is an insured, defined benefit insurance plan and is currently administered through The Standard insurance company. It is financed on a percentage of payroll and is purchased as a group policy through competitive bids. The eligible number of retirees/long-term disability claimants for MCHCP, MHPML, and CEIP for health care benefits are approximately 21,132, 6,328 and 882 respectively. The number of retirees/long-term disability claimants currently participating in MOSERS, MHPML, and CEIP for life insurance benefits are 26,008, 3,978, and 502 respectively. Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. MOSERS employer contribution rates are set by The Standard insurance company. MHPML and CEIP life insurance benefits are funded through employee contributions. MHPML and CEIP employer contribution rates are set by the Plans Board of Trustees and approved by their respective Commission. Contributions are established and may be amended by the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178. Retiree contribution rates are established based on projected claims experience and funding provided by employer contributions. Insurance policies are purchased for life insurance benefits and are the liability of the insurance carrier.

During fiscal year 2017, the State contributed \$1,925,000 and recognized \$1,925,000 in expenditures for MOSERS life insurance.

For fiscal year 2017, the State's contributions were 53.16% of the total (employer/employee) contributions made for other postemployment benefits.

Funding Policy

The contribution requirements of MCHCP, MHPML, and CEIP are established and may be amended by the State legislature, Missouri Highways and Transportation Commission, and the Conservation Department Board of Trustees, respectively. State contribution rates for MCHCP are based on the State's approved appropriation and the number of anticipated participants. The required contribution for MHPML and CEIP is based on an actuarial study and is financed on a pay-as-you-go basis. For fiscal year 2017, MCHCP, MHPML, and CEIP contributed \$67.4, \$25.1 and \$4.3 million, respectively. Retiree contributions during fiscal year 2017 for MCHCP, MHPML, and CEIP were \$52.2, \$22.4, and \$2.8 million, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 8 - Other Postemployment Benefits (cont.)

Annual OPEB Cost and Net OPEB Obligation

The MCHCP, MHPML, and CEIP annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Fiscal Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of MCHCP, MHPML, and CEIP annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the net OPEB obligation (in thousands of dollars):

	MCHCP	MHPML	CEIP
Annual required contribution	\$ 106,802	\$ 73,610	\$ 11,392
Interest on net OPEB contribution	20,352	23,385	2,316
Adjustments to annual required contribution	(14,914)	(32,515)	(2,353)
Annual OPEB cost	112,240	64,480	11,355
Contributions made	(67,399)	(25,063)	(4,320)
Increase in net OPEB obligations	44,841	39,417	7,035
Net OPEB obligation, beginning of year	357,046	584,625	61,762
Net OPEB obligation, end of year	\$ 401,887	\$ 624,042	\$ 68,797

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2017 are as follows (in thousands of dollars):

	MCHP			MHPML		
	Fiscal Year Ending			Fiscal Year Ending		
	06/30/17	06/30/16	06/30/15	06/30/17	06/30/16	06/30/15
Annual OPEB Cost (AOC)	\$ 112,240	\$ 101,903	\$ 108,266	\$ 64,480	\$ 65,105	\$ 72,601
Percentage of AOC	60.05%	64.96%	57.81%	38.87%	38.49%	37.87%
Net OPEB Obligation	\$ 401,887	\$ 357,046	\$ 321,343	\$ 624,042	\$ 584,625	\$ 544,582

	CEIP		
	Fiscal Year Ending		
	06/30/17	06/30/16	06/30/15
Annual OPEB Cost (AOC)	\$ 11,355	\$ 11,219	\$ 11,905
Percentage of AOC	38.04%	39.09%	36.04%
Net OPEB Obligation	\$ 68,797	\$ 61,762	\$ 54,928

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 8 - Other Postemployment Benefits (cont.)

Funded Status and Funding Progress

The funded status of the Plans as of June 30, 2017, are as follows (in thousands of dollars):

	<u>MCHCP</u>	<u>MHPML</u>	<u>CEIP</u>
Actuarial Accrued Liability (AAL)	\$1,837,900	\$ 793,246	\$ 175,716
Less Actuarial Value of Plan Assets	125,400	—	—
Unfunded Actuarial Accrued Liability	<u>\$1,712,500</u>	<u>\$ 793,246</u>	<u>\$ 175,716</u>
 Funded Ratio	 6.82%	 0.00%	 0.00%
 Covered Payroll	 \$1,609,500	 \$ 356,149	 \$ 67,400
 UAAL as a Percentage of Covered Payroll	 106.40%	 222.73%	 260.71%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation for fiscal year ending June 30, 2017, MCHCP used the entry-age method while MHPML and CEIP used the projected unit credit cost method. The actuarial assumptions for MCHCP, MHPML, and CEIP include a 5.7%, 4.0%, and 3.8% discount rate, respectively. For MCHCP, the projected annual health care cost trend rate for non-Medicare health care is 6.5% in fiscal 2017, decreasing by 0.25% per year to an ultimate rate of 5.0% in fiscal year 2023. The projected annual health care cost trend rate for Medicare health care is 7.5% in fiscal year 2017, decreasing by 0.25% per year to an ultimate rate of 5.0% in fiscal year 2027. The UAAL is being amortized at a level dollar amount over an open basis, over a 30-year period.

College and Universities:

University of Missouri System

In addition to the retirement benefits described in *Note 7*, the University provides postemployment medical care, dental care, and life insurance benefits to eligible employees who retire from the University and to employees receiving long-term disability benefits by means of a single-employer, defined benefit plan. Currently, 7,683 retirees/long-term disability claimants meet the eligibility requirements. These postemployment benefits are funded through both employer and employee contributions. For fiscal year 2017, the University's contributions were 59.19% of the total (employer/employee) contributions made for other postemployment benefits.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 8 - Other Postemployment Benefits (cont.)

Currently, the number of retirees/long-term disability claimants participating in medical care, dental care, and life insurance are 6,279, 6,481, and 3,470 respectively. During fiscal year 2017, the University and its employees contributed \$36,144,000 for other postemployment benefits. The expenditures recognized by the University for (employer/employee) other postemployment benefits were \$36,059,000.

Funding Policy

Contribution requirements of the employees and the University are established and may be amended by the University's Board of Curators. The University has no obligation to make contributions in advance of when insurance premiums or claims are due for payment. It currently funds postemployment benefits at a level no less than the pay-as-you-go basis. In fiscal year 2017 and 2016, the University contributed \$21,394,000 and \$26,207,000, or 93.2% and 90.8%, of the annual required contribution (ARC), respectively.

Annual OPEB Cost and Net OPEB Obligation

The University's annual other postemployment benefit (OPEB) cost is calculated based on the ARC of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the University's net OPEB obligation for fiscal year 2017 (in thousands of dollars):

	<u>University of Missouri System</u>
Annual required contribution	\$ 22,958
Interest on net OPEB obligation	7,440
Adjustment to annual OPEB obligation	<u>(8,134)</u>
Annual OPEB cost	22,264
Contributions made	<u>(21,394)</u>
Increase in net OPEB obligation	870
Net OPEB obligation (asset), beginning of year	<u>212,572</u>
Net OPEB obligation, end of year	<u><u>\$ 213,442</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2017 was as follows (in thousands of dollars):

	<u>University of Missouri System</u>		
	<u>Fiscal Year Ending</u>		
	<u>06/30/17</u>	<u>06/30/16</u>	<u>06/30/15</u>
Annual OPEB Cost (AOC)	\$ 22,264	\$ 28,986	\$ 58,462
Percentage of AOC	96.09%	90.40%	43.98%
Net OPEB Obligation	\$ 213,442	\$ 212,572	\$ 209,793

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 8 - Other Postemployment Benefits (cont.)

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2017, was as follows (in thousands of dollars):

	<u>University of Missouri System</u>
Actuarial Accrued Liability (AAL)	\$ 464,734
Less Actuarial Value of Plan Assets	35,145
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 429,589</u>
Funded Ratio	7.56%
Covered Payroll	\$ 1,188,977
UAAL as a Percentage of Covered Payroll	36.13%

Actuarial Methods and Assumptions

July 1, 2015 was the date of the last valuation. The University of Missouri used the projected unit credit actuarial cost method of valuation. The actuarial assumptions for University of Missouri System included a 3.5% rate of return, net of administrative expenses. The projected annual health care cost trend rate is 7.5% to 11.5% initially, reduced by 0.5% decrements to an ultimate rate of 5.0%. The UAAL is being amortized at a level dollar amount over an open basis, level percent of pay, over a 30-year period.

During fiscal year 2016, the University's Board of Curators approved new plan provisions for retiree insurance offerings available to current employees upon their retirement that would reduce the University's actuarial accrued liability. As a result of the changes, the plan reduced the Accrued Actuarial Liability by \$170,097,000. This change will be amortized into the Unfunded Actuarial Liability over a period of 30 years.

Note 9 - Deferred Compensation

Missouri State Public Employees' Deferred Compensation Plan:

In accordance with Internal Revenue Code Section 457, the State offers all employees the opportunity to participate in the Missouri State Public Employees' Deferred Compensation Plan. Under the Plan, employees are permitted to defer a portion of their current salary until future years.

All amounts of compensation deferred under the Plan must be held in a trust, custodial account, or annuity contract for the exclusive benefit of Plan participants and their beneficiaries. Investments are managed by the Plan's trustee under one of several investment options, or a combination thereof. The choice between the investment option(s) available by the Plan is made by the participants.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 9 - Deferred Compensation (cont.)

Missouri State Public Employees' Deferred Compensation Plan:

The Plan was established by the Missouri State Public Employees' Deferred Compensation Commission in July 1995 pursuant to Section 401(a) of the Internal Revenue Code.

Under the Plan provisions, any employee of the State is eligible to participate in the Plan if he/she has been an employee of the State for at least 12 consecutive months preceding any employer contributions to the Plan, and is making continuous monthly deferrals of at least \$25 to the Missouri State Public Employees' Deferred Compensation Plan. As of March 2010, employer incentive (match) associated with the State of Missouri Deferred Compensation Plan was suspended. Participating employees are 100% vested.

The first employer contributions to the Plan were made in January 1996. The Plan receives contributions from employees as well as rollovers from other qualified plans. During fiscal year 2017, net rollovers and contributions to ICMA-RC were \$70,275,000.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Note 10 - Changes in Short-Term Liabilities

The State uses a bank overdraft line of credit to compensate for timing in cash payments and receipts.

The following is a summary of the changes in short-term liabilities for the year ended June 30, 2017 (in thousands of dollars):

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Governmental Activities:				
Bank Overdraft	\$ 2	\$ 1,170,662	\$ (1,170,662)	\$ 2

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 11 - Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017 (in thousands of dollars):

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017	Due Within One Year
Governmental Activities:					
Due to Other Entities	\$ 1,358	\$ 3	\$ —	\$ 1,361	\$ —
General Obligation Bonds Payable	208,880	—	(54,050)	154,830	50,135
Other Bonds Payable	3,207,400	97,225	(360,800)	2,943,825	256,625
Unamortized Bond Premium	245,482	5,877	(48,180)	203,179	—
Obligations under Lease Purchase	130,386	1,539	(32,109)	99,816	26,489
Pollution Remediation	49,725	1,153	(3,447)	47,431	5,594
Compensated Absences	174,798	200,508	(200,291)	175,015	174,287
Claims Liability	182,430	463,455	(468,207)	177,678	118,869
Contingent Liabilities	39,040	69,802	(37,692)	71,150	23,838
2 nd Injury Fund Contingent Liabilities	1,732,685	206,662	(99,161)	1,840,186	99,161
Net Other Postemployment Benefit Obligation	1,003,433	188,075	(96,782)	1,094,726	—
Net Pension Liability	4,622,896	1,795,063	(537,127)	5,880,832	—
Total Governmental-Type Activities	<u>\$ 11,598,513</u>	<u>\$ 3,029,362</u>	<u>\$ (1,937,846)</u>	<u>\$ 12,690,029</u>	<u>\$ 754,998</u>
Business-Type Activities:					
Obligations under Lease Purchase	\$ 304	\$ —	\$ (176)	\$ 128	\$ 128
Claims Liability	83,235	13,565	(14,932)	81,868	15,000
Grand Prize Winner Liability	101,752	81,906	(72,473)	111,185	81,708
Compensated Absences	4,399	4,539	(4,334)	4,604	4,334
Net Pension Liability	76,336	61,776	(18,485)	119,627	—
Total Business-Type Activities	<u>\$ 266,026</u>	<u>\$ 161,786</u>	<u>\$ (110,400)</u>	<u>\$ 317,412</u>	<u>\$ 101,170</u>

Note 12 - Bonds Payable

Bonds are long-term liabilities and are reconciling items from governmental fund financial statements to government-wide financial statements. On the Government-Wide Statement of Net Position, the long-term liabilities are shown as the amounts due within one year from the date of the statement and the amounts due in more than one year from the date of the statement.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

General Obligation Bonds:

The Board of Fund Commissioners of the State of Missouri, upon voter approval and subsequent authorization of the General Assembly, issues general obligation bonds that are secured by a pledge of the full faith, credit, and resources of the State. The principal and interest amounts are transferred one year in advance from the General Fund or other funds to the debt service funds from which principal and interest payments are made. Three types of general obligation bonds are currently outstanding. Proceeds from the Water Pollution Control Bonds were used to provide funds for the protection of the environment through the control of water pollution. Proceeds from the Fourth State Building Bonds were used to provide funds for improvements of buildings and property of higher education institutions, Department of Corrections, and the Division of Youth Services. Proceeds from the Stormwater Control Bonds were used to provide funds to protect the environment through the control of stormwater.

To take advantage of lower interest rates, the Board of Fund Commissioners has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Water Pollution Control Bonds:				
Series A 2010-Refunding	7/27/10	\$ 81,450	A 2001	\$ 15,030
			A 2002	20,225
			B 2002-Refunding	12,990
			A 2005-Refunding	8,595
			A 2007	31,385
Series A 2012-Refunding	9/27/12	62,460	A 2002	3,225
			B 2002-Refunding	64,080
Fourth State Building Bonds:				
Series A 2010-Refunding	7/27/10	9,060	A 2002-Refunding	8,970
			A 2005-Refunding	1,470
Series A 2012-Refunding	9/27/12	100,395	A 2002-Refunding	110,535
Stormwater Control Bonds:				
Series A 2010-Refunding	7/27/10	15,150	A 2001	7,320
			A 2002	8,475
			A 2005-Refunding	905

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2017, \$594,494,240 of the Water Pollution Control Bonds; \$250,000,000 of the Fourth State Building Bonds; and \$45,000,000 of the Stormwater Control Bonds have been issued. The remaining authorization for the Water Pollution Control Bonds is \$130,505,760 and for Stormwater Control Bonds is \$155,000,000. There is no remaining authorization for the Fourth State Buildings Bonds.

General obligation bonds issued and outstanding as of June 30, 2017, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Water Pollution Control Bonds:						
Series A 2007	4.0 - 5.0%	6/1; 12/1	11/07	12/1/21	\$ 50,000	\$ 9,095
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	81,450	49,665
Series A 2012-Refunding	3.0 - 4.0%	10/1; 4/1	9/12	10/1/19	62,460	19,670
Fourth State Building Bonds:						
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	9,060	5,525
Series A 2012-Refunding	2.0 - 4.0%	10/1; 4/1	9/12	10/1/21	100,395	61,640
Stormwater Control Bonds:						
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	15,150	9,235
Total General Obligation Bonds					<u>\$ 318,515</u>	\$ 154,830
Less: Amount in Sinking Fund for payment of Principal						<u>(56,192)</u>
						<u>\$ 98,638</u>

As of June 30, 2017, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2018	\$ 50,135	\$ 5,592	\$ 55,727
2019	38,575	3,712	42,287
2020	21,590	2,445	24,035
2021	15,880	1,666	17,546
2022	16,560	964	17,524
2023	12,090	302	12,392
Totals	<u>\$ 154,830</u>	<u>\$ 14,681</u>	<u>\$ 169,511</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

Other Bonds:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and commits state agencies to lease space in these buildings. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and to pay the costs of operations. The total amount authorized for the Board equals \$1,545,000,000.

To take advantage of lower interest rates, the Board of Public Buildings has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Board of Public Buildings:				
Series A 2011-Refunding	09/27/11	\$ 143,020	A 2001	\$ 126,850
			A 2003	12,620
			A 2006	3,175
Series A 2012-Refunding	08/23/12	278,835	A 2003	285,340
Series A 2013-Refunding	10/11/13	29,370	A 2003	30,195
Series A 2014-Refunding	08/19/14	88,680	A 2006	87,225
Series A 2015-Refunding	04/01/15	20,250	A 2011-Refunding	21,380

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2017, the Board of Public Buildings Bonds had issued \$1,068,010,000 of the bond authorization. The remaining authorization is \$476,990,000.

The Board of Public Buildings Bonds issued and outstanding as of June 30, 2017, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Board of Public Buildings:						
Series A 2011-Refunding	1.0 - 5.0%	4/1; 10/1	9/11	10/1/28	\$ 143,020	\$ 91,190
Series A 2012-Refunding	2.0 - 5.0%	4/1; 10/1	8/12	10/1/28	278,835	235,290
Series A 2013-Refunding	2.0 - 5.0%	4/1; 10/1	10/13	10/1/28	29,370	24,755
Series A 2014-Refunding	1.0 - 5.0%	4/1; 10/1	8/14	10/1/30	88,680	85,675
Series A 2015-Refunding	5.0%	4/1; 10/1	4/15	10/1/24	20,250	20,250
Series A 2015	3.0 - 5.0%	4/1; 10/1	4/15	10/1/39	36,805	35,100
Series B 2015	3.0 - 5.0%	4/1; 10/1	9/15	4/1/30	60,000	52,625
Series A 2016	3.0 - 4.0%	4/1; 10/1	5/16	4/1/36	100,000	93,925
Total Board of Public Buildings Bonds					<u>\$ 756,960</u>	<u>\$ 638,810</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

As of June 30, 2017, the debt service requirements for principal and interest in future years for the Board of Public Buildings Bonds were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 40,490	\$ 23,046	\$ 63,536
2019	42,230	21,229	63,459
2020	44,070	19,230	63,300
2021	46,025	17,178	63,203
2022	48,025	15,082	63,107
2023-2027	260,625	46,430	307,055
2028-2032	131,985	10,502	142,487
2033-2037	19,000	2,657	21,657
2038-2040	6,360	339	6,699
Totals	<u>\$ 638,810</u>	<u>\$ 155,693</u>	<u>\$ 794,503</u>

The Missouri Health and Educational Facilities Authority (MOHEFA) issued \$35,000,000 of Educational Facilities Revenue Bonds (University of Missouri-Columbia Arena Project) Series 2001, dated November 1, 2001, to fund the design, acquisition, construction, furnishing, and equipping of a sports arena facility and related facilities on the University of Missouri-Columbia campus. The Missouri Health and Educational Facilities Authority (MOHEFA) issued \$20,125,000 of Educational Facilities Refunding Revenue Bonds Series 2011, dated November 17, 2011. The Refunding Educational Facilities Revenue bonds refunded \$22,770,000 of Educational Facilities Revenue Bonds Series 2001. These bonds are special, limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The Educational Facilities Revenue Bonds issued and outstanding as of June 30, 2017, were as follows (in thousands of dollars):

	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Educational Facilities Revenue Bonds:						
Series 2011-Refunding	2.0 - 5.0%	4/1; 10/1	11/11	10/1/21	<u>\$ 20,125</u>	<u>\$ 11,160</u>

As of June 30, 2017, the debt service requirements for principal and interest in future years for the Educational Facilities Revenue Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 2,015	\$ 507	\$ 2,522
2019	2,115	404	2,519
2020	2,225	296	2,521
2021	2,340	182	2,522
2022	2,465	62	2,527
Totals	<u>\$ 11,160</u>	<u>\$ 1,451</u>	<u>\$ 12,611</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

The Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project Bonds Series A 1991, dated August 15, 1991, to finance the costs of acquiring land and constructing a multi-purpose convention and indoor sports facility in downtown St. Louis, Missouri. On December 15, 1993, the Authority issued \$121,705,000 of Convention and Sports Facility Project Refunding Bonds Series A 1993 for the purpose of refunding the callable portions of the outstanding bonds issued in August 1991 and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$101,410,000. On August 1, 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project Refunding Bonds Series A 2003 for the purpose of refunding Convention and Sports Facility Project Bonds Series A 1991 and Series A 1993 refunding bonds and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$2,845,000 for the Series A 1991 bonds and \$113,170,000 for the Series A 1993 refunding bonds. On August 20, 2013, the Authority issued \$65,195,000 of Convention and Sports Facility Project Refunding Bonds Series A 2013 for the purpose of refunding Convention and Sports Facility Project Refunding Bonds Series A 2003. The principal amount refunded was \$64,385,000. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State.

The Convention and Sports Facility Project Bonds issued and outstanding as of June 30, 2017, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Convention and Sports Facility Project Bonds:						
Series A 2013-Refunding	2.0 - 5.0%	2/15; 8/15	8/13	8/15/21	<u>\$ 65,195</u>	<u>\$ 43,285</u>

As of June 30, 2017, the debt service requirements for the principal and interest in future years for the Convention and Sports Facility Project Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2018	\$ 7,835	\$ 1,968	\$ 9,803
2019	8,225	1,567	9,792
2020	8,635	1,145	9,780
2021	9,070	703	9,773
2022	<u>9,520</u>	<u>238</u>	<u>9,758</u>
Totals	<u>\$ 43,285</u>	<u>\$ 5,621</u>	<u>\$ 48,906</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

Under a financing agreement dated August 1, 1991, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount of \$10,000,000 for principal and interest and \$2,000,000 for maintenance each year. Future payments to the Authority related to the bond repayment were as follows (in thousands of dollars):

Fiscal Year Ended June 30	State Debt Service Payments
2018	\$ 10,000
2019	10,000
2020	10,000
2021	10,000
2022	5,000
Total	<u>\$ 45,000</u>

The Missouri Development Finance Board (MDFB) issued \$92,660,000 of Series 2014 Bonds dated December 10, 2014 and \$97,225,000 of Series 2016 Bonds dated December 15, 2016, to fund the replacement of the Fulton State Hospital. These bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The MDFB – Fulton State Hospital Project Bonds issued and outstanding as of June 30, 2017, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Fulton State Hospital Project Bonds:						
Series 2014	2.25 - 5.0%	4/1; 10/1	12/14	10/1/39	\$ 92,660	\$ 88,135
Series 2016	4.0 - 5.0%	4/1; 10/1	12/16	10/1/39	<u>97,225</u>	<u>97,225</u>
Total Fulton State Hospital Bonds					<u>\$ 189,885</u>	<u>\$ 185,360</u>

As of June 30, 2017, the debt service requirements for principal and interest in future years for the Fulton State Hospital Project Bonds (based on the financing agreement between the State and the Board) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2018	\$ 4,850	\$ 7,501	\$ 12,351
2019	5,095	7,252	12,347
2020	5,355	6,991	12,346
2021	5,625	6,717	12,342
2022	5,910	6,428	12,338
2023-2027	33,605	28,021	61,626
2028-2032	40,855	20,664	61,519
2033-2037	49,370	12,098	61,468
2038-2040	34,695	2,155	36,850
Totals	<u>\$ 185,360</u>	<u>\$ 97,827</u>	<u>\$ 283,187</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

The Missouri Development Finance Board (MDFB) issued \$33,800,000 of Series A 2016 Bonds dated March 11, 2016, to fund the State Historical Society project. These bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The MDFB – State Historical Society Project Bonds issued and outstanding as of June 30, 2017, were as follows (In thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
State Historical Society Project Bonds:						
Series A 2016	2.0 - 5.0%	4/1; 10/1	3/16	10/1/35	<u>\$ 33,800</u>	<u>\$ 32,655</u>

As of June 30, 2017, the debt service requirement of the State for principal and interest in future years for the State Historical Society Project were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2018	\$ 1,250	\$ 1,083	\$ 2,333
2019	1,290	1,039	2,329
2020	1,350	973	2,323
2021	1,415	903	2,318
2022	1,480	831	2,311
2023-2027	8,065	3,423	11,488
2028-2032	9,330	2,036	11,366
2033-2036	<u>8,475</u>	<u>526</u>	<u>9,001</u>
Totals	<u>\$ 32,655</u>	<u>\$ 10,814</u>	<u>\$ 43,469</u>

State Road Bonds:

The Missouri Highways and Transportation Commission authorized by Article IV, Section 29-34 of the Missouri Constitution and Section 226.133 of the State Highway Act, issues bonds for highway construction and repairs. Under the Missouri Constitution, the principal and interest of the State Road Bonds are payable solely from the revenues of the Missouri Road Fund. State Road Bonds have the following levels of priority: Senior Bonds, First Lien Bonds, Second Lien Bonds, and Third Lien Bonds. Proceeds from State Road Bonds are used for the purpose of constructing and maintaining the State's highways. As of June 30, 2017, the Missouri Highways and Transportation Commission had issued \$3,812,195,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

To take advantage of lower interest rates, the Missouri Highways and Transportation Commission has issued Bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Commission (in thousands of dollars):

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Series Refunded</u>	<u>Amount Refunded</u>
Senior Lien State Road Bonds:				
Series 2006-Refunding	12/13/06	\$ 394,870	A 2000	\$ 135,980
			A 2001	105,075
			A 2002	109,165
			A 2003	57,390
Series C 2010-Refunding	11/10/10	130,390	A 2001	11,135
			A 2002	18,405
			A 2003	111,760
Series A 2014-Refunding	6/3/14	589,015	A 2006	149,150
			B 2006	503,330
Series B 2014-Refunding	6/3/14	311,975	2007	325,290

The State Road Bonds issued and outstanding as of June 30, 2017, were as follows (in thousands of dollars):

	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Missouri Highways and Transportation Commission:						
State Road Bonds						
Series 2006-Refunding	4.00 - 5.00%	2/1; 8/1	12/06	2/1/22	\$ 394,870	\$ 119,655
Series A 2008-Second Lien	3.00 - 5.00%	5/1; 11/1	12/08	5/1/25	142,735	87,545
Series A 2009	2.00 - 5.00%	5/1; 11/1	9/09	5/1/21	195,625	81,680
Series B 2009	4.802 - 5.252%	5/1; 11/1	9/09	5/1/33	404,375	404,375
Series C 2009-Third Lien	4.313 - 5.213%	5/1; 11/1	11/09	5/1/29	300,000	280,930
Series A 2010	1.50 - 5.00%	5/1; 11/1	3/10	5/1/22	128,865	54,285
Series B 2010	4.72 - 5.02%	5/1; 11/1	3/10	5/1/25	56,135	56,135
Series C 2010-Refunding	3.00 - 5.00%	2/1; 8/1	11/10	2/1/23	130,390	65,770
Series A 2014-Refunding	2.00 - 5.00%	5/1; 11/1	6/14	5/1/26	589,015	570,205
Series B 2014-Refunding	3.00 - 5.00%	5/1; 11/1	6/14	5/1/25	311,975	311,975
Total Missouri Highways and Transportation Commission					<u>\$2,653,985</u>	<u>\$ 2,032,555</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

As of June 30, 2017, debt service requirements for principal and interest in future years for the Missouri Highways and Transportation Commission were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 200,185	\$ 102,050	\$ 302,235
2019	209,355	92,447	301,802
2020	170,340	82,413	252,753
2021	183,515	74,224	257,739
2022	196,330	65,170	261,500
2023-2027	779,565	185,405	964,970
2028-2032	250,015	49,045	299,060
2033	43,250	2,355	45,605
Totals	<u>\$ 2,032,555</u>	<u>\$ 653,109</u>	<u>\$ 2,685,664</u>

Component Units' Long-Term Debt - The following bonds are included in the balance sheet of the college and universities and the non-major component units.

Major

College and Universities:

The college and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 2017, debt service requirements for principal and interest for the college and universities were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 68,825	\$ 92,720	\$ 161,545
2019	65,339	90,146	155,485
2020	172,737	85,390	258,127
2021	62,145	80,691	142,836
2022	62,455	78,329	140,784
2023-2027	375,531	350,242	725,773
2028-2032	342,631	274,858	617,489
2033-2037	268,236	207,174	475,410
2038-2042	372,872	131,092	503,964
2043-2047	155,870	43,126	198,996
2048-2052	—	31,777	31,777
2053-2056	150,000	15,889	165,889
Totals ⁽¹⁾	<u>\$ 2,096,641</u>	<u>\$ 1,481,434</u>	<u>\$ 3,578,075</u>

⁽¹⁾The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

Non-Major

Missouri Development Finance Board:

In December 2000, the Board issued \$6,500,000 in St. Louis Convention Center Hotel Series 2000B, taxable infrastructure facilities revenue bonds and \$14,600,000 in St. Louis Convention Center Hotel Series 2000C, tax-exempt infrastructure facilities revenue bonds, respectively for the purpose of paying the costs of acquiring land and constructing a parking garage. Bonds are payable, both principal and interest, out of revenues derived from the operation of the parking garage.

In April 2010, the Board issued \$9,000,000 in Seventh Street Garage Series 2010A, tax exempt infrastructure facilities revenue bonds.

The Missouri Development Finance Board Revenue Bonds issued and outstanding as of June 30, 2017, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Development Finance Board:						
Revenue Bonds						
Series 2000B	Variable	12/1	12/00	12/1/20	\$ 6,500	\$ 3,910
Series 2000C	Variable	12/1	12/00	12/1/20	14,600	7,740
Series 2010A	Variable	monthly	4/10	5/1/40	9,000	8,046
Total Missouri Development Finance Board Revenue Bonds					<u>\$ 30,100</u>	<u>\$ 19,696</u>

As of June 30, 2017, the debt service requirements for principal and interest in future years for the Missouri Development Finance Board Revenue Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2018	\$ 214	\$ 126	\$ 340
2019	223	123	346
2020	232	120	352
2021	11,892	116	12,008
2022	252	101	353
2023-2027	1,438	448	1,886
2028-2032	1,779	332	2,111
2033-2037	2,197	189	2,386
2038-2040	1,469	32	1,501
Totals ⁽¹⁾	<u>\$ 19,696</u>	<u>\$ 1,587</u>	<u>\$ 21,283</u>

⁽¹⁾The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 12 - Bonds Payable (cont.)

The annual debt service schedule assumes an interest rate of 0.098%, representing the interest rate at June 30, 2017, for the Series 2000B and Series 2000C bonds. The annual debt service also assumes an interest rate of 4.25%, representing the interest rate as of June 30, 2017, for the Seventh Street Garage Series 2010A bonds. As of June 28, 2012 through April 30, 2015, the Board entered into an interest deferral agreement whereby the bond interest rate for the Seventh Street Garage Series 2010A bonds is the lesser of the modified pay rate or 4.25% annually.

Bond Transactions of the State of Missouri - The following schedule is a summary of bond activity for the fiscal year ended June 30, 2017 (in thousands of dollars):

	Governmental Funds		Component Units	
	General Obligation Bonds	Other Bonds	Revenue Bonds	Totals
Bonds Payable at July 1, 2016	\$ 208,880	\$ 3,207,400	\$ —	\$ 3,416,280
Bond Issuance	—	97,225	—	97,225
Bonds Retired	(54,050)	(360,800)	—	(414,850)
Subtotal	154,830	2,943,825	—	3,098,655
College and Universities ⁽¹⁾	—	—	2,096,641	2,096,641
Missouri Development Finance Board	—	—	19,696	19,696
Bonds Payable at June 30, 2017	<u>\$ 154,830</u>	<u>\$ 2,943,825</u>	<u>\$ 2,116,337</u>	<u>\$ 5,214,992</u>

⁽¹⁾ Detailed information for college and universities are not shown.

Note 13 - Defeased Debt

A. Current Year Debt Defeasance

On August 10, 2016, the Southeast Missouri State University issued \$25,025,000 of System Facilities Revenue Bonds, Series 2016C, with interest rate ranging from 2.00% to 3.00%. As a result of the refunding, the University reduced its total debt service payments by \$3,068,337 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$2,723,714.

B. Cumulative Debt Defeasances

Various bond issues have been defeased by the advance refunding of bonds. Irrevocable escrow accounts, containing proceeds of the refunding bond issues in the form of cash and U.S. government securities, are used to pay principal, interest, or redemption prices of the defeased bonds as and when due.

For financial reporting purposes, the following debt has been defeased and therefore removed as a liability from the governmental activities and college and universities Statement of Net Position.

Governmental Activities - As of June 30, 2017, bonds outstanding of \$21,380,000 are defeased.

College and Universities - As of June 30, 2017, bonds outstanding of \$278,765,000 are defeased.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 14 - Payables and Receivables

A summary of accounts payable and accounts receivable at June 30, 2017, is shown below (in thousands of dollars):

	Governmental Activities	Business-Type Activities	Balance June 30, 2017
Accounts Payable:			
Taxpayers	\$ 119,428	\$ 27	\$ 119,455
Other Governments	119,762	4	119,766
Vendors	1,059,897	23,351	1,083,248
Employees	114,835	3,378	118,213
Other	65,717	30	65,747
Total Accounts Payable	<u>\$ 1,479,639</u>	<u>\$ 26,790</u>	<u>\$ 1,506,429</u>
Accounts Receivable with expected date of receipt within one year:			
Taxpayers	\$ 2,071,063	\$ 1,532	\$ 2,072,595
Other Governments	755,536	8,585	764,121
Vendors	116,468	—	116,468
Customers	160,715	179,927	340,642
Other	1,382,415	678	1,383,093
	<u>4,486,197</u>	<u>190,722</u>	<u>4,676,919</u>
Accounts Receivable with expected date of receipt greater than one year:			
Vendors	34,530	—	34,530
Customers	147,527	34	147,561
Other	21,444	—	21,444
	<u>203,501</u>	<u>34</u>	<u>203,535</u>
Accounts Receivable	4,689,698	190,756	4,880,454
Amounts not expected to be collected	<u>(426,561)</u>	<u>—</u>	<u>(426,561)</u>
Accounts Receivable, net	<u>\$ 4,263,137</u>	<u>\$ 190,756</u>	<u>\$ 4,453,893</u>

Note 15 - Deferred Inflows and Outflows

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 15 - Deferred Inflows and Outflows (cont.)

The components of deferred outflows of resources and deferred inflows of resources reported in the government-wide financial statements as of June 30, 2017, are as follows (in thousands):

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Units
Deferred Outflows of Resources				
Pension Differences Between Expected and Actual Experience	\$ 42,597	\$ 1,449	\$ 44,046	\$ 15,169
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	753,053	22,981	776,034	225,566
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	32	—	32	7,496
Pension Changes in Assumptions	422,433	14,645	437,078	84,147
Pension Contributions Subsequent to the Measurement Date	505,085	10,144	515,229	58,181
Deferred for Refunding Bonds	80,675	—	80,675	34,244
Cash Flow Hedge	—	—	—	18,156
Accumulated Decrease in Fair Value of Hedging Derivatives	—	—	—	387
Total Deferred Outflows of Resources	\$ 1,803,875	\$ 49,219	\$ 1,853,094	\$ 443,346
Deferred Inflows of Resources				
Pension Differences Between Expected and Actual Experience	\$ 57,756	\$ 411	\$ 58,167	\$ 47,218
Pension Changes in Assumptions	22,086	845	22,931	4,858
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	76,260	—	76,260	—
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	3,794	143	3,937	3,934
Deferred for Refunding Bonds	1,132	—	1,132	—
Total Deferred Inflows of Resources	\$ 161,028	\$ 1,399	\$ 162,427	\$ 56,010

Deferred inflows of resources on the governmental funds balance sheet as of June 30, 2017 are unavailable revenues. Unavailable revenues are those for which asset recognition criteria has not been met for governmental funds, which uses the modified accrual basis of accounting (in thousands):

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds	Total
Deferred Inflows of Resources						
Unavailable Revenue	\$ 1,005,272	\$ 44,706	\$ 22,606	\$ 23,242	\$ 7,253	\$ 1,103,079

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 15 - Deferred Inflows and Outflows (cont.)

Deferred inflows and outflows of resources balances are as follows (in thousands):

<u>Proprietary</u>	State Lottery	Petroleum Storage Tank Insurance	Non-Major Funds	Total Enterprise Funds	Governmental Activities – Internal Service Funds
Deferred Outflows of Resources					
Pension Differences Between Expected and Actual Experience	\$ 168	\$ 23	\$ 1,258	\$ 1,449	\$ 1,140
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,664	358	19,959	22,981	18,090
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	—	—	—	—	31
Pension Changes in Assumptions	1,697	228	12,720	14,645	11,527
Pension Contributions Subsequent to the Measurement Date	1,138	155	8,851	10,144	8,036
Total Deferred Outflows of Resources	\$ 5,667	\$ 764	\$ 42,788	\$ 49,219	\$ 38,824
Deferred Inflows of Resources					
Pension Differences Between Expected and Actual Experience	\$ 48	\$ 6	\$ 357	\$ 411	\$ 323
Pension Changes in Assumptions	98	13	734	845	666
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	17	2	124	143	180
Total Deferred Inflows of Resources	\$ 163	\$ 21	\$ 1,215	\$ 1,399	\$ 1,169

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 15 - Deferred Inflows and Outflows (cont.)

<u>Fiduciary</u>	<u>Private- Purpose Trust Funds</u>
Deferred Outflows of Resources	
Pension Differences Between Expected and Actual Experience	\$ 13
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	205
Pension Changes in Assumptions	130
Pension Contributions Subsequent to the Measurement Date	96
Total Deferred Outflows of Resources	<u>\$ 444</u>
Deferred Inflows of Resources	
Pension Differences Between Expected and Actual Experience	\$ 3
Pension Changes in Assumptions	8
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	1
Total Deferred Inflows of Resources	<u>\$ 12</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 15 - Deferred Inflows and Outflows (cont.)

<u>Component Units</u>	<u>College and Universities</u>	<u>Non-Major</u>
Deferred Outflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ 15,145	\$ 24
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	225,190	376
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	7,351	145
Pension Changes in Assumptions	83,908	239
Pension Contributions Subsequent to the Measurement Date	58,022	159
Deferred for Refunding Bonds	34,244	—
Cash Flow Hedge	18,156	—
Accumulated Decrease in Fair Value of Hedging Derivatives	—	387
Total Deferred Outflows of Resources	<u>\$ 442,016</u>	<u>\$ 1,330</u>
Deferred Inflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ 47,211	\$ 7
Pension Changes in Assumptions	4,844	14
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	3,895	39
Total Deferred Inflows of Resources	<u>\$ 55,950</u>	<u>\$ 60</u>

Note 16 - Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2017, is shown below (in thousands of dollars):

	Due From Other Funds, Component Units, and Primary Government						
	Public Education	Conservation and Environmental Protection	Non-Major Governmental Funds	Non-Major Enterprise Funds	Internal Service Funds	Totals	
Due to Other Funds, Component Units, and Primary Government							
General Fund	\$ —	\$ —	\$ —	\$ 6	\$ 5,414	\$	5,420
Public Education	—	—	—	—	66		66
Conservation and Environmental Protection	—	—	—	9	134		143
Missouri Road Fund	—	—	—	1	240		241
Non-Major Governmental Funds	—	—	—	1	993		994
State Lottery	1,569	—	—	—	16		1,585
Unemployment Compensation	—	—	3,377	—	—		3,377
Petroleum Storage Tank Insurance	—	—	—	—	4		4
Non-Major Enterprise Funds	—	—	—	—	59		59
Internal Service Funds	—	—	—	—	148		148
Non-Major Component Units	—	561	—	—	2		563
Totals	\$ 1,569	\$ 561	\$ 3,377	\$ 17	\$ 7,076	\$	12,600

	<div> <div>Advance From Component Units</div> <hr/> <div>Non-Major Component Units</div> <hr/> </div>
<div> <div>Advance To Component Units</div> <hr/> <div>Conservation and Environmental Protection</div> </div>	<div> <div>\$</div> <div>517</div> </div>

The loans from the component units were for animal waste treatment systems.

During the consolidation process for the Government-Wide Statement of Net Position, interfund payables and receivables were eliminated as follows: governmental activities in the amount of \$6,995,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 17 - Interfund Transfers

All transfers must be legally authorized by the legislature through transfer appropriations. Interfund transfers for the fiscal year ended June 30, 2017, were as follows (in thousands of dollars):

Transfers In:					
	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds
Transfers Out:					
General Fund	\$ —	\$ 1,014,739	\$ 965	—	\$ 309,767
Public Education	23,510	—	—	—	—
Conservation and Environmental Protection	704	—	—	—	2,539
Non-Major Governmental Funds	18,006	5,050	—	459,141	5,600
State Lottery	—	291,686	—	—	—
Unemployment Compensation	376	—	—	—	2,078
Non-Major Enterprise Funds	30	—	—	—	1,022
Internal Service Funds	1,924	—	10	—	103
Totals	<u>\$ 44,550</u>	<u>\$ 1,311,475</u>	<u>\$ 975</u>	<u>\$ 459,141</u>	<u>\$ 321,109</u>

Continues Below

	State Lottery	Non-Major Enterprise Funds	Internal Service Funds	Totals
Transfers Out:				
General Fund	\$ —	\$ 695	\$ 153	\$ 1,326,319
Public Education	—	—	—	23,510
Conservation and Environmental Protection	—	—	—	3,243
Non-Major Governmental Funds	—	4,750	—	492,547
State Lottery	—	—	—	291,686
Unemployment Compensation	—	—	—	2,454
Non-Major Enterprise Funds	—	—	—	1,052
Internal Service Funds	27	37	26	2,127
Totals	<u>\$ 27</u>	<u>\$ 5,482</u>	<u>\$ 179</u>	<u>\$ 2,142,938</u>

Principal reasons for interfund transfers include:

- moving general revenue funds to support elementary and secondary education
- moving state lottery funds to support elementary and secondary education
- moving general revenue funds to support social assistance programs reported in non-major governmental funds
- moving funds related to the construction of capital assets

There were transfers of capital assets for \$920,000 from a non-major special revenue funds to the enterprise funds. These are reported as capital contributions in the enterprise funds and excluded from the non-major special revenue funds; therefore these transfers are also not included in the reconciliation.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 18 - Restatements

During fiscal year 2017, additional information became available which required fund equity amounts. The following table presents a summary of these restatements by fund (in thousands of dollars):

	June 30, 2016 Fund Balance/ Net Position Previously Reported	Prior Period Adjustments	June 30, 2016 Fund Balance/ Net Position Restated
GOVERNMENTAL FUNDS			
Major Governmental Funds			
General Fund	\$ 1,453,742	\$ (63)	\$ 1,453,679
Conservation and Environmental Protection	1,768,980	(32)	1,768,948
Non-Major Governmental Funds			
Special Revenue	433,774	(196)	433,578
Total Governmental Funds	<u>\$ 3,656,496</u>	<u>\$ (291)</u>	<u>\$ 3,656,205</u>
PROPRIETARY FUNDS			
Non-Major Proprietary Funds			
Enterprise	\$ 74,552	\$ (684)	\$ 73,868
Internal Service	468,849	162	469,011
Total Proprietary Funds	<u>\$ 543,401</u>	<u>\$ (522)</u>	<u>\$ 542,879</u>
FIDUCIARY FUNDS			
Pension (And Other Employee Benefit)			
Trust Funds	\$ 12,222,614	\$ 295	\$ 12,222,909
Total Fiduciary Funds	<u>\$ 12,222,614</u>	<u>\$ 295</u>	<u>\$ 12,222,909</u>
DISCRETELY PRESENTED COMPONENT UNITS			
College and Universities	\$ 5,681,853	\$ 132,284	\$ 5,814,137
Total Component Units	<u>\$ 5,681,853</u>	<u>\$ 132,284</u>	<u>\$ 5,814,137</u>

Breakdown of restatements by type:

- General Fund, the restatement was due to a decrease in accounts receivable of \$1,605,000 and an increase in loans receivable of \$1,542,000.
- Conservation and Environmental Protection, the restatement was due to a decrease in accounts receivable of \$32,000.
- Non-major special revenue funds, the restatement was due to a decrease in investments of \$196,000.
- Non-major enterprise funds, the restatement was due to a decrease in capital assets (net of accumulated depreciation/amortization) of \$33,000 and an increase in unearned revenue of \$651,000.
- Non-major internal service funds, the restatement was due to a decrease in investments of \$296,000, a decrease in accounts receivable of \$84,000, an increase of capital assets (net of accumulated depreciation/amortization) of \$1,833,000, a decrease of accounts payable of \$7,000, and an increase of obligations under lease purchase of \$1,298,000.
- Discretely presented component units - colleges and universities, the restatement was due to a decrease in prepaid expenses and other current assets of \$152,000. For the University of Missouri, financial statements were restated to reflect the adoption of GASB Statement No. 80, *Blending Requirements for Certain Component Units*. (See Note 2). The cumulative effect of the change in accounting principle resulted in a increase in beginning net position of \$132,436,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 18 - Restatements (cont.)

- Pension (and other employee benefit) trust funds, the restatement was due to an increase of investments at fair value of \$296,000, an increase of capital assets (net of accumulated depreciation/amortization) of \$6,000, and an increase of accounts payable of \$7,000.

Purpose for restatements:

The items on the schedule were restated as a result of additional information received this year related to prior year corrections.

On the Government-Wide Statement of Activities, net position for the governmental activities were restated by the amounts shown on the restatement schedule for governmental funds and internal service funds. In addition, other assets decreased by \$2,336,000, capital assets (net of accumulated depreciation/amortization) increased by \$14,446,000, obligations under lease purchase decreased by \$1,298,000, and deferred outflows of resources for refunding bonds increased by \$1,594,000.

On the Government-Wide Statement of Activities, net position for the business-type activities were restated by the amounts shown on the restatement schedule for enterprise funds.

Note 19 - Fund Deficit

The following funds had a deficit balance:

Enterprise Fund – Petroleum Storage Tank Insurance – At June 30, 2017, this fund had a net position deficit of \$32,306,000. The deficit at June 30, 2016 was \$26,061,000. The deficit occurred when transport load fees collected were not sufficient to cover the estimated claims liability for clean up of petroleum storage tank leaks. This liability amount is the cumulative result of numerous years of petroleum storage tank leaks. Per Section 319.129, RSMo, this fund will not accept new claim liabilities after December 31, 2020, or upon revocation of federal regulation 40 CFR, whichever occurs first, unless extended by action of the General Assembly. Under Section 319.132, RSMo, the Board of Trustees has authority to increase the transport load fee to a maximum of \$60 per 8,000 gallons. In addition, under Section 319.133, RSMo, the Board can increase annual participation fees to a maximum of \$500 per tank per year. These facts, along with the knowledge that PSTIF's claim reserves are set using very conservative assumptions, assure that adequate revenues will be available to meet its liabilities. Per Section 319.131, RSMo, the liability of the Petroleum Storage Tank Insurance Fund is not the liability of the State. Upon dissolution of this fund, the liability would be liquidated.

Enterprise Funds – State Lottery and Missouri Veterans' Homes, and Internal Service Funds – Natural Resources Cost Allocation, Economic Development Administrative, Professional Registration Fees, and Missouri State Employees Insurance Plan – At June 30, 2017, these funds had a net position deficit of \$3,178,000, \$46,706,000, \$6,338,000, \$1,467,000, \$3,075,000, and \$84,000 respectively. These funds, except for the Missouri State Employees Insurance Plan, started to have deficit balances in fiscal year 2015 due to the implementation of GASB 68 and the reporting of net pension liabilities. It is expected that these liabilities will be funded over time. The Missouri State Employees Insurance Plan has a deficit due to administrative costs allocated exceeded reimbursement received.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 20 - Tax Abatements

The State has entered into various agreements to provide tax abatements through certain programs that provide economic benefit to the State.

Tax Abatement Program	Amount of Taxes Abated during Fiscal Year 2017 (in thousands)
Housing	
Missouri Low Income Housing Tax Credit	\$ 165,662
Neighborhood Preservation Tax Credit	3,147
Business Recruitment	
Missouri Quality Jobs	62,528
Missouri Works - Business Incentives	35,066
Missouri Works New Jobs Training	4,380
Missouri Works Job Retention Training	6,029
Missouri Manufacturing Jobs Act	15,351
Business Use Incentives for Large-Scale Development	10,433
Enhanced Enterprise Zone	6,254
Business Facility Tax Credit	4,047
Film Production Tax Credit	2,376
Amateur Sports Ticket Sales Tax Credit	1,317
Rebuilding Communities Tax Credit	476
Development Tax Credit	346
Data Center Sales Tax Exemption	— *
Redevelopment	
Historic Preservation Tax Credit	49,743
Brownfield Remediation	2,385
Distressed Areas Land Assemblage	397
TOTAL	\$ 369,937
Chapter 100 Personal Property Tax Exemption - maximum amount exemption certificates issued	\$ 1,819

*Amount unknown

Housing

The Missouri Low Income Housing Tax Credit (MOLIHTC) is authorized by Sections 135.350-135.363, RSMo, and provides a tax credit to qualified owners of affordable rental housing. To qualify upon application, a development must 1) rent at least 20% of its units to families earning 50% of the area median family income or 2) rent at least 40% of its units to families earning 60% of the area median family income, each adjusted for family size. The MOLIHTC generates equity investments that are purchased by the private sector for the development of new or rehabilitated rental housing which enables owners to lower rents to affordable levels for low-income families. The investor of the MOLIHTC can redeem the credit by applying it dollar for dollar to the following types of tax liabilities: income tax, corporate franchise tax, insurance premium tax, other financial institutions tax, or express company tax. MOLIHTC properties must comply with tenant eligibility, property maintenance, and fair housing law throughout a 15-year period. The Missouri Housing Development Commission monitors the properties for compliance and reports non-compliance to the Internal Revenue Service and Missouri Department of Revenue. Property owners found to be out of compliance are subject to recapture through the provisions of Section 135.355, RSMo and IRS §42. The MOLIHTC reduced State taxes by \$165,662,000 during fiscal year 2017.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
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Note 20 - Tax Abatements (cont.)

The Neighborhood Preservation Tax Credit is authorized by Sections 135.475-135.487, RSMo, and provides incentives for homeowners in lower income areas who rehabilitate or construct owner-occupied homes in qualifying or eligible areas of the State. Upon application, the eligible property must be in a qualifying area with a median household income of less than 70% of the median household income for the metropolitan statistical area (MSA) or non-MSA; or be located in an eligible area with a median household income of 70-89% of the median household income for the applicable MSA or non-MSA. Recipients are eligible to receive a credit for 15% of eligible costs up to \$25,000 per residence for new residences in eligible areas; 15% of eligible costs up to \$40,000 per residence for new residences in qualifying areas; 25% of eligible costs with a minimum of \$10,000 and not to exceed \$25,000 per residence for substantial rehabilitation in eligible areas; 35% of eligible costs with a minimum of \$5,000 or 50% of purchase price and not to exceed \$70,000 per residence for substantial rehabilitation in qualifying areas; and 25% of eligible costs with a minimum of \$5,000 and not to exceed \$25,000 per residence for non-substantial rehabilitation in qualifying areas. The abatements can be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. A taxpayer, other than the owner-occupant who receives a certificate of tax credit, shall have 30 days within the date of the sale to furnish satisfactory proof that the residence was sold at market to the Director of the Department of Economic Development (DED). If the Director determines that the residence was not in good faith intended for long-term owner occupancy, then the Director may revoke any tax credits issued and seek recovery of those credits pursuant to Section 620.017, RSMo. There are no other commitments made as part of the agreement. The Neighborhood Preservation Tax Credit reduced State taxes by \$3,147,000 during fiscal year 2017.

Business Recruitment

Missouri Quality Jobs is authorized by Sections 620.1875-620.1890, RSMo and provides tax incentives to qualified companies for facilitating the creation of new jobs or the retention of existing jobs in the State. This program has been replaced by Missouri Works, except for current projects. To qualify, the company must create a minimum number of jobs within the project facility within 2 to 3 years after the approval of the Notice of Intent and must maintain those jobs for the duration of the benefit. The average wage of the new jobs must equal or exceed the average county wage and the company must offer health insurance and pay at least 50% of the premium. The company must also submit an annual report. Companies may retain 100% of withholding tax that would otherwise be paid into the State or receive tax credits based on the percentage of new payroll or a combination of both for the new or retained jobs approved. The credits can be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. Missouri Quality Jobs reduced State taxes by \$62,528,000 during fiscal year 2017.

The Missouri Works - Business Incentives is authorized by Sections 620.2000-620.2020, RSMo and provides tax incentives for qualified companies to create or retain jobs in the State. To qualify for the credit, a company must create or retain a minimum number of new jobs at the project facility with average wages of 80%, 90%, 120%, or 140% of the county average wage, must offer health insurance and pay at least 50% of the premium, must meet the required number of jobs within 2 years of the Approval of the Notice of Intent, must maintain those minimums for the duration of the benefit, and must submit an annual report. Companies may retain 100% of withholding tax that would otherwise be paid into the State or receive tax credits based on the percentage of new payroll or a combination of both for the new or retained jobs approved. The credits can be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. Taxes may be recaptured due to misrepresentation, out-of-state relocation, or failure to file an annual report. The agreement requires 100% of the benefits received to be repaid within 60 days for misrepresentation or out-of state location or one year for failure to file an annual report. There are no other commitments are made as part of the agreement. Missouri Works - Business Incentives reduced State taxes by \$35,066,000 during fiscal year 2017.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
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Note 20 - Tax Abatements (cont.)

Missouri Works New Jobs Training and Job Retention Training are authorized by Sections 620.800-620.809, RSMo. New Jobs Training provides assistance to eligible companies to train workers in newly created jobs. To qualify, the company must create new jobs in the State; the project must include eligible training costs, as well as other eligibility criteria such as types of occupations, wage rates, and turnover rates. Job Retention Training provides training assistance to eligible companies for job retention efforts. To qualify, a project must be for an existing Missouri company making a capital investment of at least 5 times the total project costs, retaining at least 100 eligible jobs at the facility for at least one year, located in a border community, or be determined to represent substantial risk of relocation. Eligible companies for both programs include manufacturing, research and development, or those engaged in interstate commerce. The company must retain the eligible jobs in the project for at least 5 years and use the funding only toward eligible project costs. These programs are administered locally through community colleges. While the recipient's taxes are not actually reduced, a portion of normal withholding payments (paid to the Department of Revenue) are deferred to pay for eligible project costs. The amount that can be deferred is 2.5% of the payroll for the first 100 jobs in the project and 1.5% of the payroll for the remaining jobs in the project. The company may file withholding claims for the project until the budgeted project funds are disbursed; typically for a period of 3-5 years, with maximum limit of 8 years. There are no other commitments under these programs. Recapture provisions apply in accordance with Section 620.017, RSMo in which the recipient shall repay training funds under these programs if the jobs included in the project are moved out of Missouri or are eliminated within five years of the date the project is approved by DED. The Director of the Division of Workforce Development within DED shall have the authority and discretion to exempt the recipient in whole or in part of such repayment. Missouri Works New Jobs Training and Job Retention Training reduced state taxes by \$4,380,000 and \$6,029,000, respectively, during fiscal year 2017.

The Missouri Manufacturing Jobs Act is authorized by Section 620.1910, RSMo and provides incentives in the form of retaining withholding taxes to expand manufacturing facilities for an existing product or the creation of a new product. This program sunset in 2016 and no new applications are being accepted. To qualify, manufacturing companies must have a North American Industry Classification System (NAICS) of 33611, which is an establishments primarily engaged in (1) manufacturing complete automobile and light duty motor vehicles or (2) manufacturing automobile and light duty motor vehicle chassis. The company must manufacture goods at a facility in the State throughout the period benefits are received, and make a capital investment at a facility of at least \$75,000 per retained job for the manufacture of a new product within 2 years of beginning to retain withholding taxes or commit to make a capital investment of at least \$50,000 per retained job at the facility for the modification or expansion of the manufacture of an existing product within 2 years of beginning to retain withholding taxes. Qualified suppliers of an eligible manufacturer must attest to DED that they derive more than 10% of its total annual sales revenue from sales to a qualified manufacturing company, add 5 or more new jobs for a period of 3 years, pay wages for the new jobs equal to or exceeding the county average wage using the NAICS industry classification, but are not less than 60% of the statewide average wage, and the company must offer health insurance and pay at least 50% of the premium. If qualified, the company is allowed to retain 100% of the withholding tax that would otherwise have been paid in to the State for those jobs for 10 years for qualified manufacturers or 3 to 5 years for qualified suppliers. There are no provisions for recapture and no other commitments are made as part of the agreement. The Missouri Manufacturing Jobs Act reduced State taxes by \$15,351,000 during fiscal year 2017.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
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Note 20 - Tax Abatements (cont.)

Business Use Incentives for Large-Scale Development (BUILD) is authorized by Sections 100.700-100.850, RSMo. The incentives offered by the BUILD Missouri Program are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive. The costs are financed through the issuance of Board of Certificates (bonds or notes), where the principal and interest will be repaid by the business. Businesses are then reimbursed for these repayments through the issuance by the Board of Missouri State income tax credits. The businesses may use these credits against taxes, which would otherwise be due, or to obtain a refund if the business has insufficient Missouri income tax liability to offset the credit. A business can apply these credits against income tax, bank tax, insurance premium tax, or other financial institutions tax. To qualify, an eligible industry in manufacturing, processing, assembly, research and development, agricultural processing or services in interstate commerce must invest a minimum of \$15 million; or \$10 million for an office industry in an economic development project; and create a minimum of 100 new jobs at the project facility within 3 years, or a minimum of 500 jobs if the project is an office industry, or a minimum of 200 new jobs if the project is an office industry located within a distressed community as defined in Section 135.530, RSMo. The tax credits become subject to recapture if the company does not expend the minimum investment on or before the first test date established in the program agreement, or create and maintain the minimum number of new jobs on or before the first test date. The first test date is the last day of the closest calendar quarter ending 3 years following bond closing. The tax credits are also subject to recapture if the company eliminates or announces its intention to eliminate all the new jobs at the project within 2 years of the first test date. If subject to recapture, the company shall, within 30 days following written demand from the Board, reimburse the Board in full for the face amount of the tax credits received from the date of execution of the program agreement to the date of such demand. There are no other commitments made as part of the agreement. The BUILD program reduced State taxes by \$10,433,000 during fiscal year 2017.

The Enhanced Enterprise Zone is authorized by Sections 135.950-135.973, RSMo and provides tax credits to new or expanding businesses in enhanced enterprise zones. To qualify, a company must create or maintain at least 2 new jobs and make at least \$100,000 in eligible investments. In addition, a Notice of Intent must be approved by DED, and the business must submit an annual report. Eligibility for the credit is determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Taxes are reduced by claiming a tax credit against the Missouri income tax liability owed to the State. The tax credits are calculated at 2% of new payroll and .5% of new investment. There are no provisions for recapture and no other commitments are made as part of the agreement. The Enhanced Enterprise Zone reduced State taxes by \$6,254,000 during fiscal year 2017.

The Business Facility Tax Credit is authorized by Sections 135.100-135.150 and Section 135.258, RSMo and provides to facilitate the expansion of new or existing facilities in Missouri. To qualify, a Notice of Intent must be approved by DED; the facility must create at least 2 new jobs and make \$100,000 in eligible investments or pursuant to HB 191 (2009), for “headquarters” that commence operations and “headquarters” of certain “employee-owned” businesses that commence or expand operations must create 25 new jobs and make \$1,000,000 in new investment. The company must submit an annual report to DED. Taxes are reduced by claiming a tax credit against the Missouri tax liability owed to the State. The tax credits are calculated as \$75 to \$150 per new job and \$75-\$150 for each \$100,000 in new investment for up to 10 years. The tax credits for headquarters are calculated as the greater of \$400/new job + 4% of new investment or \$500 per new job + \$500 per each \$100,000 in new investment for up to 10 years. The credit may be applied against income tax, insurance premium tax, or insurance company retaliatory tax. This Program has sunset as of January 1, 2005 except that headquarters that commence or expand operations on or before December 31, 2019 may be eligible for the program. There are no provisions for recapture and no other commitments are made as part of the agreement. The Business Facility Tax Credit reduced State taxes by \$4,047,000 during fiscal year 2017.

STATE OF MISSOURI
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Note 20 - Tax Abatements (cont.)

The Film Production Tax Credit is authorized by Section 135.750, RSMo and provides a tax credit for in-state expenditures on film production projects. This program has sunset and no new applications are being accepted. Upon application, tax credits are reserved so long as the film is under 30 minutes in length, has an in-state budget in excess of \$50,000, or is over 30 minutes in length and has an in-state budget in excess of \$100,000 and has been approved by DED and the Missouri Film Office. The tax credit is issued for qualifying expenditures on the project which must be submitted to DED. Taxes are reduced by claiming a tax credit against tax liability owed to the State. The tax credit is calculated at 35% of the qualifying expenditures and may be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Film Production Tax Credit reduced State taxes by \$2,376,000 during fiscal year 2017.

The Amateur Sports Ticket Sales Tax Credit is authorized by Section 67.3000, RSMo and provides an incentive to encourage the location of competitively bid amateur sporting events in Missouri. Upon application, applicants must submit predictions on the anticipated economic benefit to the State. Applicants will be evaluated based upon anticipated and verified economic performance. The program is available to one or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively. The program provides tax credits equal to the lesser of: \$5 per admission ticket sold to the event; or 100% of eligible costs incurred by the applicant. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit and may be taken against income tax, bank tax, insurance premium tax, and other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Amateur Sports Ticket Sales Tax Credit reduced state taxes by \$1,317,000 during fiscal year 2017.

The Rebuilding Communities Tax Credit is authorized by Section 135.535, RSMo and provides a tax credit for eligible businesses locating, relocating, or expanding within a distressed community. This program has been replaced by Missouri Works, except for current projects. To qualify, a business must have fewer than 100 full-time employees, 75% of which must be located in the distressed community; be primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design, computer software development or computer programming, which includes Internet, web hosting, and other information technology, wireless, wired or other telecommunications, or a professional firm. The business must submit an annual tax credit application documenting eligible expenditures on the project to DED. Once approved, the tax credit is calculated at 40% or 25% of the qualifying expenditures and may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Rebuilding Communities Tax Credit reduced State taxes by \$476,000 during FY17.

STATE OF MISSOURI
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Note 20 - Tax Abatements (cont.)

The Development Tax Credit is authorized by Sections 32.100-32.125, RSMo and provides incentives to facilitate a business project in order to create new jobs. This program has been replaced by Missouri Works, except for current projects. Tax credits are issued to approved taxpayers that make an eligible donation to a non-profit corporation. The non-profit leases assets to an approved company. The company must create a specified number of jobs within 2 years and be in a distressed or blighted area. In many instances, the taxpayer that makes the donation is also the company that is creating the economic impact. The donor that makes the contribution must submit a tax credit application to DED. Once approved, taxes are reduced by claiming a tax credit against Missouri tax liability owed to the State. The tax credit is calculated at 50% of the eligible donation and may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, other financial institutions tax, or express company tax. No other commitments are made as part of the agreement. DED may recapture tax credits up to the amount issued if the non-profit fails to complete the project or comply with the agreement. The non-profits only and not the donors are subject to the recapture. The Development Tax Credit reduced State taxes by \$346,000 during fiscal year 2017.

Chapter 100 Personal Property Tax Exemption is authorized by Section 144.054 (2), RSMo and provides a state and local sales tax exemption on tangible personal property leased by a company from the City or County. To qualify, cities and counties may apply to DED on behalf of eligible companies for which Chapter 100 bond proceeds are used to purchase tangible personal property which is leased back to the company. DED may apply discretionary benefit exemption if the benefit contained in a formal DED proposal is accepted by the company. Since DED cannot enact the sales tax exemption on the lease without the underlying Municipality Chapter 100 in place, any inclusion in a formal DED proposal will be coordinated with the Municipality and their economic developer. The proposal must have been accepted by the company prior to any project announcements, no approval or issuance of the bonds may have taken place, and the tangible personal property may not have been purchased prior to the acceptance of the proposal. The project must also be competitive, have comprehensive local incentive participation, have above average wages with benefits, be located in an economically distressed or blighted area, have a positive state fiscal impact, and have an indication that the municipality has offered the local Chapter 100 exemptions. The company receives the exemption on sales tax as the facility, construction materials, and certain tangible personal property may be purchased as exempt by the City or County and then leased back to the company. The company will be responsible for the payment of sales tax on purchases exceeding the maximum accepted in the proposal, ineligible purchases, or the revenue stream generated by lease of ineligible personal property. There are no provisions for recapture and no other commitments are made as part of the agreement. For fiscal year 2017, DED has provided certificates for the exemption of state sales tax related to lease payments of tangible personal property under a Chapter 100 structure for 8 separate projects. The sales tax is applicable to the lease payments made over a period not to exceed 20 years by statute and restricted further by local ordinance. The sales tax exemptions are only applicable if tangible personal property purchases are made within established project time periods, as listed on the certificate. The fiscal year 2017 project certificates total a cumulative amount of State sales tax not to exceed \$1,819,000 over the terms of the respective leases.

STATE OF MISSOURI
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Note 20 - Tax Abatements (cont.)

Data Center Sales Tax exemption is authorized by Section 144.810, RSMo and incentivizes the location and expansion of data centers in the State by providing an exemption of the sales and use taxes associated with a variety of activities necessary to build a new facility or expand an existing facility. To qualify, companies must create 5 new jobs and \$5 million in investment for expanding facilities or create 10 new jobs and \$25 million in investment for new facilities within certain time frames. A company is refunded their sales and use taxes for new purchases related to the data center project for the period prior to meeting the threshold for participation and then be exempt for a period of no more than 10 years for expanding facilities or 15 years for a new facility. Taxes may be subject to recapture if the full investment projected is not met or if the jobs created are not maintained, causing the cost/benefit to the State to be negative, or if the company does not meet the minimum thresholds. Taxes will be recaptured up to the amount that creates a positive cost/benefit to the State, or if the company does not meet the minimum thresholds, the full exemptions to date must be repaid. No other commitments are made as part of the agreement. Data Center Sales Tax Exemption amounts are not tracked.

Redevelopment

The Historic Preservation Tax Credit is authorized by Sections 253.545-253.561, RSMo and provides an incentive for the redevelopment of commercial and residential historic structures in the State. Upon application, the eligible property must be listed on the National Register of Historic Places, be certified by the Missouri Department of Natural Resources as contributing to the historical significance of a certified historic district listed on the National Register, or located within a local historic district that has been certified by the U.S. Department of Interior. The costs and expenses associated with the rehabilitation must exceed 50% of the total basis of the property. All approved applicants must commence rehabilitation within 2 years of the date of issuance of the letter of approval from DED. The program provides state tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures, which the recipient is able to use to reduce their outstanding tax liability in an amount equal to the value of their tax credit. The credit may be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Historic Preservation Tax Credit reduced State taxes by \$49,743,000 during fiscal year 2017.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
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Note 20 - Tax Abatements (cont.)

Brownfield Remediation is authorized by Sections 447.700-447.718, RSMo and provides incentives to business or developers to redevelop property contaminated with hazardous waste. To qualify, the property must be abandoned or underutilized for at least 3 years, and contaminated with hazardous substance, the applicant cannot be a responsible party, the project must be accepted into Department of Natural Resource's Voluntary Cleanup Program, the project must be endorsed by city or county government, must create at least 10 new jobs or retain 25 jobs, the project must create a positive net state economic benefit, and must demonstrate need for the credits. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit. The tax credits may be issued for up to 100% of eligible costs and expenses for remediating the project property. The tax credit may also include up to 100% of the costs of demolition that are not directly part of the remediation activities. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation. DED will issue 75% of the credits upon adequate proof of payment of the costs; the remaining 25% will not be issued until a clean letter has been issued by Department of Natural Resources (DNR). The tax credits may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. The tax credits may be subject to recapture in the event the owner sells the abandoned or underutilized property within a 5 year period after the receipt of remediation tax credits, grants, loans or loan guarantee. Subject to Sections 447.700-447.718 RSMo, the owner shall repay a portion of the tax credits and grant funds provided based on the percentage of the owner's investment for the project to DED's total financial assistance, upon achieving an annual internal rate of return of 25%. The internal rate of return calculation shall be documented by the owner's capital gains tax calculation. Owner investment is equity and debt for the eligible project. At the end of the project, a purchaser who has performed voluntary remediation action certifies to DNR that the goals of the purchaser's voluntary remediation plan have been attained. DNR verifies the remediation plan goals are achieved and issues a certificate that states that the site has been cleaned up to DNR standards pertaining to the property itself and therefore protects both current and future owners of the property. Brownfield Remediation reduced State taxes by \$2,385,000 during fiscal year 2017.

Distressed Areas Land Assemblage is authorized by Section 99.1205, RSMo and provides incentives to redevelop blighted areas. This program has sunset and no new applications are being accepted. To qualify, the area must be at least 75 acres; at least 80% of the area must be within a Distressed Area or a federal Qualified Census Tract; the redeveloper must acquire at least 50 acres of the area; the average parcels per acre must be 4 or more; and less than 5% of the acreage for acquisition by the redeveloper under the redevelopment plan shall consist of owner-occupied residences. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit. The tax credits are provided to the redeveloper based on 50% of the acquisition costs, including maintenance costs, and 100% of the interest costs incurred for a period of 5 years after the acquisition of an eligible parcel. The credits may be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. Any funds generated through the use or sale of the tax credits issued shall be used to redevelop the eligible project area. There are no provisions for recapture and no other commitments are made as part of the agreement. Distressed Areas Land Assemblage reduced State taxes by \$397,000 during fiscal year 2017.

STATE OF MISSOURI
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Note 21 - Commitments

Contracts

The Department of Conservation had contracts outstanding of \$1,416,000 for construction and \$435,000 for land acquisition contracts at June 30, 2017. These contracts are funded through the special revenue funds from specific sales tax, fees, and permits.

The Department of Natural Resources had construction contracts outstanding at June 30, 2017 of \$33,000. This project is funded through a capital projects fund.

The Department of Transportation had long-term contracts of \$643,138,000 outstanding at June 30, 2017. These contracts are paid from capital projects funds with approximately 84% federal reimbursement expected.

The Office of Administration, Division of Facilities Management, Design and Construction, had construction contracts outstanding at June 30, 2017 of \$145,191,000. Approximately 10.9% will be paid from the General Fund, 4.0% from special revenue funds, 84.3% from the capital projects funds, 0.7% from enterprise funds, and 0.10% will be paid from internal service funds.

On March 10, 1988, the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to \$10.8 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provided a ten year interest free period running from 1984 to 1994. In fiscal year 1995, the State began making interest payments. The interest payment amount for fiscal year 2017 was \$364,000. Payment of principal and interest must be completed by March 2038.

As of June 30, 2017, the University of Missouri had outstanding commitments for the usage and ongoing support of the University Health System's information technology environment totaling \$194,434,000. The payments are as follows:

2018	\$	21,564,000
2019		22,296,000
2020		23,052,000
2021		23,834,000
2022		24,642,000
2023-2025		79,046,000

Truman State University had approximately \$4,213,000 in outstanding commitments for various construction contracts at June 30, 2017.

Southeast Missouri State University had outstanding commitments of approximately \$28,950,000 related to construction contracts at June 30, 2017.

Missouri State University had approximately \$41,737,000 in outstanding commitments for various construction contracts at June 30, 2017.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
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Note 21 - Commitments (cont.)

University of Central Missouri had approximately \$4,217,000 in outstanding commitments related to construction contracts at June 30, 2017.

Northwest Missouri State University had approximately \$15,885,000 in outstanding commitments related to various construction contracts at June 30, 2017.

Note 22 - Risk Management and Insurance

The State is exposed to various risks of loss related to tort, general, motor vehicle, and contractor liability and injuries to employees. The State assumes its own liability for risks except for the purchase of surety bond, aircraft, and boiler coverage. The State's Office of Administration (OA), Risk Management Unit, self-insures its workers' compensation program for all state employees, with the exception of the Missouri Department of Transportation (MoDOT) and the State Highway Patrol. Liability insurance is also provided by OA-Risk Management, pursuant to State statute, through the State's Legal Expense Fund, which is a component of the General Fund in this report. This insurance covers all state employees.

The Workers' Compensation and Legal Expense Fund claims liability is based upon actual claims that have been submitted to OA-Risk Management. Incurred but not reported (IBNR) liability is not included since workers' compensation and liability insurance claims are reported timely, and therefore any potential IBNR liability amount would be considered immaterial. The State has not had any insurance settlements exceed the coverage. OA-Risk Management also procures property insurance for approximately 3% of all State buildings, with the remainder uninsured. The buildings are insured through purchased property insurance and through the Property Preservation Fund. Buildings insured through the Property Preservation Fund are backed with bonded debt through the Board of Public Buildings.

The Transportation Self-Insurance Plan covers workers' compensation for employees of MoDOT and the State Highway Patrol, and covers vehicle liability and general liability insurance for the employees of MoDOT. The Transportation Self-Insurance Plan is presented as an internal service fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims from data provided by an actuary. Liabilities are reported at their discounted value, assuming an investment yield of 2%.

The Missouri Consolidated Health Care Plan (MCHCP) provides health care insurance to all state employees, except for MoDOT, the State Highway Patrol, and the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known medical claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The MoDOT and MSHP Medical and Life Insurance Plan (MHPML) accounts for the medical coverage provided on a self-insured basis and life insurance benefits, underwritten by a commercial insurance company, for employees of MoDOT and the State Highway Patrol. The Plan is presented as an internal service fund. Estimated claims payable is based on known insurance claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The Conservation Employees' Insurance Plan (CEIP) provides health care and life insurance to employees of the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
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Note 22 - Risk Management and Insurance (cont.)

The Petroleum Storage Tank Insurance Fund (PSTIF) has claims liability for the cost of contamination cleanup for policyholders and other eligible site owners who have submitted notice of a contamination. The PSTIF is presented as a major enterprise fund.

The University of Missouri System provides workers' compensation, liability, and medical insurance for its employees. The University funds this through a combination of self-insurance and commercially purchased insurance. The amount of coverage is based upon analysis of historical information and actuarial estimates. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The claims liability is the present value of the claims, using discounted rates ranging between 0.5% and 3.0% based on future investment yields. The University of Missouri System is included with college and universities as a major component unit of the State.

Missouri State University is exposed to various risks of loss. These include loss related to torts; business interruption; employee injuries and illnesses; employee health, dental and accidental benefits; natural disasters; damage to and destruction of assets; and errors and omissions. Commercial insurance coverage is purchased for claims arising from such matters other than those related to natural disasters and employee health benefits, general liability, and workers' compensation. Settled claims have not exceeded the commercial coverage in any of the three preceding years. Additional coverage is provided through the State Self-Insurance Program, through the Risk Management Unit of the Office of Administration. The State of Missouri self-insures the workers' compensation benefits for all state employees, including University employees.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 22 - Risk Management and Insurance (cont.)

Changes in the balances of claims liability (in thousands of dollars) during the current and prior fiscal years are as follows:

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2016	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2017
<u>Governmental Activities</u>					
OA Workers Compensation Fund	Workers Comp. Liability	\$ 35,633	\$ 25,175	\$ (31,041)	\$ 29,767
OA Legal Expense Fund		2,250	16,102	(10,130)	8,222
Transportation Self-Insurance Plan	Workers Comp. and Liability	90,646	8,307	(16,377)	82,576
MCHCP	Health Care	41,395	267,726	(266,900)	42,221
MHPML	Health Care	9,800	128,322	(125,822)	12,300
CEIP	Health Care	2,706	17,823	(17,937)	2,592
Total Governmental Activities		<u>\$ 182,430</u>	<u>\$ 463,455</u>	<u>\$ (468,207)</u>	<u>\$ 177,678</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 83,235</u>	<u>\$ 13,565</u>	<u>\$ (14,932)</u>	<u>\$ 81,868</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 85,887	\$ 218,074	\$ (214,879)	\$ 89,082
Missouri State University	Health Care, Workers Comp. and Liability	2,680	18,736	(19,609)	1,807
Total Component Units		<u>\$ 88,567</u>	<u>\$ 236,810</u>	<u>\$ (234,488)</u>	<u>\$ 90,889</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 22 - Risk Management and Insurance (cont.)

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2015	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2016
<u>Governmental Activities</u>					
OA Workers Compensation Fund	Workers Comp. Liability	\$ 24,554	\$ 41,159	\$ (30,080)	\$ 35,633
OA Legal Expense Fund	Liability	3,353	1,492	(2,595)	2,250
Transportation Self-Insurance Plan	Workers Comp. and Liability	84,253	20,592	(14,199)	90,646
MCHCP	Health Care	33,378	269,660	(261,643)	41,395
MHPML	Health Care	11,000	116,525	(117,725)	9,800
CEIP	Health Care	2,460	17,514	(17,268)	2,706
Total Governmental Activities		<u>\$ 158,998</u>	<u>\$ 466,942</u>	<u>\$ (443,510)</u>	<u>\$ 182,430</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 88,554</u>	<u>\$ 8,339</u>	<u>\$ (13,658)</u>	<u>\$ 83,235</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 87,746	\$ 247,331	\$ (249,190)	\$ 85,887
Missouri State University	Health Care, Workers Comp. and Liability	1,290	19,832	(18,442)	2,680
Total Component Units		<u>\$ 89,036</u>	<u>\$ 267,163</u>	<u>\$ (267,632)</u>	<u>\$ 88,567</u>

Risk Management Pool:

The State of Missouri participates in the property program of the Midwestern Higher Education Compact (MHEC) as defined in Section 173.700, RSMo. This program was formed to expand coverage, reduce costs, and stabilize property insurance rates over extended time periods at higher education institutions in all member states. The program offers loss limit coverage tailored to individual institutions as well as self-insured retention by institution. The MHEC Risk Management Oversight Committee directs the major operations of the program overseeing the development of program policies, premium allocations, new program memberships, and selection of program administrators and insurance underwriters.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 23 - Pollution Remediation and Landfill Closure and Postclosure

The State has an obligation to address current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

The Missouri Department of Natural Resources (DNR) was compelled to assess and oversee the cleanup of contaminated sites subject to federal law under the Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, administered by the U.S. Environmental Protection Agency (EPA). Under this law, the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Section 260.371.7, RSMo, states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At the end of fiscal year 2017, the State was participating in the cleanup of sixteen Superfund sites. Total pollution remediation obligation for these sites totaled approximately \$47.4 million. The basis for these costs are State Superfund contracts that list the estimated cost of cleanup, or actual costs if cleanup is complete, less any payments that have been made to the EPA. Estimated costs will change as actual costs become available. The Hazardous Waste Fund is a component of Conservation and Environmental Protection.

The Office of Administration (OA), Division of Facilities Management, Design and Construction, performed mold remediation, hazardous material removal, and abatement in five State sites during fiscal year 2017. There is no remaining obligation as of June 30, 2017. These costs were based on contractual pricing estimates and are subject to change if the pollution remediation requires more time or material than was estimated.

The Missouri Department of Transportation (MoDOT) is aware of a contaminated site (related to building and grounds) due to a fuel leak. The potential for pollution remediation exists; however, at this time, MoDOT's portion of the costs for the cleanup cannot be determined.

The Department of Public Safety, Office of the Adjutant General, has been named as a potentially responsible party in the Pools Prairie Superfund site in Newton County, Missouri. The site is listed on the National Priorities List (NPL) and is governed by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). At this time, the Department of Public Safety's portion of the costs for the cleanup cannot be determined.

Changes in the balances of pollution remediation liability (in thousands of dollars) during the current fiscal year are as follows:

Governmental Activities	Type of Pollution Remediation	Fiscal Year Remediation Liability 6/30/2016	Current Year Assessments and Estimated Changes	Payments	Fiscal Year Remediation Liability 6/30/2017	Due Within One Year
Hazardous Waste Fund	Superfund Sites	\$ 49,229	\$ 1,090	\$ (2,888)	\$ 47,431	\$ 5,594
Facilities Maintenance Reserve Fund	Mold Remediation, Asbestos Abatement & Radon Mitigation	496	63	(559)	—	—
Total Governmental Activities		<u>\$ 49,725</u>	<u>\$ 1,153</u>	<u>\$ (3,447)</u>	<u>\$ 47,431</u>	<u>\$ 5,594</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 23 - Pollution Remediation and Landfill Closure and Postclosure (cont.)

Each landfill owner/operator is required to obtain a financial assurance instrument, which is held by the State as security in the case of a default or forfeiture. Financial assurance instruments can include financial guarantee or performance bonds, letters of credit, insurance policies, corporate guarantees, contracts of obligations, trust funds, and escrow accounts. At June 30, 2017, the DNR, Solid Waste Program tracked the value of the secured financial assurance instruments held by the State to be \$311,332,000. This amount is disclosed, but not reported in the financial statements, because the State does not perform the investment function and does not have significant administrative involvement. While the State maintains possession of the financial assurance instruments, it does not meet criteria to be reported in a fiduciary fund.

At June 30, 2017, eleven Municipal Solid Waste Landfills (MSWLFs) and two waste tire facilities have defaulted. The owners/operators failed to properly close or maintain post-closure care for these facilities; therefore, the State took possession of the forfeited financial assurance instruments to initiate the closure or post-closure activities as required by Section 260.228, RSMo. The State will monitor and pay post-closure care costs of these facilities for the next 30 years in accordance with the DNR Solid Waste Management Law and Regulations. At June 30, 2017, it is expected that \$1,526,000 will be paid over the remaining monitoring periods. This is the amount of the assigned fund balance that has been designated on the General Fund balance sheet for forfeited assets.

The University of Missouri System has been working with the Voluntary Cleanup Program at DNR to characterize subsurface contamination on a University owned property. The University has received the results of the two-year sampling process in fiscal year 2016. The University is awaiting a determination from DNR. The site is now on the National Regulatory Commission (NRC) license and must be decommissioned. Upon further review of the documents, the University determined that it does not believe that the documents support the decision to add to the site to the NRC license. The University made a formal request to remove the site from the NRC license and is currently waiting on a response from NRC. As a result, the University is unable to estimate future costs on cleanup of the site at this time. The University has not commenced any actions requiring the recognition of a liability for this property.

Note 24 - Contingencies

Contingent claims liabilities are reported when it is probable a loss has occurred and the amount can be reasonably estimated. These losses include estimates of claims which have been incurred but not reported, including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, subrogation, and other allocated or unallocated claim adjustment expenditures/expenses. Liabilities of governmental funds are reported as a reconciling item to the Government-Wide Statement of Net Position. Expenditures are recognized as payments are made.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 24 - Contingencies (cont.)

As at June 30, 2017, amount of contingent liabilities was \$71.2 million. Changes in reported liability since June 30, 2016, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2016-2017	\$ 39,040	\$ 69,802	\$ (37,692)	\$ 71,150
2015-2016	19,921	37,812	(18,693)	39,040
2014-2015	19,756	12,106	(11,941)	19,921

Section 287.220.8, RSMo, requires an actuarial study of the Second Injury Fund be made every year to determine solvency of the fund. Figures presented below for current year claims and changes in estimates are based on 2016 actuarial study. As at June 30, 2017, the amount of liabilities for Second Injury Fund was \$1.8 billion. Changes in reported liability since June 30, 2016, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2016-2017	\$ 1,732,685	\$ 206,662	\$ (99,161)	\$ 1,840,186
2015-2016	1,684,732	151,464	(103,511)	1,732,685
2014-2015	1,653,182	120,377	(88,827)	1,684,732

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in requests for reimbursements by the grantor agency for expenditures disallowed under grant agreements. The State believes such disallowances, if any, would be immaterial in the next fiscal year.

Sales and Use Tax Lawsuits:

Southwestern Bell Telephone Company vs. Director of Revenue (Case No. SC83859 and follow up Case No. SC86441): the Supreme Court ruled that Southwestern Bell Telephone Company was entitled to a refund of use tax paid on machinery and equipment used to create its digital phone service product. Manufacturing was found to include producing taxable services as well as tangible personal property products. A settlement was reached regarding some claims, filed by multiple taxpayers, related to the Southwestern Bell cases. No current liability remains as at June 30, 2017. Refund claims related to similar cases filed by other companies are still pending verification. Exclusive of interest, which could be substantial, the negative financial impact on the State is estimated at \$11.3 million, of which \$5.9 million is related to the General Fund.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 24 - Contingencies (cont.)

The State is also involved in tax litigation not included in the fiscal year 2017 liability amount. It is reasonably possible an adverse court decision may result in an estimated loss of \$2.0 million.

The Attorney General, on behalf of other state agencies, is involved in litigation for tort claims including wrongful death, motor vehicle accidents, medical malpractice, assault and battery, and deliberate indifference, as well as employment discrimination claims not included in the 2017 liability amount. It is reasonably possible an adverse court decision may incur an estimated loss of \$2.6 million.

Tobacco Master Settlement Agreement:

The amount of money received by the State from participating tobacco manufacturers under the 1998 Tobacco Master Settlement Agreement (MSA) is subject to downward adjustments if the State fails to diligently enforce model legislation required by the MSA. In 2006, tobacco manufacturers instituted binding arbitration to determine which states diligently enforced the model legislation for 2003. In September, 2013, the arbitration panel ruled Missouri and five other states failed to diligently enforce MSA statutes in 2003. Under the ruling, Missouri's share of the downward adjustment was \$70 million. Missouri typically receives between \$130 and \$150 million in MSA settlement funds annually. This arbitration award reduced fiscal year 2014 receipts to approximately \$60 million.

The State appealed the arbitration panel's decision. In February 2017, the Missouri Supreme Court ruled that the arbitration panel had exceeded its authority in computing the amount of Missouri's liability. The court ordered the independent auditor for the MSA to recalculate the credit Missouri owed to the tobacco manufacturers to \$20 million, which resulted in an additional \$50 million payment to the State. The tobacco manufacturers paid Missouri the improperly withheld \$50 million, plus interest, in April 2017.

The tobacco manufacturers also contest Missouri's enforcement of the model legislation for 2004 and subsequent years, each of which is subject to binding arbitration similar to the 2003 proceeding. Arbitration regarding diligent enforcement for 2004 is ongoing and is unlikely to conclude before October 2018. If the panel finds that Missouri was not diligent in 2004, the State will again face a downward adjustment on their next annual payment.

The ultimate resolution of the next several arbitration proceedings between the tobacco manufacturers and Missouri cannot be predicted. Neither the precise timing nor the ultimate resolution of the tobacco manufacturers adjustment disputes for 2004 and beyond, or their financial impact on the State, can be predicted with any degree of certainty.

Natural Resource Settlements:

The Department of Natural Resources works jointly with the United States Fish and Wildlife Service and the United States Forest Service to recover damages from parties responsible for causing injuries to natural resources. Funds from these settlements are typically held in the federal treasury in a joint account administered by the United States Department of Interior. Expenditures of these funds may only be by mutual agreement of the Missouri Trustee Council (the Department of Natural Resources, the United States Fish and Wildlife Service and, at times, the United States Forest Service) and such funds may only be used to restore, replace, or acquire natural resources similar to those that were injured. As of June 30, 2017, the balance of Missouri-related joint settlement funds in the Department of Interior restoration fund is approximately \$48 million.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 24 - Contingencies (cont.)

Department of Health and Senior Services

The Nurse Student Loan Program provides forgivable student loans to eligible Missouri undergraduate, graduate, post-graduate, and doctoral nursing students in exchange for service in underserved communities and facilities in the state. Current annual award levels, based on statute, are a one-time amount of \$2,500 for LPN students and \$5,000 for professional nursing students. Loans are repaid either through service in an underserved area, or via cash repayment at 9.5% simple interest. For repayment via service, participants provide one year of professional service for each school year a loan is received, up to a maximum of 5 years. The number of loans awarded per year varies based upon available funding, number of previous students anticipating continued funding, and number of eligible new applicants.

The Health Professional Student Loan Program is a competitive state program that awards forgivable loans to students pursuing health care training leading to Missouri licensure. Eligible disciplines are primary care physicians, primary care dentists, and dental hygienists. The amount of funding provided depends upon the student's chosen discipline and educational status. Repayment of loans can be completed either through obtaining employment to earn forgiveness or through cash repayment at 9.5% simple interest. Forgiveness is based upon the number of loans received and is earned at a rate of one year of professional service for each loan received, up to a maximum of 5 years. Qualifying employment is considered as full-time, direct patient care at a facility located in an area of need also referred to as a Health Professional Shortage Area.

The purpose of the Missouri Health Professional State Loan Repayment Program (SLRP) is to improve access to primary care by assisting rural and underserved communities with recruitment and retention of primary care providers. SLRP offers eligible healthcare providers an opportunity to receive up to \$50,000 in financial assistance towards the repayment of their qualifying educational loans in exchange for a minimum two-year commitment to provide healthcare services at an ambulatory public, nonprofit or private nonprofit primary care practice site located in a federally designated Health Professional Shortage Area (HPSA).

The Missouri Nurse Loan Repayment Program (NLRP) offers Registered Nurses (RNs) and Advanced Practice Registered Nurses (APRNs) an opportunity to receive financial assistance towards the repayment of their qualifying educational loans in exchange for a minimum two-year commitment to provide healthcare services in an area of defined need in the State of Missouri.

For all types of loan programs, in the event of a default, i.e. the loanee does not complete the service agreement, the loan status changes to repayment. In the event the loanee does not repay according to the terms of their agreement, the Department of Health and Senior Services will work with the Attorney General's Office to try to collect the outstanding receivables. The current total amount of loans outstanding is \$7.7 million; the total amount in repayment is \$2.8 million. There is no correlation between who will or will not repay their debt once a default has occurred since it is subject to each individual case and the legal remedies pursued. Therefore the amount of loss cannot be reasonably estimated.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 25 - Nonexchange Financial Guarantees

The following nonexchange financial guarantees are extended by the Missouri Agricultural and Small Business Development Authority (MASBDA) and the Missouri Department of Agriculture (MDA). The exchange financial guarantees are not recognized as a liability, which indicates that the State will most likely not be required to make a payment related to the nonexchange financial guarantees. As of June 30, 2017, the State extends the following financial guarantees:

Programs	Maximum Guarantee Period	Total Number of Loans Outstanding	Total Dollar Amount of Loans Outstanding (in thousands)	Total Dollar Amount Guaranteed by the State (in thousands)
Missouri Value-Added Loan Guarantee Program	10 Years	14	\$ 786	\$ 393
Single-Purpose Animal Facilities Loan Guarantee Program	10 Years	7	472	236
Crop and Livestock Loan Guarantee Program	2 Years	29	155	70

Missouri Value-Added Loan Guarantee Program

The Missouri Value-Added Loan Guarantee Program provides up to a 50% first-loss guarantee on loans, of \$250,000 or less, made by lenders for the purpose of agricultural business development. The loan guarantee is for a duration of up to 10 years. The program is intended to create new economic activity by creating or retaining jobs. Loans guaranteed by the value-added loan guarantee program can be used to finance agricultural property, which includes land, buildings, structures, improvements, and equipment used for the purpose of processing, manufacturing, marketing, exporting, or adding value to an agricultural product. Loans may also be guaranteed to buy stock in a new generation processing entity that processes an agricultural product. In the event of a default, the MASBDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. There were no loan defaults under this program in fiscal year 2017.

Single-Purpose Animal Facilities Loan Guarantee Program

The Single-Purpose Animal Facilities Loan Guarantee Program is designed to provide banks and other lenders with a 50% first-loss guarantee on loans of up to \$250,000 for up to 10 years. Independent livestock producers may use the loans to finance, refinance or restructure breeding or feeder livestock, earthworms, land, buildings, facilities, equipment, machinery and animal waste systems for producing poultry, swine, beef and dairy cattle, or other livestock. In the event of a default, the MASBDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. There were no loan defaults under this program in fiscal year 2017.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 25 - Nonexchange Financial Guarantees (cont.)

Crop and Livestock Loan Guarantee Program

The Crop and Livestock Loan Guarantee Program, authorized in Section 261.027(3), RSMo, is a 50% guarantee on a loan made to a 4-H and Future Farmers of America (FFA) member who borrows money to purchase livestock, input, etc., for their Supervised Agriculture Education (SAE) project. Loans eligible for the program are limited to the purchase of livestock, feed, seed, fertilizer, and other miscellaneous out-of-pocket expenses directly related to the project. In the event of a default, the MDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. As of June 30, 2017, there are five loans that the Attorney General's Office is doing collections on. The judgment amounts on these five loans total \$10,000. They have recovered \$5,000 on these loans.

Note 26 - Joint Ventures

The Regional Convention and Sports Complex Authority was created by state law for the purpose of financing, constructing, operating, and maintaining a multipurpose convention and sports facility to be located in the City of St. Louis. The Authority operates under a board of commissioners of whom five are appointed by the Governor of the State, three by the County Executive of St. Louis County, and three by the Mayor of the City of St. Louis. The Authority is granted all rights and powers necessary to plan, finance, construct, equip, and maintain the facility.

The Authority is considered a joint venture of the State, County, and City because it constitutes a contractual agreement for public benefit in which the State, County, and City retain an ongoing financial responsibility for the Convention and Sports Facility Project Bonds. In August 1991, the Authority issued \$258,670,000 of Convention and Sports Facility Project Bonds. The bonds were sponsored in the amount of \$132,910,000 by the State (Series A), \$65,685,000 by the County (Series B), and \$60,075,000 by the City (Series C). In December 1993, the Authority issued \$181,885,000 in Convention and Sports Facility Project and Refunding Bonds to advance refund \$101,410,000 and \$50,275,000 of the outstanding 1991 Series A and Series B bonds, respectively, and for additional construction costs. The bonds were sponsored in the amount of \$121,705,000 by the State (Series A) and \$60,180,000 by the County (Series B). In February 1997, the Authority issued \$61,285,000 in Series C refunding bonds to advance refund \$47,155,000 of the outstanding 1991 Series C bonds. In August 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project and Refunding Bonds Series A 2003 to refund \$2,845,000 and \$113,170,000 of Series A 1991 and Series A 1993 refunding bonds, respectively, and for additional construction costs. In May 2007, the Authority issued \$49,585,000 in Series C 2007 refunding bonds to refund \$61,285,000 of original principal of the Series C 1997 refunding bonds. In August 2013, the Authority issued \$65,195,000 in Series A 2013 refunding bonds to refund \$65,385,000 of Series A 2003 bonds and issued \$32,560,000 in Series B 2013 refunding bonds to refund \$32,180,000 of Series B 2003 bonds.

Pursuant to a financing agreement entered into in August 1991, and terminating in August 2021, the Authority leased the facility to the sponsors who subleased the facility back to the Authority. The payments made by the State, County, and City under the financing agreement are sufficient to pay the principal and interest on the bonds. See *Note 12* for the specific debt service requirements that make up the State's ongoing financial responsibility for this joint venture.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 26 - Joint Ventures (cont.)

Summary financial information for the Authority as of and for the fiscal year ended December 31, 2016, is presented below (in thousands of dollars):

Total Assets	\$ 185,611
Total Deferred Outflows of Resources	1,022
Total Assets and Deferred Outflows of Resources	<u>\$ 186,633</u>
Total Liabilities	\$ 99,084
Total Net Position	87,549
Total Liabilities and Net Position	<u>\$ 186,633</u>
Total Revenues	\$ 24,457
Total Expenses	16,501
Net Increase in Net Position	<u>\$ 7,956</u>

Copies of the Authority's financial statements may be requested from:

St. Louis Regional Convention
and Sports Complex Authority
901 North Broadway
St. Louis, Missouri 63101

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 27 - Endowments

Donor-restricted endowments for Missouri reside primarily within the higher education institutions, which are reported as a major component unit of the State. For the college and universities, except the University of Missouri, the net appreciation/depreciation of the endowments is \$4,467,000. Of this amount, \$1,899,000 is reported as restricted non-expendable, \$2,564,000 is reported as restricted expendable, and \$4,000 is reported as unrestricted net position. The University of Missouri reported a net appreciation/depreciation of restricted non-expendable net position in the amount of \$161,596,000 which consisted of both realized and unrealized gains and losses on investment. For detailed information on the college and universities, please see the individual financial statements. The Revised Statutes of Missouri authorize the acceptance of donations at State agencies or public institutions. The governing boards of these institutions and the donor agreements determine whether net appreciation can be spent and the acceptable spending rate as detailed in Section 402.134, RSMo. These policies are entity specific and vary with each institution.

Note 28 - Conduit Debt

As of June 30, 2017, the Missouri Development Finance Board issued \$1,637,968,000 in Private Activity Bonds and \$2,612,179,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2017, were approximately \$428,906,000 and \$1,089,449,000 respectively.

The Missouri Development Finance Board and the State have no liability for repayment of these revenue bonds and funding notes aside from reserve fund deposits and, accordingly, these bonds and notes have not been recorded as a liability on the financial statements for the Missouri Development Finance Board. The debtor pays all debt service requirements. Security for the bondholders consists of insurance, letters of credit, annual appropriation pledges, and certain funds held through trustees under the various indentures.

The State Environmental Improvement and Energy Resources Authority, a related organization of the State of Missouri, issues Water Pollution Control and Drinking Water Revenue Bonds on behalf of the Department of Natural Resources. The outstanding balance on these bonds as of June 30, 2017, is \$660,425,000.

The State of Missouri has no liability for repayment of these revenue bonds beyond the resources provided by related loan programs. The bonds are limited obligations of the State Environmental Improvement and Energy Resources Authority.

Note 29 - Subsequent Events

Bonds

On September 7, 2017 the Board of Public Buildings of the State of Missouri issued \$77,165,000 of Special Obligation Bonds, Series A 2017. These bonds bear interest from 2.0% to 5.0%, due in semi-annual installments beginning April 1, 2018.

Federal Tax Reform

On December 22, 2017, the federal government passed the Tax Cuts and Jobs Act. The full-year impact on the State's revenues from individual income tax returns is an estimated reduction of \$58 million.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

Note 29 - Subsequent Events (cont.)

University of Missouri

On July 17, 2017, the University notified Fulton Medical Center, LLC (the “Company”) and Nueterra Holdings, LLC that it was exercising its put option to sell its membership interest in the Company pursuant to the terms of the Operating Agreement of the Company. The Company and Nueterra Holdings, LLC have not closed on the University’s put option and the impact of the exercise of the option on the guarantees provided by the Medical Alliance for Fulton Medical Center, LLC debt is not known.

Missouri State University

In November 2017, the University signed a commitment letter to issue bonds of up to \$36,255,000 for the purpose of refunding the Series 2005 and Series 2014 bonds outstanding at June 30, 2017. The commitment letter agrees to interest rates of 2.15% and 2.63% with the bonds maturing in 2024 and 2036.

Retirement Systems

Senate Bill 62 passed in July 2017. Senate Bill 62 allows the MOSERS and MPERS Boards of Trustees to choose to establish a buyout program for terminated vested members with such program authorization expiring May 31, 2018. Each board may set rules for administration of each system's buyout program. Any terminated vested member who participates in the program and then returns to state employment will be considered a new employee and placed in the MSEP 2011 plan for state employees hired for the first time on or after January 1, 2011. Senate Bill 62 also contains provisions that will, effective January 1, 2018, reduce the 10-year vesting period for MSEP 2011 members to a 5-year period, and provides that new terminated vested members of the MSEP 2011 will (1) not be eligible to receive service credit at retirement for unused sick leave accruals, (2) have a 2-year delay for the first COLA payment, rather than the current 1-year delay, and (3) have a member's survivor benefit commence at the time when such member would have been eligible for normal retirement rather than at the time of such member's death. These provisions are estimated to result in a reduction of the annual employer contribution requirements for both MOSERS and MPERS.

The MOSERS Board certified contribution rates for the fiscal year 2019 at 20.21% of payroll for the MSEP and 63.71% of payroll for the Judicial Plan. This was an increase from the 2018 rates of 19.45% and 62.09% and was primarily a result of lowering the investment return assumption from 7.65% to 7.5%.



Required Supplementary Information (RSI) includes the Budgetary Comparison Schedule for the General Fund and Major Special Revenue Funds, as well as the Budget to Generally Accepted Accounting Principles (GAAP) reconciliation, and the Notes to RSI on Budgetary Reporting.

STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND, MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 1,386,258	\$ 1,386,258	\$ 1,386,258	\$ —
Resources (Inflows):				
Taxes:				
Sales and Use	2,232,953	2,201,871	2,147,158	(54,713)
Individual Income	7,613,338	7,507,361	7,320,815	(186,546)
Corporate Income	449,634	443,375	432,358	(11,017)
County Foreign Insurance	291,614	287,555	280,410	(7,145)
Beer	7,973	7,862	7,667	(195)
Liquor	24,972	24,624	24,012	(612)
Cigarette	—	—	—	—
Corporation Franchise	2,853	2,813	2,743	(70)
Reimbursement/Miscellaneous	168,678	166,330	162,197	(4,133)
Total Taxes	10,792,015	10,641,791	10,377,360	(264,431)
Licenses, Fees, and Permits	95,091	93,774	91,440	(2,334)
Sales	8,753	8,634	8,418	(216)
Leases and Rentals	35	34	34	—
Services	381,806	381,615	369,657	(11,958)
Contributions and Intergovernmental	9,375,147	9,352,447	9,067,984	(284,463)
Interest	14,027	13,833	13,489	(344)
Penalties and Unclaimed Property	35,658	35,238	34,326	(912)
Cost Reimbursement/Miscellaneous	1,149,147	1,146,313	1,111,471	(34,842)
Transfers In	3,504,597	3,524,492	3,177,161	(347,331)
Total Resources (Inflows)	25,356,276	25,198,171	24,251,340	(946,831)
Amount Available for Appropriation	26,742,534	26,584,429	25,637,598	(946,831)
Charges to Appropriations (Outflows):				
Current:				
General Government	2,154,331	2,117,690	2,026,715	90,975
Education	4,476,931	4,318,282	4,234,376	83,906
Natural and Economic Resources	492,705	466,932	238,887	228,045
Transportation and Law Enforcement	556,368	503,989	320,077	183,912
Human Services	13,137,203	13,269,446	12,438,373	831,073
Debt Service	103,298	101,468	99,068	2,400
Transfers Out	5,286,078	5,281,757	4,920,678	361,079
Total Charges to Appropriations	26,206,914	26,059,564	24,278,174	1,781,390
Ending Budgetary Fund Balance	\$ 535,620	\$ 524,865	\$ 1,359,424	\$ 834,559
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(1,008,989)	
Investments at Fair Value			1,023,985	
Receivables, Net			2,372,828	
Due from Other Funds			—	
Due from Component Units			—	
Inventories			25,246	
Advance to Component Units			—	
Accounts Payable			(1,114,922)	
Accrued Payroll			(59,881)	
Due to Other Funds			(5,420)	
Unearned Revenue			(40,362)	
Escheat/Unclaimed Property			(108,662)	
Deferred Inflows of Resources			(1,005,272)	
Fund Balance - GAAP Basis			\$ 1,437,975	

Public Education				Conservation and Environmental Protection			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 202,425	\$ 202,425	\$ 202,425	\$ —	\$ 505,882	\$ 505,882	\$ 505,882	\$ —
873,060	873,060	876,681	3,621	261,309	261,309	210,739	(50,570)
4,432	4,432	4,451	19	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
60,828	60,828	61,080	252	—	—	—	—
—	—	—	—	—	—	—	—
332,749	332,749	334,128	1,379	2,326	2,326	1,876	(450)
1,271,069	1,271,069	1,276,340	5,271	263,635	263,635	212,615	(51,020)
2,294	2,294	2,304	10	103,692	103,692	83,625	(20,067)
—	—	—	—	9,013	9,013	7,268	(1,745)
—	—	—	—	84	84	68	(16)
—	—	—	—	—	—	—	—
48,502	48,502	48,703	201	122,377	122,377	98,694	(23,683)
1,518	1,518	1,524	6	8,370	8,370	6,750	(1,620)
1,740	1,740	1,747	7	1,450	1,450	1,170	(280)
100,012	100,012	100,427	415	127,376	127,376	102,726	(24,650)
1,727,485	1,725,633	1,698,598	(27,035)	979	990	990	—
3,152,620	3,150,768	3,129,643	(21,125)	636,976	636,987	513,906	(123,081)
3,355,045	3,353,193	3,332,068	(21,125)	1,142,858	1,142,869	1,019,788	(123,081)
1,105	1,109	559	550	3,054	3,083	2,278	805
2,828,675	2,829,900	2,743,532	86,368	—	—	—	—
16,180	16,180	4,496	11,684	1,036,375	1,010,402	489,978	520,424
325	325	184	141	998	998	800	198
16,385	15,711	15,369	342	711	711	698	13
—	—	—	—	674	657	319	338
421,090	420,148	407,737	12,411	54,097	54,519	50,507	4,012
3,283,760	3,283,373	3,171,877	111,496	1,095,909	1,070,370	544,580	525,790
\$ 71,285	\$ 69,820	\$ 160,191	\$ 90,371	\$ 46,949	\$ 72,499	\$ 475,208	\$ 402,709
		(112,713)				(386,479)	
		113,982				385,679	
		160,055				1,376,366	
		1,569				—	
		—				561	
		71				331	
		—				517	
		(572)				(5,476)	
		(236)				(5,023)	
		(66)				(143)	
		—				(181)	
		—				—	
		(44,706)				(22,606)	
		\$ 277,575				\$ 1,818,754	

STATE OF MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING
June 30, 2017

Budgetary Presentation:

A Budgetary Comparison Schedule is presented as Required Supplementary Information for the State's General Fund and Major Special Revenue Funds. Revenues and expenditures are reported on a budgetary basis where actual revenues are recognized when cash is received, and actual expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2017, has been presented at the bottom of the Budgetary Comparison Schedule.

The budgetary expenditures are included in the current year's Appropriation Activity Report, which demonstrates legal compliance with the current year's budget. This report can be viewed at <http://oa.mo.gov/accounting/reports/annual-reports/appropriation-activity-reports>. The original budget expenditures and transfers are for what was originally appropriated for each fund. The final budget expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less the Governor's amounts reverted (withheld) for each fund less any reappropriations to the next fiscal year.

Once a year, the Office of Administration-Division of Budget and Planning receives budgeted revenues from state agencies for each of their funds as well as a revised revenue estimate in the spring for the State's General Revenue Fund. The revised revenue estimate is used in the final budget column for the General Fund and is very comparable to actual revenue resulting in a small negative variance on this Schedule.

In accordance with State statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund; therefore, variances between budgeted and actual expenditures on the budgetary schedule will always be positive.

For budget purposes, interfund activity is not eliminated. A summary of interfund eliminations at June 30, 2017, is shown below (in thousands):

	Final Budget Transfer		Actual Transfer	
	In	Out	In	Out
GENERAL FUND	\$ 3,108,715	\$ (3,108,715)	\$ 2,852,142	\$ (2,852,142)
SPECIAL REVENUE FUNDS				
Public Education	392,823	(392,823)	380,935	(380,935)
TOTAL	<u>\$ 3,501,538</u>	<u>\$ (3,501,538)</u>	<u>\$ 3,233,077</u>	<u>\$ (3,233,077)</u>

Budgetary Control:

Budgetary control is maintained at the departmental level; each Department of the Missouri government formulates a budget to be submitted for approval by the General Assembly prior to the beginning of the fiscal year. These budgets are prepared essentially on the cash basis. The legislature reviews, revises, and legally adopts these budgets. The Governor then has the authority to approve or veto each budget, subject to legislative override.

Budgeted expenditures cannot exceed estimated revenues and other sources of funding, including beginning fund balances. In the event that actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the legislature to address the issue.

Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FISCAL YEARS 2015-2017
(In Thousands of Dollars)

		Judicial Plan*	
	2017**	2016**	2015**
Total Pension Liability			
Service Cost	\$ 10,932	\$ 10,614	\$ 8,990
Interest on the Total Pension Liability	37,755	36,162	34,014
Difference between Expected and Actual Experience	(5,037)	5,103	13,361
Changes in Assumptions	53,991	—	—
Benefit Payments	(32,989)	(31,246)	(29,407)
Refunds	—	—	—
Disability Premiums	—	—	—
Transfers to Other Retirement Systems	—	—	—
Net Change in Total Pension Liability	64,652	20,633	26,958
Total Pension Liability - Beginning	482,969	462,336	435,378
Total Pension Liability - Ending (a)	547,621	482,969	462,336
Plan Fiduciary Net Position			
Contributions - Employer	33,642	32,696	29,265
Contributions - Employee	661	488	295
Pension Plan Net Investment Income	28	(3,610)	21,395
Benefit Payments	(32,979)	(31,246)	(29,407)
Refunds	(10)	—	—
Disability Premiums	—	—	—
Pension Plan Administrative Expense	(137)	(123)	(106)
Net Transfers	—	—	—
Other	—	—	—
Net Change in Plan Fiduciary Net Position	1,205	(1,795)	21,442
Plan Fiduciary Net Position - Beginning*	130,851	132,646	111,204
Plan Fiduciary Net Position - Ending (b)	132,056	130,851	132,646
Net Pension Liability - Ending (a) - (b)	\$ 415,565	\$ 352,118	\$ 329,690
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 24.11%	 27.09%	 28.69%
Covered Payroll	\$ 57,421	\$ 55,656	\$ 49,588
Net Pension Liability as a Percentage of Covered Payroll	723.72%	632.66%	664.86%

*After post-valuation adjustments.

**Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except University of Missouri Retirement System which is based on a measurement date of October 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System			University of Missouri Retirement System		
2017**	2016**	2015**	2017**	2016**	2015**
\$ 45,441	\$ 45,358	\$ 44,740	\$ 66,269	\$ 68,328	\$ 70,574
280,432	275,285	270,526	296,885	288,438	275,762
(39,810)	(13,324)	(17,614)	(22,741)	(38,227)	13,226
—	—	—	—	—	—
(236,489)	(236,906)	(227,958)	(211,036)	(203,300)	(182,488)
(198)	(107)	(19)	—	—	—
(1,568)	(1,555)	(1,532)	—	—	—
(1,921)	(3,147)	(1,876)	—	—	—
45,887	65,604	66,267	129,377	115,239	177,074
3,715,846	3,650,242	3,583,975	3,878,812	3,763,573	3,586,499
3,761,733	3,715,846	3,650,242	4,008,189	3,878,812	3,763,573
199,609	200,639	183,354	96,631	99,454	103,895
3,483	3,294	2,260	15,218	14,976	14,486
21,432	92,646	319,446	364,486	6,646	36,412
(236,489)	(236,906)	(227,958)	(211,036)	(203,300)	(182,488)
(198)	(107)	(19)	—	—	—
(1,568)	(1,555)	(1,532)	—	—	—
(4,370)	(4,067)	(3,736)	—	—	—
808	(2,033)	(92)	—	—	—
—	—	—	—	—	(2,150)
(17,293)	51,911	271,723	265,299	(82,224)	(29,845)
2,009,367	1,957,456	1,685,733	3,220,626	3,302,850	3,332,695
1,992,074	2,009,367	1,957,456	3,485,925	3,220,626	3,302,850
\$ 1,769,659	\$ 1,706,479	\$ 1,692,786	\$ 522,264	\$ 658,186	\$ 460,723
52.96%	54.08%	53.63%	86.97%	83.03%	87.76%
\$ 344,635	\$ 342,265	\$ 336,591	\$ 1,144,412	\$ 1,129,784	\$ 1,109,431
513.49%	498.58%	502.92%	45.64%	58.26%	41.53%

STATE OF MISSOURI
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FISCAL YEARS 2015-2017
(In Thousands of Dollars)

	2017*	2016*	2015*
<u>Missouri State Employees' Plan</u>			
State's proportion of the net pension liability	82.21%	82.26%	82.45%
State's proportionate share of the net pension liability	\$ 3,816,328	\$ 2,641,347	\$ 1,944,098
State's covered payroll	1,593,034	1,593,238	1,613,263
State's proportionate share of the net pension liability as a percentage of its covered payroll	239.56%	165.78%	120.51%
Plan fiduciary net position as a percentage of the total pension liability	63.60%	72.62%	79.49%
<u>Judicial Plan</u>			
State's proportion of the net pension liability	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability	\$ 415,565	\$ 352,118	\$ 329,690
State's covered payroll	57,421	55,656	49,588
State's proportionate share of the net pension liability as a percentage of its covered payroll	723.72%	632.66%	664.86%
Plan fiduciary net position as a percentage of the total pension liability	24.11%	27.09%	28.69%
<u>Missouri Department of Transportation and Highway Patrol Employees' Retirement System</u>			
State's proportion of the net pension liability	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability	\$ 1,769,659	\$ 1,706,479	\$ 1,692,786
State's covered payroll	344,635	342,265	336,591
State's proportionate share of the net pension liability as a percentage of its covered payroll	513.49%	498.58%	502.92%
Plan fiduciary net position as a percentage of the total pension liability	52.96%	54.08%	53.63%
<u>Missouri State Employees' Plan - Component Units</u>			
Component Unit's proportion of the net pension liability	17.41%	17.38%	17.19%
Component Unit's proportionate share of the net pension liability	\$ 808,175	\$ 557,955	\$ 405,189
Component Unit's covered payroll	337,401	336,571	325,490
Component Unit's proportionate share of the net pension liability as a percentage of its covered payroll	239.53%	165.78%	124.49%
Plan fiduciary net position as a percentage of the total pension liability	63.60%	72.62%	79.49%
<u>University of Missouri Retirement System</u>			
University's proportion of the net pension liability	100.00%	100.00%	100.00%
University's proportionate share of the net pension liability	\$ 522,264	\$ 658,186	\$ 460,723
University's covered payroll	1,144,412	1,129,784	1,109,431
University's proportionate share of the net pension liability as a percentage of its covered payroll	45.64%	58.26%	41.53%
Plan fiduciary net position as a percentage of the total pension liability	86.97%	83.03%	87.76%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except University of Missouri Retirement System which is based on a measurement date of October 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF STATE CONTRIBUTIONS
FISCAL YEARS 2014-2017
(In Thousands of Dollars)

	2017	2016	2015	2014
<u>Missouri State Employees' Plan</u>				
Required Contributions	\$ 274,510	\$ 270,198	\$ 270,220	\$ 269,106
Contributions in relation to the required contribution	274,510	270,198	270,220	269,106
Contribution deficiency (excess)	—	—	—	—
State's covered payroll	1,617,463	1,593,034	1,593,238	1,613,263
Contributions as a percentage of covered payroll	16.97%	16.96%	16.96%	16.68%
<u>Judicial Plan</u>				
Required Contributions	\$ 34,252	\$ 33,642	\$ 32,696	\$ 29,265
Contributions in relation to the required contribution	34,252	33,642	32,696	29,265
Contribution deficiency (excess)	—	—	—	—
State's covered payroll	58,541	57,421	55,696	49,588
Contributions as a percentage of covered payroll	58.51%	58.59%	58.70%	59.02%
<u>Missouri Department of Transportation and Highway Patrol Employees' Retirement System</u>				
Required Contributions	\$ 206,563	\$ 199,609	\$ 200,639	\$ 183,354
Contributions in relation to the required contribution	206,563	199,609	200,639	183,354
Contribution deficiency (excess)	—	—	—	—
State's covered payroll	356,515	344,635	342,265	336,591
Contributions as a percentage of covered payroll	57.94%	58.00%	58.62%	54.44%
<u>Missouri State Employees' Plan - Component Units</u>				
Required Contributions	\$ 58,246	\$ 57,219	\$ 57,081	\$ 56,087
Contributions in relation to the required contribution	58,246	57,219	57,081	56,087
Contribution deficiency (excess)	—	—	—	—
Component Unit's covered payroll	343,472	337,401	336,571	325,490
Contributions as a percentage of covered payroll	16.96%	16.96%	16.96%	17.23%
<u>University of Missouri Retirement System</u>				
Required Contributions	\$ 96,631	\$ 99,454	\$ 103,895	\$ 113,688
Contributions in relation to the required contribution	96,631	99,454	103,895	113,688
Contribution deficiency (excess)	—	—	—	—
University's covered payroll	1,144,412	1,129,784	1,109,431	1,078,347
Contributions as a percentage of covered payroll	8.44%	8.80%	9.36%	10.54%

Note: Schedule revised to show by most recent fiscal year end rather than the measurement date.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Notes to the Schedule:

Changes of benefit terms. There were no changes to benefit terms in the plans for the year ended June 30, 2016.

Changes of assumptions.

For MOSERS: Economic and demographic assumptions were updated by the Board of Trustees on July 16, 2016 to be first effective for the June 30, 2016 valuation. The most significant changes to these assumptions were the reduction of the investment return assumption from 8 percent to 7.65 percent and the adoption of new mortality tables. Mortality rates for post-retirement mortality are now based on the RP-2014 Healthy Annuitant mortality table, projected to 2026 with Scale MP-2015 and scaled by 120%. The pre-retirement mortality table used is now the RP-2014 Employee mortality table, projected to 2026 with Scale MP-2015 and scaled by 95% for males and 90% for females.

For MPERS: No changes in assumptions.

For MU: No changes in assumptions.



***Supplementary Information** includes the Budgetary Comparison Schedule and Reconciliation for the Major Capital Projects Fund (Missouri Road Fund), as well as the Combining and Individual Fund Statements and Schedules for the General Fund and all Non-Major Funds.*

STATE OF MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Missouri Road Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 826,278	\$ 826,278	\$ 826,278	\$ —
Resources (Inflows):				
Taxes:				
Vehicle Sales and Use	171,275	171,275	174,997	3,722
Fuel	157	157	109	(48)
Total Taxes	171,432	171,432	175,106	3,674
Licenses, Fees, and Permits	91,404	91,404	103,109	11,705
Contributions and				
Intergovernmental	915,716	917,927	844,194	(73,733)
Interest	4,636	4,636	5,343	707
Cost Reimbursement/Miscellaneous	58,587	58,587	50,946	(7,641)
Transfers In	480,000	480,000	459,141	(20,859)
Total Resources (Inflows)	1,721,775	1,723,986	1,637,839	(86,147)
Amount Available for Appropriation	2,548,053	2,550,264	2,464,117	(86,147)
Charges to Appropriations (Outflows):				
Current:				
Transportation and Law				
Enforcement	820,641	886,382	827,574	58,808
Capital Outlay				
Transportation and Law				
Enforcement	680,989	735,541	686,741	48,800
Debt Service	235,419	254,278	237,408	16,870
Total Charges to Appropriations	1,737,049	1,876,201	1,751,723	124,478
Ending Budgetary Fund Balance	<u>\$ 811,004</u>	<u>\$ 674,063</u>	<u>\$ 712,394</u>	<u>\$ 38,331</u>
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(378,540)	
Investments at Fair Value			376,175	
Receivables, Net			107,937	
Inventories			38,790	
Accounts Payable			(87,167)	
Accrued Payroll			(16,970)	
Due to Other Funds			(241)	
Unearned Revenue			(5,588)	
Deferred Inflows of Resources			(23,242)	
Fund Balance - GAAP Basis			<u>\$ 723,548</u>	



The Combining and Individual Fund Statements and Schedules

Major Funds

General Fund - Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Non-Major Funds

This includes all non-major governmental and enterprise funds, as well as the non-major component units. It also includes all internal service and fiduciary funds because the "major fund" classification, created under GASB Statement 34, does not apply to these funds.

A budgetary comparison schedule is provided for all non-major governmental funds with the exception of capital projects funds.

**STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 2017
(In Thousands of Dollars)**

	General Fund		Totals
	General	Federal	June 30, 2017
ASSETS			
Cash and Cash Equivalents	\$ 279,845	\$ 70,590	\$ 350,435
Investments	810,753	213,232	1,023,985
Accounts Receivable, Net	1,532,565	808,169	2,340,734
Interest Receivable	3,010	26	3,036
Inventories	22,219	3,027	25,246
Loans Receivable	29,046	12	29,058
Total Assets	<u>\$ 2,677,438</u>	<u>\$ 1,095,056</u>	<u>\$ 3,772,494</u>
LIABILITIES			
Accounts Payable	\$ 469,821	\$ 645,101	\$ 1,114,922
Accrued Payroll	47,409	12,472	59,881
Due to Other Funds	2,678	2,742	5,420
Unearned Revenue	931	39,431	40,362
Escheat/Unclaimed Property	108,662	—	108,662
Total Liabilities	<u>629,501</u>	<u>699,746</u>	<u>1,329,247</u>
DEFERRED INFLOWS OF RESOURCES	<u>949,900</u>	<u>55,372</u>	<u>1,005,272</u>
FUND BALANCES			
Nonspendable	51,265	3,039	54,304
Restricted	4,154	336,899	341,053
Committed	590,697	—	590,697
Assigned	156,557	—	156,557
Unassigned	295,364	—	295,364
Total Fund Balances	<u>1,098,037</u>	<u>339,938</u>	<u>1,437,975</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,677,438</u>	<u>\$ 1,095,056</u>	<u>\$ 3,772,494</u>

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND

For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	General Fund			Totals
	General	Federal	Eliminations	June 30, 2017
Revenues:				
Taxes	\$ 9,084,734	\$ 1	\$ —	\$ 9,084,735
Licenses, Fees, and Permits	90,619	523	—	91,142
Sales	481	15	—	496
Leases and Rentals	23	—	—	23
Services	10,935	110,735	—	121,670
Contributions and Intergovernmental	1,552,700	8,537,597	—	10,090,297
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	(2,349)	(901)	—	(3,250)
Interest	14,274	123	—	14,397
Penalties and Unclaimed Properties	78,553	5,271	—	83,824
Cost Reimbursement/Miscellaneous	156,250	161,553	—	317,803
Total Revenues	10,986,220	8,814,917	—	19,801,137
Expenditures:				
Current:				
General Government	613,266	31,621	—	644,887
Education	3,235,769	1,023,294	—	4,259,063
Natural and Economic Resources	76,417	210,124	—	286,541
Transportation and Law Enforcement	96,135	241,693	—	337,828
Human Services	5,525,171	7,391,136	—	12,916,307
Debt Service:				
Principal	69,604	1,287	—	70,891
Interest	29,903	46	—	29,949
Total Expenditures	9,646,265	8,899,201	—	18,545,466
Excess Revenues (Expenditures)	1,339,955	(84,284)	—	1,255,671
Other Financing Sources (Uses):				
Proceeds from Notes/Capital Leases	714	808	—	1,522
Proceeds from Sale of Capital Assets	7,751	170	—	7,921
Transfers In	237,064	132,940	(325,454)	44,550
Transfers Out	(1,455,483)	(196,290)	325,454	(1,326,319)
Total Other Financing Sources (Uses)	(1,209,954)	(62,372)	—	(1,272,326)
Net Change in Fund Balances	130,001	(146,656)	—	(16,655)
Fund Balances - Beginning	968,532	485,147	—	1,453,679
Increase (Decrease) in Reserve for Inventory	(496)	1,447	—	951
Fund Balances - Ending	\$ 1,098,037	\$ 339,938	\$ —	\$ 1,437,975

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
June 30, 2017
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2017
ASSETS					
Cash and Cash Equivalents	\$ 118,271	\$ 29,077	\$ 29,664	\$ 689	\$ 177,701
Investments	275,581	80,748	180,252	54,942	591,523
Accounts Receivable, Net	159,020	15,230	—	—	174,250
Interest Receivable	428	228	536	—	1,192
Due from Other Funds	3,377	—	—	—	3,377
Inventories	4,337	—	—	—	4,337
Loans Receivable	2,906	—	—	—	2,906
Total Assets	<u>\$ 563,920</u>	<u>\$ 125,283</u>	<u>\$ 210,452</u>	<u>\$ 55,631</u>	<u>\$ 955,286</u>
LIABILITIES					
Accounts Payable	\$ 88,300	\$ —	\$ 31,370	\$ —	\$ 119,670
Accrued Payroll	12,152	—	—	—	12,152
Due to Other Funds	994	—	—	—	994
Total Liabilities	<u>101,446</u>	<u>—</u>	<u>31,370</u>	<u>—</u>	<u>132,816</u>
DEFERRED INFLOWS OF RESOURCES	<u>6,831</u>	<u>94</u>	<u>328</u>	<u>—</u>	<u>7,253</u>
FUND BALANCES					
Nonspendable	4,337	—	—	55,522	59,859
Restricted	161,391	125,189	196,382	—	482,962
Committed	41,171	—	—	—	41,171
Assigned	248,744	—	—	109	248,853
Unassigned	—	—	(17,628)	—	(17,628)
Total Fund Balances	<u>455,643</u>	<u>125,189</u>	<u>178,754</u>	<u>55,631</u>	<u>815,217</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 563,920</u>	<u>\$ 125,283</u>	<u>\$ 210,452</u>	<u>\$ 55,631</u>	<u>\$ 955,286</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2017
Revenues:					
Taxes	\$ 938,221	\$ 178,801	\$ —	\$ —	\$ 1,117,022
Licenses, Fees, and Permits	397,670	—	—	—	397,670
Sales	1,381	—	—	—	1,381
Leases and Rentals	1	—	—	—	1
Services	861	—	—	—	861
Contributions and Intergovernmental	337,446	4,972	—	50	342,468
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	(1,223)	(467)	(1,185)	(371)	(3,246)
Interest	1,927	1,063	1,956	6	4,952
Penalties and Unclaimed Properties	7,215	—	—	3,169	10,384
Cost Reimbursement/Miscellaneous	77,376	—	—	—	77,376
Total Revenues	<u>1,760,875</u>	<u>184,369</u>	<u>771</u>	<u>2,854</u>	<u>1,948,869</u>
Expenditures:					
Current:					
General Government	234,948	—	2,270	—	237,218
Education	3,479	—	99,513	—	102,992
Natural and Economic Resources	249,966	—	1,128	—	251,094
Transportation and Law Enforcement	330,425	8	509	—	330,942
Human Services	692,255	—	7,781	—	700,036
Capital Outlay:					
General Government	—	—	14,057	—	14,057
Education	—	—	348	—	348
Natural and Economic Resources	—	—	2,027	—	2,027
Transportation and Law Enforcement	—	—	2,110	—	2,110
Human Services	—	—	54,915	—	54,915
Debt Service:					
Principal	712	180,765	—	—	181,477
Interest	231	68,747	—	—	68,978
Bond Issuance Costs	—	336	—	—	336
Underwriter's Discount	—	—	972	—	972
Total Expenditures	<u>1,512,016</u>	<u>249,856</u>	<u>185,630</u>	<u>—</u>	<u>1,947,502</u>
Excess Revenues (Expenditures)	<u>248,859</u>	<u>(65,487)</u>	<u>(184,859)</u>	<u>2,854</u>	<u>1,367</u>
Other Financing Sources (Uses):					
Proceeds from Notes/Capital Leases	3	—	—	—	3
Proceeds from Bonds	—	—	97,225	—	97,225
Bond Premium	—	—	5,877	—	5,877
Proceeds from Sale of Capital Assets	6,948	—	—	—	6,948
Transfers In	258,778	62,331	—	—	321,109
Transfers Out	(492,547)	—	—	—	(492,547)
Total Other Financing Sources (Uses)	<u>(226,818)</u>	<u>62,331</u>	<u>103,102</u>	<u>—</u>	<u>(61,385)</u>
Net Change in Fund Balances	22,041	(3,156)	(81,757)	2,854	(60,018)
Fund Balances - Beginning	433,578	128,345	260,511	52,777	875,211
Increase (Decrease) in Reserve for Inventory	24	—	—	—	24
Fund Balances - Ending	<u>\$ 455,643</u>	<u>\$ 125,189</u>	<u>\$ 178,754</u>	<u>\$ 55,631</u>	<u>\$ 815,217</u>



*The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas.*

Non-Major Special Revenue Funds:

Professional Registration - Provides for the control and regulation of various professions. Each profession has its own fund to account for its operation.

Judicial Protection and Assistance - Provides for protection of public employees by the Attorney General's Office, conviction of criminal offenders by prosecuting attorneys and assistance to victims of criminal offenses.

Agriculture and State Fair - Provides for inspections of products, market development, and awards for competition at the State Fair.

Social Assistance - Provides financial, health, and other services to qualifying individuals.

Transportation and Law Enforcement - Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

Unemployment and Workers' Compensation - Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Reimbursements and Other - Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2017
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2017
ASSETS								
Cash and Cash								
Equivalents	\$ 13,694	\$ 7,722	\$ 2,440	\$ 12,996	\$ 48,036	\$ 11,160	\$ 22,223	\$ 118,271
Investments	43,285	24,408	8,682	40,991	52,877	35,272	70,066	275,581
Accounts Receivable, Net	—	1,600	151	5,279	125,899	24,026	2,065	159,020
Interest Receivable	—	38	13	67	113	66	131	428
Due from Other Funds	—	—	—	—	—	3,377	—	3,377
Inventories	27	8	11	10	4,012	—	269	4,337
Loans Receivable	—	—	1,799	—	1,107	—	—	2,906
Total Assets	<u>\$ 57,006</u>	<u>\$ 33,776</u>	<u>\$ 13,096</u>	<u>\$ 59,343</u>	<u>\$ 232,044</u>	<u>\$ 73,901</u>	<u>\$ 94,754</u>	<u>\$ 563,920</u>
LIABILITIES								
Accounts Payable	\$ 319	\$ 1,028	\$ 172	\$ 40,110	\$ 4,136	\$ 37,061	\$ 5,474	\$ 88,300
Accrued Payroll	235	437	340	314	7,666	510	2,650	12,152
Due to Other Funds	65	281	19	117	213	159	140	994
Total Liabilities	<u>619</u>	<u>1,746</u>	<u>531</u>	<u>40,541</u>	<u>12,015</u>	<u>37,730</u>	<u>8,264</u>	<u>101,446</u>
DEFERRED INFLOWS OF RESOURCES								
	<u>—</u>	<u>30</u>	<u>8</u>	<u>404</u>	<u>5,571</u>	<u>635</u>	<u>183</u>	<u>6,831</u>
FUND BALANCES								
Nonspendable	27	8	11	10	4,012	—	269	4,337
Restricted	—	24,277	3,529	—	30,419	35,536	67,630	161,391
Committed	17,168	314	602	17,348	915	—	4,824	41,171
Assigned	<u>39,192</u>	<u>7,401</u>	<u>8,415</u>	<u>1,040</u>	<u>179,112</u>	<u>—</u>	<u>13,584</u>	<u>248,744</u>
Total Fund Balances	<u>56,387</u>	<u>32,000</u>	<u>12,557</u>	<u>18,398</u>	<u>214,458</u>	<u>35,536</u>	<u>86,307</u>	<u>455,643</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 57,006</u>	<u>\$ 33,776</u>	<u>\$ 13,096</u>	<u>\$ 59,343</u>	<u>\$ 232,044</u>	<u>\$ 73,901</u>	<u>\$ 94,754</u>	<u>\$ 563,920</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2017
Revenues:								
Taxes	\$ 232	\$ —	\$ 4,417	\$ 102,156	\$ 712,818	\$ 118,415	\$ 183	\$ 938,221
Licenses, Fees, and Permits	18,252	32,873	11,365	18,577	208,356	—	108,247	397,670
Sales	—	—	10	816	—	—	555	1,381
Leases and Rentals	—	—	—	—	—	—	1	1
Services	—	833	—	—	—	—	28	861
Contributions and Intergovernmental	—	570	246	334,085	1,024	—	1,521	337,446
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	(166)	(92)	(126)	(152)	(288)	(140)	(259)	(1,223)
Interest	—	153	143	276	569	277	509	1,927
Penalties and Unclaimed Properties	425	858	—	48	535	3,832	1,517	7,215
Cost Reimbursement/ Miscellaneous	209	1,443	103	51,213	1,246	251	22,911	77,376
Total Revenues	<u>18,952</u>	<u>36,638</u>	<u>16,158</u>	<u>507,019</u>	<u>924,260</u>	<u>122,635</u>	<u>135,213</u>	<u>1,760,875</u>
Expenditures:								
Current:								
General Government	156	13,237	141	1,355	207,976	5,337	6,746	234,948
Education	1,868	—	—	1,611	—	—	—	3,479
Natural and Economic Resources	18,112	367	16,322	3,901	—	111,874	99,390	249,966
Transportation and Law Enforcement	—	22,980	—	2,969	260,851	—	43,625	330,425
Human Services	—	557	—	687,807	—	—	3,891	692,255
Debt Service:								
Principal	—	19	—	—	47	77	569	712
Interest	—	7	7	—	—	25	192	231
Total Expenditures	<u>20,136</u>	<u>37,167</u>	<u>16,470</u>	<u>697,643</u>	<u>468,874</u>	<u>117,313</u>	<u>154,413</u>	<u>1,512,016</u>
Excess Revenues (Expenditures)	<u>(1,184)</u>	<u>(529)</u>	<u>(312)</u>	<u>(190,624)</u>	<u>455,386</u>	<u>5,322</u>	<u>(19,200)</u>	<u>248,859</u>
Other Financing Sources (Uses):								
Proceeds from Notes/ Capital Leases	—	—	3	—	—	—	—	3
Proceeds from Sale of Capital Assets	—	—	—	—	6,948	—	—	6,948
Transfers In	32	1,387	56	207,034	1,022	2,078	47,169	258,778
Transfers Out	(463)	—	—	(14,814)	(463,269)	(50)	(13,951)	(492,547)
Total Other Financing Sources (Uses)	<u>(431)</u>	<u>1,387</u>	<u>59</u>	<u>192,220</u>	<u>(455,299)</u>	<u>2,028</u>	<u>33,218</u>	<u>(226,818)</u>
Net Change in Fund Balances	(1,615)	858	(253)	1,596	87	7,350	14,018	22,041
Fund Balances - Beginning	58,003	31,142	12,808	16,811	214,311	28,186	72,317	433,578
Increase (Decrease) in Reserve for Inventory	(1)	—	2	(9)	60	—	(28)	24
Fund Balances - Ending	<u>\$ 56,387</u>	<u>\$ 32,000</u>	<u>\$ 12,557</u>	<u>\$ 18,398</u>	<u>\$ 214,458</u>	<u>\$ 35,536</u>	<u>\$ 86,307</u>	<u>\$ 455,643</u>

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Professional Registration			Judicial Protection and Assistance		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes:						
Sales and Use	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Cigarette	—	—	—	—	—	—
Fuel	—	—	—	—	—	—
County Foreign Insurance	—	—	—	—	—	—
Liquor/Wine	—	—	—	—	—	—
Reimbursement/Miscellaneous	231	232	1	—	—	—
Total Taxes	231	232	1	—	—	—
Licenses, Fees, and Permits	18,176	18,263	87	33,950	32,701	(1,249)
Leases and Rentals	—	—	—	—	—	—
Sales	—	—	—	—	—	—
Services	—	—	—	865	833	(32)
Contributions and Intergovernmental	2	2	—	2,663	2,565	(98)
Interest	—	—	—	151	146	(5)
Penalties and Unclaimed Property	423	425	2	891	858	(33)
Cost Reimbursement/ Miscellaneous	207	208	1	1,513	1,457	(56)
Total Revenues	19,039	19,130	91	40,033	38,560	(1,473)
Expenditures:						
Current:						
General Government	28	11	17	22,462	12,112	10,350
Education	2,150	1,868	282	—	—	—
Natural and Economic Resources	10,023	7,990	2,033	1,184	367	817
Transportation and Law Enforcement	—	—	—	36,416	24,257	12,159
Human Services	—	—	—	751	557	194
Total Expenditures	12,201	9,869	2,332	60,813	37,293	23,520
Excess Revenues	6,838	9,261	2,423	(20,780)	1,267	22,047
Other Financing Sources (Uses):						
Transfers In	320	10	(310)	1,840	1,516	(324)
Transfers Out	(13,256)	(10,560)	2,696	(2,378)	(1,984)	394
Total Other Financing Sources (Uses)	(12,936)	(10,550)	2,386	(538)	(468)	70
Net Change in Fund Balances	(6,098)	(1,289)	4,809	(21,318)	799	22,117
Fund Balances - Beginning	58,388	58,388	—	31,399	31,399	—
Fund Balances - Ending	\$ 52,290	\$ 57,099	\$ 4,809	\$ 10,081	\$ 32,198	\$ 22,117
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(43,405)			(24,476)	
Investments at Fair Value		43,285			24,408	
Receivables, Net		—			1,638	
Due from Other Funds		—			—	
Inventories		27			8	
Accounts Payable		(319)			(1,028)	
Accrued Payroll		(235)			(437)	
Due to Other Funds		(65)			(281)	
Deferred Inflows of Resources		—			(30)	
Fund Balance per GAAP		\$ 56,387			\$ 32,000	

Agriculture and State Fair			Social Assistance		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	38,825	39,311	486
—	—	—	—	—	—
—	—	—	—	—	—
4,337	4,417	80	—	—	—
—	—	—	60,240	60,993	753
4,337	4,417	80	99,065	100,304	1,239
11,435	11,647	212	18,406	18,636	230
—	—	—	—	—	—
10	10	—	806	817	11
—	—	—	1	1	—
279	284	5	335,566	339,760	4,194
44	45	1	259	262	3
—	—	—	16	16	—
125	127	2	58,945	59,681	736
16,230	16,530	300	513,064	519,477	6,413
230	56	174	5,101	3,466	1,635
—	—	—	3,178	2,153	1,025
14,290	12,696	1,594	6,946	3,905	3,041
—	—	—	5,353	2,538	2,815
—	—	—	512,255	495,363	16,892
14,520	12,752	1,768	532,833	507,425	25,408
1,710	3,778	2,068	(19,769)	12,052	31,821
12	12	—	286,857	220,353	(66,504)
(3,937)	(3,692)	245	(315,010)	(227,997)	87,013
(3,925)	(3,680)	245	(28,153)	(7,644)	20,509
(2,215)	98	2,313	(47,922)	4,408	52,330
8,874	8,874	—	49,658	49,658	—
\$ 6,659	\$ 8,972	\$ 2,313	\$ 1,736	\$ 54,066	\$ 52,330
	(6,532)			(41,070)	
	8,682			40,991	
	1,963			5,346	
	—			—	
	11			10	
	(172)			(40,110)	
	(340)			(314)	
	(19)			(117)	
	(8)			(404)	
	\$ 12,557			\$ 18,398	

This schedule is continued on pages 162 - 163

	Transportation and Law Enforcement			Unemployment and Workers' Compensation		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes:						
Sales and Use	\$ 9,290	\$ 9,610	\$ 320	\$ —	\$ —	\$ —
Cigarette	—	—	—	—	—	—
Fuel	710,959	735,444	24,485	—	—	—
County Foreign Insurance	—	—	—	—	—	—
Liquor/Wine	—	—	—	—	—	—
Reimbursement/Miscellaneous	—	—	—	152,074	118,512	(33,562)
Total Taxes	720,249	745,054	24,805	152,074	118,512	(33,562)
Licenses, Fees, and Permits	200,837	207,754	6,917	—	—	—
Leases and Rentals	—	—	—	—	—	—
Sales	6,717	6,948	231	—	—	—
Services	—	—	—	—	—	—
Contributions and Intergovernmental	730	755	25	3,557	2,772	(785)
Interest	533	552	19	341	266	(75)
Penalties and Unclaimed Property	514	532	18	4,635	3,612	(1,023)
Cost Reimbursement/ Miscellaneous	2,038	2,108	70	417	325	(92)
Total Revenues	931,618	963,703	32,085	161,024	125,487	(35,537)
Expenditures:						
Current:						
General Government	221,503	218,911	2,592	22,417	10,201	12,216
Education	—	—	—	—	—	—
Natural and Economic Resources	—	—	—	156,702	113,572	43,130
Transportation and Law Enforcement	309,576	274,090	35,486	—	—	—
Human Services	—	—	—	—	—	—
Total Expenditures	531,079	493,001	38,078	179,119	123,773	55,346
Excess Revenues	400,539	470,702	70,163	(18,095)	1,714	19,809
Other Financing Sources (Uses):						
Transfers In	562,596	545,597	(16,999)	—	—	—
Transfers Out	(1,059,978)	(1,018,911)	41,067	(10,128)	(8,166)	1,962
Total Other Financing Sources (Uses)	(497,382)	(473,314)	24,068	(10,128)	(8,166)	1,962
Net Change in Fund Balances	(96,843)	(2,612)	94,231	(28,223)	(6,452)	21,771
Fund Balances - Beginning	100,828	100,828	—	52,982	52,982	—
Fund Balances - Ending	\$ 3,985	\$ 98,216	\$ 94,231	\$ 24,759	\$ 46,530	\$ 21,771
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(50,180)			(35,370)	
Investments at Fair Value		52,877			35,272	
Receivables, Net		127,119			24,092	
Due from Other Funds		—			3,377	
Inventories		4,012			—	
Accounts Payable		(4,136)			(37,061)	
Accrued Payroll		(7,666)			(510)	
Due to Other Funds		(213)			(159)	
Deferred Inflows of Resources		(5,571)			(635)	
Fund Balance per GAAP		\$ 214,458			\$ 35,536	

This schedule is continued from page 161.

Reimbursements and Other			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ 9,290	\$ 9,610	\$ 320
—	—	—	38,825	39,311	486
—	—	—	710,959	735,444	24,485
178	178	—	178	178	—
—	—	—	4,337	4,417	80
—	—	—	212,545	179,737	(32,808)
178	178	—	976,134	968,697	(7,437)
108,453	108,076	(377)	391,257	397,077	5,820
1	1	—	1	1	—
657	654	(3)	8,190	8,429	239
28	28	—	894	862	(32)
1,092	1,088	(4)	343,889	347,226	3,337
482	480	(2)	1,810	1,751	(59)
1,523	1,518	(5)	8,002	6,961	(1,041)
22,922	22,842	(80)	86,167	86,748	581
135,336	134,865	(471)	1,816,344	1,817,752	1,408
12,050	6,137	5,913	283,791	250,894	32,897
—	—	—	5,328	4,021	1,307
107,897	87,046	20,851	297,042	225,576	71,466
44,624	37,975	6,649	395,969	338,860	57,109
4,325	3,348	977	517,331	499,268	18,063
168,896	134,506	34,390	1,499,461	1,318,619	180,842
(33,560)	359	33,919	316,883	499,133	182,250
84,438	71,749	(12,689)	936,063	839,237	(96,826)
(98,757)	(61,595)	37,162	(1,503,444)	(1,332,905)	170,539
(14,319)	10,154	24,473	(567,381)	(493,668)	73,713
(47,879)	10,513	58,392	(250,498)	5,465	255,963
81,944	81,944	—	384,073	384,073	—
\$ 34,065	\$ 92,457	\$ 58,392	\$ 133,575	\$ 389,538	\$ 255,963
	(70,234)			(271,267)	
	70,066			275,581	
	2,196			162,354	
	—			3,377	
	269			4,337	
	(5,474)			(88,300)	
	(2,650)			(12,152)	
	(140)			(994)	
	(183)			(6,831)	
	\$ 86,307			\$ 455,643	



*The **Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.*

Debt Service Funds:

Water Pollution Control Bond and Interest - Accounts for moneys used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Fourth State Building Bond and Interest - Accounts for moneys used to pay the principal of the Fourth State Building Bonds and the interest thereon.

Stormwater Control Bond and Interest - Accounts for moneys used to pay the principal of the Stormwater Control Bonds and the interest thereon.

Fulton State Hospital Bond and Interest - Accounts for moneys used to pay the principal of the Fulton State Hospital Bonds and the interest thereon.

Missouri Road Bond - Accounts for moneys used to pay bonds issued by the Highway and Transportation Commission.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2017
(In Thousands of Dollars)**

	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2017
ASSETS						
Cash and Cash Equivalents	\$ 3,996	\$ 3,684	\$ 254	\$ 1,761	\$ 19,382	\$ 29,077
Investments	24,280	22,388	1,542	10,698	21,840	80,748
Accounts Receivable, Net	—	—	—	—	15,230	15,230
Interest Receivable	63	59	4	26	76	228
Total Assets	<u>\$ 28,339</u>	<u>\$ 26,131</u>	<u>\$ 1,800</u>	<u>\$ 12,485</u>	<u>\$ 56,528</u>	<u>\$ 125,283</u>
DEFERRED INFLOWS OF RESOURCES	\$ 39	\$ 36	\$ 3	\$ 16	\$ —	\$ 94
FUND BALANCES						
Restricted	28,300	26,095	1,797	12,469	56,528	125,189
Total Fund Balances	<u>28,300</u>	<u>26,095</u>	<u>1,797</u>	<u>12,469</u>	<u>56,528</u>	<u>125,189</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,339</u>	<u>\$ 26,131</u>	<u>\$ 1,800</u>	<u>\$ 12,485</u>	<u>\$ 56,528</u>	<u>\$ 125,283</u>

Note: There were no liabilities for fiscal year ended June 30, 2017.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2017
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 178,801	\$ 178,801
Contributions and Intergovernmental	—	—	—	—	4,972	4,972
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(150)	(142)	(9)	(65)	(101)	(467)
Interest	230	219	14	92	508	1,063
Total Revenues	80	77	5	27	184,180	184,369
Expenditures:						
Current:						
Transportation and Law Enforcement	—	—	—	—	8	8
Debt Service:						
Principal	25,865	26,890	1,295	2,320	124,395	180,765
Interest	4,249	3,136	494	4,618	56,250	68,747
Issuance Cost	—	—	—	336	—	336
Total Expenditures	30,114	30,026	1,789	7,274	180,653	249,856
Excess Revenues (Expenditures)	(30,034)	(29,949)	(1,784)	(7,247)	3,527	(65,487)
Other Financing Sources (Uses):						
Transfers In	27,921	25,760	1,739	6,911	—	62,331
Total Other Financing Sources (Uses)	27,921	25,760	1,739	6,911	—	62,331
Net Change in Fund Balances	(2,113)	(4,189)	(45)	(336)	3,527	(3,156)
Fund Balances - Beginning	30,413	30,284	1,842	12,805	53,001	128,345
Fund Balances - Ending	\$ 28,300	\$ 26,095	\$ 1,797	\$ 12,469	\$ 56,528	\$ 125,189

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest			Fourth State Building Bond and Interest		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest	195	223	28	200	213	13
Total Revenues	195	223	28	200	213	13
Expenditures:						
Debt Service	30,114	30,114	—	30,026	30,026	—
Total Expenditures	30,114	30,114	—	30,026	30,026	—
Excess Revenues (Expenditures)	(29,919)	(29,891)	28	(29,826)	(29,813)	13
Other Financing Sources (Uses):						
Transfers In	28,040	28,040	—	25,880	25,879	(1)
Transfers Out	(119)	(119)	—	(120)	(120)	—
Total Other Financing Sources (Uses)	27,921	27,921	—	25,760	25,759	(1)
Net Change in Fund Balances	(1,998)	(1,970)	28	(4,066)	(4,054)	12
Fund Balances - Beginning	30,348	30,348	—	30,220	30,220	—
Fund Balances - Ending	<u>\$ 28,350</u>	<u>\$ 28,378</u>	<u>\$ 28</u>	<u>\$ 26,154</u>	<u>\$ 26,166</u>	<u>\$ 12</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(24,382)			(22,482)	
Investments at Fair Value		24,280			22,388	
Receivables, Net		63			59	
Deferred Inflows of Resources		(39)			(36)	
Fund Balances - GAAP Basis		<u>\$ 28,300</u>			<u>\$ 26,095</u>	

Stormwater Control Bond and Interest			Fulton State Hospital Bond and Interest		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
12	14	2	84	89	5
12	14	2	84	89	5
1,789	1,789	—	14,200	7,274	6,926
1,789	1,789	—	14,200	7,274	6,926
(1,777)	(1,775)	2	(14,116)	(7,185)	6,931
1,740	1,739	(1)	7,200	6,911	(289)
—	—	—	—	—	—
1,740	1,739	(1)	7,200	6,911	(289)
(37)	(36)	1	(6,916)	(274)	6,642
1,838	1,838	—	12,778	12,778	—
\$ 1,801	\$ 1,802	\$ 1	\$ 5,862	\$ 12,504	\$ 6,642
	(1,548)			(10,743)	
	1,542			10,698	
	4			26	
	(3)			(16)	
	\$ 1,797			\$ 12,469	

This schedule is continued on page 170.

	Missouri Road Bond			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	\$ 178,265	\$ 179,788	\$ 1,523	\$ 178,265	\$ 179,788	\$ 1,523
Interest	212	574	362	703	1,113	410
Total Revenues	178,477	180,362	1,885	178,968	180,901	1,933
Expenditures:						
Debt Service	175,866	175,678	188	251,995	244,881	7,114
Total Expenditures	175,866	175,678	188	251,995	244,881	7,114
Excess Revenues (Expenditures)	2,611	4,684	2,073	(73,027)	(63,980)	9,047
Other Financing Sources (Uses):						
Transfers In	—	—	—	62,860	62,569	(291)
Transfers Out	—	—	—	(239)	(239)	—
Total Other Financing Sources (Uses)	—	—	—	62,621	62,330	(291)
Net Change in Fund Balances	2,611	4,684	2,073	(10,406)	(1,650)	8,756
Fund Balances - Beginning	36,676	36,676	—	111,860	111,860	—
Fund Balances - Ending	<u>\$ 39,287</u>	<u>\$ 41,360</u>	<u>\$ 2,073</u>	<u>\$ 101,454</u>	<u>\$ 110,210</u>	<u>\$ 8,756</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(21,978)			(81,133)	
Investments at Fair Value		21,840			80,748	
Receivables, Net		15,306			15,458	
Deferred Inflows of Resources		—			(94)	
Fund Balances - GAAP Basis		<u>\$ 56,528</u>			<u>\$ 125,189</u>	

This schedule is continued from page 169.



*The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities.*

Non-Major Capital Projects Funds:

Board of Public Buildings - Accounts for bond sale proceeds to be used for renovating state buildings and structures.

Fulton State Hospital - Accounts for proceeds from the sale of bonds to be used for the completion of the design and construction of the replacement for Fulton State Hospital.

State Historical Society - Accounts for proceeds from the sale of bonds to be used for the design, acquisition, and construction of the building for the State Historical Society.

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2017
(In Thousands of Dollars)

	Board of Public Buildings	Fulton State Hospital	State Historical Society	Totals June 30, 2017
ASSETS				
Cash and Cash Equivalents	\$ 9,281	\$ 15,643	\$ 4,740	\$ 29,664
Investments	56,396	95,055	28,801	180,252
Interest Receivable	209	252	75	536
Total Assets	<u>\$ 65,886</u>	<u>\$ 110,950</u>	<u>\$ 33,616</u>	<u>\$ 210,452</u>
LIABILITIES				
Accounts Payable	\$ 26,209	\$ 5,151	\$ 10	\$ 31,370
Total Liabilities	<u>26,209</u>	<u>5,151</u>	<u>10</u>	<u>31,370</u>
DEFERRED INFLOWS OF RESOURCES	<u>128</u>	<u>154</u>	<u>46</u>	<u>328</u>
FUND BALANCES				
Restricted	57,177	105,645	33,560	196,382
Unassigned	(17,628)	—	—	(17,628)
Total Fund Balances	<u>39,549</u>	<u>105,645</u>	<u>33,560</u>	<u>178,754</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 65,886</u>	<u>\$ 110,950</u>	<u>\$ 33,616</u>	<u>\$ 210,452</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Board of Public Buildings	Fulton State Hospital	State Historical Society	Totals June 30, 2017
Revenues:				
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	\$ (515)	\$ (494)	\$ (176)	\$ (1,185)
Interest	992	705	259	1,956
Total Revenues	477	211	83	771
Expenditures:				
Current:				
General Government	995	—	1,275	2,270
Education	99,513	—	—	99,513
Natural and Economic Resources	1,128	—	—	1,128
Transportation and Law Enforcement	509	—	—	509
Human Services	7,182	599	—	7,781
Capital Outlay:				
General Government	14,057	—	—	14,057
Education	348	—	—	348
Natural and Economic Resources	2,027	—	—	2,027
Transportation and Law Enforcement	2,110	—	—	2,110
Human Services	1,661	53,254	—	54,915
Debt Service:				
Underwriter's Discount	—	972	—	972
Total Expenditures	129,530	54,825	1,275	185,630
Excess Revenues (Expenditures)	(129,053)	(54,614)	(1,192)	(184,859)
Other Financing Sources (Uses):				
Proceeds from Bonds	—	97,225	—	97,225
Bond Premium	—	5,877	—	5,877
Total Other Financing Sources (Uses)	—	103,102	—	103,102
Net Change in Fund Balances	(129,053)	48,488	(1,192)	(81,757)
Fund Balances - Beginning	168,602	57,157	34,752	260,511
Fund Balances - Ending	\$ 39,549	\$ 105,645	\$ 33,560	\$ 178,754



*The **Permanent Funds** account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.*

Permanent Funds:

Arrow Rock State Historic Site Endowment - Accounts for moneys transferred from the State Parks Earnings Fund, as well as other moneys or property received by grant, gift, donation, or bequest specified for the enhancement of the Arrow Rock State Historic Site.

Confederate Memorial Park - Accounts for the income from investments acquired by gifts, donations, and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School - Accounts for all moneys, bonds, lands, and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust - Accounts for moneys bequeathed for the use and benefit of the Crippled Children's Service.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
PERMANENT FUNDS
June 30, 2017
(In Thousands of Dollars)**

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2017
ASSETS					
Cash and Cash Equivalents	\$ 7	\$ 43	\$ 550	\$ 89	\$ 689
Investments	22	136	54,503	281	54,942
Total Assets	<u>\$ 29</u>	<u>\$ 179</u>	<u>\$ 55,053</u>	<u>\$ 370</u>	<u>\$ 55,631</u>
FUND BALANCES					
Nonspendable	\$ 29	\$ 75	\$ 55,053	\$ 365	\$ 55,522
Assigned	—	104	—	5	109
Total Fund Balances	<u>29</u>	<u>179</u>	<u>55,053</u>	<u>370</u>	<u>55,631</u>
Total Liabilities and Fund Balances	<u>\$ 29</u>	<u>\$ 179</u>	<u>\$ 55,053</u>	<u>\$ 370</u>	<u>\$ 55,631</u>

Note: There were no liabilities for the fiscal year ended June 30, 2017.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
PERMANENT FUNDS

For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2017
Revenues:					
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	\$ —	\$ —	\$ (371)	\$ —	\$ (371)
Interest	1	2	—	3	6
Penalties and Unclaimed Properties	—	—	3,169	—	3,169
Contributions and Intergovernmental	—	—	50	—	50
Total Revenues	<u>1</u>	<u>2</u>	<u>2,848</u>	<u>3</u>	<u>2,854</u>
Net Change in Fund Balances	1	2	2,848	3	2,854
Fund Balances - Beginning	<u>28</u>	<u>177</u>	<u>52,205</u>	<u>367</u>	<u>52,777</u>
Fund Balances - Ending	<u><u>\$ 29</u></u>	<u><u>\$ 179</u></u>	<u><u>\$ 55,053</u></u>	<u><u>\$ 370</u></u>	<u><u>\$ 55,631</u></u>

Note: There were no expenditures for the fiscal year ended June 30, 2017.

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ALL APPROPRIATED PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	<u>Arrow Rock State Historic Site Endowment</u>			<u>Confederate Memorial Park</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:						
Interest	\$ —	\$ 1	\$ 1	\$ 2	\$ 2	\$ —
Contributions and Intergovernmental	—	—	—	—	—	—
Penalties and Unclaimed	—	—	—	—	—	—
Property	—	—	—	—	—	—
Reimbursement/Miscellaneous	—	—	—	—	—	—
Total Revenues	—	1	1	2	2	—
Expenditures:						
Current:						
Human Services	—	—	—	—	—	—
Total Expenditures	—	—	—	—	—	—
Excess Revenues (Expenditures)	—	1	1	2	2	—
Other Financing Sources (Uses):						
Transfers In	—	—	—	—	—	—
Transfers Out	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—	—	—
Net Changes in Fund Balances	—	1	1	2	2	—
Fund Balances - Beginning	28	28	—	177	177	—
Fund Balances - Ending	<u>\$ 28</u>	<u>\$ 29</u>	<u>\$ 1</u>	<u>\$ 179</u>	<u>\$ 179</u>	<u>\$ —</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(22)			(136)	
Investments at Fair Value		22			136	
Fund Balance - GAAP Basis		<u>\$ 29</u>			<u>\$ 179</u>	

State Public School			Smith Memorial Endowment Trust		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ 2	\$ 3	\$ 1
—	50	50	—	—	—
—	1,031	1,031	—	—	—
—	534	534	—	—	—
—	1,615	1,615	2	3	1
—	—	—	10	—	10
—	—	—	10	—	10
—	1,615	1,615	(8)	3	11
2,138	2,138	—	—	—	—
—	—	—	—	—	—
2,138	2,138	—	—	—	—
2,138	3,753	1,615	(8)	3	11
39,379	39,379	—	367	367	—
\$ 41,517	\$ 43,132	\$ 1,615	\$ 359	\$ 370	\$ 11
	(42,582)			(281)	
	54,503			281	
	\$ 55,053			\$ 370	

This schedule is continued on page 181.

	Totals		
	Budget	Actual	Variance
Revenues:			
Interest	\$ 4	\$ 6	\$ 2
Contributions and Intergovernmental	—	50	50
Penalties and Unclaimed Property	—	1,031	1,031
Reimbursement/Miscellaneous	—	534	534
Total Revenues	4	1,621	1,617
Expenditures:			
Current:			
Human Services	10	—	10
Total Expenditures	10	—	10
Excess Revenues (Expenditures)	(6)	1,621	1,627
Other Financing Sources (Uses):			
Transfers In	2,138	2,138	—
Transfers Out	—	—	—
Total Other Financing Sources (Uses)	2,138	2,138	—
Net Changes in Fund Balances	2,132	3,759	1,627
Fund Balances - Beginning	39,951	39,951	—
Fund Balances - Ending	\$ 42,083	\$ 43,710	\$ 1,627
Reconciling Items:			
Reclassifying Cash Equivalents as Investments		(43,021)	
Investments at Fair Value		54,942	
Fund Balance - GAAP Basis		\$ 55,631	

This schedule is continued from page 180.



*The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises.*

Non-Major Enterprise Funds:

State Fair Fees - Accounts for the fairground admission fees used to improve the grounds and to pay the operating costs of the State Fair.

State Parks - Accounts for park concessions and contributions which are used to acquire and operate state parks.

Natural Resources Revolving Services - Accounts for moneys received from the delivery of services and the sale or resale of maps, plats, reports, studies, records, and other publications and documents.

Historic Preservation Revolving - Accounts for gifts, grants, and contributions used to acquire, preserve, restore, maintain, or operate any historical properties.

Missouri Veterans' Homes - Accounts for fees to provide services for persons confined to one of the veterans' homes.

State Agency for Surplus Property - Accounts for the surplus property operation.

Department of Revenue Information - Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2017
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 448	\$ 2,013	\$ 295
Investments	1,416	6,362	933
Accounts Receivable, Net	—	—	—
Interest Receivable	3	14	—
Due from Other Funds	1	—	16
Inventories	3	759	347
Loans Receivable	—	—	—
Total Current Assets	<u>1,871</u>	<u>9,148</u>	<u>1,591</u>
Non-Current Assets:			
Capital Assets:			
Construction in Progress	—	45,445	—
Land	—	32,249	—
Land Improvements	75	18,238	—
Temporary Easements	—	50	—
Buildings	722	23,427	—
Equipment	561	12,643	17,646
Software	—	—	—
Less Accumulated Depreciation/Amortization	(812)	(32,770)	(11,117)
Total Non-Current Assets	<u>546</u>	<u>99,282</u>	<u>6,529</u>
Total Assets	<u>2,417</u>	<u>108,430</u>	<u>8,120</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>288</u>	<u>799</u>	<u>34</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	74	246	55
Accrued Payroll	24	125	2
Due to Other Funds	2	1	4
Unearned Revenue	—	574	—
Obligations Under Lease Purchase	—	—	128
Compensated Absences	8	95	4
Total Current Liabilities	<u>108</u>	<u>1,041</u>	<u>193</u>
Non-Current Liabilities:			
Compensated Absences	—	258	1
Net Pension Liability	673	3,041	113
Total Non-Current Liabilities	<u>673</u>	<u>3,299</u>	<u>114</u>
Total Liabilities	<u>781</u>	<u>4,340</u>	<u>307</u>
DEFERRED INFLOWS OF RESOURCES	<u>8</u>	<u>22</u>	<u>1</u>
NET POSITION			
Net Investment in Capital Assets	546	99,282	6,401
Unrestricted	1,370	5,585	1,445
Total Net Position	<u>\$ 1,916</u>	<u>\$ 104,867</u>	<u>\$ 7,846</u>

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency For Surplus Property	Department of Revenue Information	Totals June 30, 2017
\$ 331	\$ 227	\$ 602	\$ 259	\$ 4,175
1,048	719	1,904	820	13,202
—	8,924	66	24	9,014
13	6	5	—	41
—	—	—	—	17
—	508	—	—	1,617
488	—	—	—	488
1,880	10,384	2,577	1,103	28,554
—	—	—	—	45,445
—	—	—	—	32,249
—	409	250	—	18,972
—	—	—	—	50
480	1,217	1,909	—	27,755
12	11,248	1,213	96	43,419
—	15	155	—	170
(219)	(6,533)	(2,123)	(96)	(53,670)
273	6,356	1,404	—	114,390
2,153	16,740	3,981	1,103	142,944
134	41,048	485	—	42,788
4	1,624	21	—	2,024
8	2,295	25	—	2,479
—	47	5	—	59
—	115	—	—	689
—	—	—	—	128
12	3,465	46	—	3,630
24	7,546	97	—	9,009
2	—	6	—	267
316	95,782	1,420	—	101,345
318	95,782	1,426	—	101,612
342	103,328	1,523	—	110,621
4	1,166	14	—	1,215
273	6,356	1,404	—	114,262
1,668	(53,062)	1,525	1,103	(40,366)
\$ 1,941	\$ (46,706)	\$ 2,929	\$ 1,103	\$ 73,896

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
Operating Revenues:			
Licenses, Fees, and Permits	\$ 3,426	\$ 6,823	\$ 45
Sales	—	1,476	121
Leases and Rentals	1,200	2,731	—
Charges for Services	—	188	251
Cost Reimbursement/Miscellaneous	1	504	42
Total Operating Revenues	<u>4,627</u>	<u>11,722</u>	<u>459</u>
Operating Expenses:			
Cost of Goods Sold	—	—	596
Personal Service	1,388	2,231	68
Operations	3,052	5,933	151
Specific Programs	7	23	—
Depreciation/Amortization	60	1,623	1,242
Other Charges	200	261	2
Total Operating Expenses	<u>4,707</u>	<u>10,071</u>	<u>2,059</u>
Operating Income (Loss)	<u>(80)</u>	<u>1,651</u>	<u>(1,600)</u>
Non-Operating Revenues (Expenses):			
Contributions and Intergovernmental	151	9,804	875
Interest Expense	—	—	(9)
Investment Earnings:			
Net Increase (Decrease) in the			
Fair Value of Investments	(5)	(29)	(4)
Interest	12	69	—
Penalties and Unclaimed Properties	—	76	—
Disposal of Capital Assets	—	(18)	(46)
Extraordinary Item	—	(153)	—
Total Non-Operating Revenues	<u>158</u>	<u>9,749</u>	<u>816</u>
Income (Loss) Before Transfers	78	11,400	(784)
Capital Contributions	—	920	—
Transfers In	—	—	2
Transfers Out	—	—	—
Change in Net Position	<u>78</u>	<u>12,320</u>	<u>(782)</u>
Total Net Position - Beginning	<u>1,838</u>	<u>92,547</u>	<u>8,628</u>
Total Net Position - Ending	<u>\$ 1,916</u>	<u>\$ 104,867</u>	<u>\$ 7,846</u>

Historic Preservation Revolving	Missouri Veterans' Home	State Agency For Surplus Property	Department of Revenue Information	Totals June 30, 2017
\$ —	\$ —	\$ —	\$ —	\$ 10,294
—	358	1,704	852	4,511
—	—	—	—	3,931
—	26,146	182	—	26,767
—	—	181	3	731
—	26,504	2,067	855	46,234
—	—	879	—	1,475
301	91,637	1,154	—	96,779
80	20,507	290	12	30,025
853	1,269	—	—	2,152
10	1,122	194	—	4,251
3	88	3	—	557
1,247	114,623	2,520	12	135,239
(1,247)	(88,119)	(453)	843	(89,005)
—	73,087	—	—	83,917
—	—	—	—	(9)
(4)	(4)	(7)	(2)	(55)
10	30	19	—	140
—	1	—	—	77
—	(170)	—	—	(234)
—	—	—	—	(153)
6	72,944	12	(2)	83,683
(1,241)	(15,175)	(441)	841	(5,322)
—	—	—	—	920
695	4,785	—	---	5,482
—	—	(30)	(1,022)	(1,052)
(546)	(10,390)	(471)	(181)	28
2,487	(36,316)	3,400	1,284	73,868
\$ 1,941	\$ (46,706)	\$ 2,929	\$ 1,103	\$ 73,896

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
Cash Flows from Operating Activities:			
Receipts from Internal Customers and Users	\$ 91	\$ 325	\$ —
Receipts from External Customers and Users	4,535	10,816	417
Payments to Suppliers	(3,053)	(5,928)	(735)
Payments to Employees	(1,324)	(1,781)	(61)
Payments Made for Program Expense	(7)	(23)	—
Other Receipts	1	504	42
Other Payments	(200)	(261)	(2)
Net Cash Provided (Used) by Operating Activities	<u>43</u>	<u>3,652</u>	<u>(339)</u>
Cash Flows from Non-Capital Financing Activities:			
Loans Made to Outside Entities	—	—	—
Due to/from Other Funds	—	(2)	187
Contributions and Intergovernmental	151	2,590	875
Transfers to/from Other Funds	—	—	—
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>151</u>	<u>2,588</u>	<u>1,062</u>
Cash Flows from Capital and Related Financing Activities:			
Interest Expense	—	—	(9)
Purchases and Construction of Capital Assets	(64)	(12,560)	(875)
Capital Lease Downpayment/Obligations	—	—	(176)
Disposal of Capital Assets	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(64)</u>	<u>(12,560)</u>	<u>(1,060)</u>
Cash Flows from Investing Activities:			
Proceeds from Investment Maturities	—	2,046	—
Purchase of Investments	(421)	—	(29)
Interest and Dividends Received	11	75	—
Penalties and Other Receipts	—	76	—
Net Cash Provided (Used) by Investing Activities	<u>(410)</u>	<u>2,197</u>	<u>(29)</u>
Net Increase (Decrease) in Cash	(280)	(4,123)	(366)
Cash and Cash Equivalents, Beginning of Year	728	6,136	661
Cash and Cash Equivalents, End of Year	<u>\$ 448</u>	<u>\$ 2,013</u>	<u>\$ 295</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (80)	\$ 1,651	\$ (1,600)
Depreciation/Amortization Expense	60	1,623	1,242
Changes in Assets and Liabilities:			
Accounts Receivable	—	—	—
Inventories	1	(88)	9
Deferred Outflows of Resources	(184)	(539)	(21)
Accounts Payable	(2)	94	3
Accrued Payroll	4	79	—
Unearned Revenue	—	(77)	—
Compensated Absences	2	241	—
Net Pension Liability	247	675	29
Deferred Inflows of Resources	(5)	(7)	(1)
Net Cash Provided (Used) by Operating Activities	<u>\$ 43</u>	<u>\$ 3,652</u>	<u>\$ (339)</u>
Non-Cash Financing and Investing Activities:			
Capital Asset Donations	\$ —	\$ 8,134	\$ —
Increase (Decrease) in Fair Value of Investments	(5)	(29)	(4)
Net Non-Cash Financing and Investing Activities	<u>\$ (5)</u>	<u>\$ 8,105</u>	<u>\$ (4)</u>

				Totals
Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	June 30, 2017
\$ —	\$ —	\$ 220	\$ —	\$ 636
—	25,734	1,811	878	44,191
(79)	(20,432)	(1,255)	(12)	(31,494)
(272)	(82,323)	(1,046)	—	(86,807)
(853)	(1,269)	—	—	(2,152)
—	—	181	3	731
(3)	(88)	(3)	—	(557)
<u>(1,207)</u>	<u>(78,378)</u>	<u>(92)</u>	<u>869</u>	<u>(75,452)</u>
36	—	—	—	36
—	(6)	3	—	182
—	73,087	—	—	76,703
<u>695</u>	<u>4,750</u>	<u>(30)</u>	<u>(1,022)</u>	<u>4,393</u>
<u>731</u>	<u>77,831</u>	<u>(27)</u>	<u>(1,022)</u>	<u>81,314</u>
—	—	—	—	(9)
—	(1,612)	(72)	—	(15,183)
—	—	—	—	(176)
—	—	—	—	—
<u>—</u>	<u>(1,612)</u>	<u>(72)</u>	<u>—</u>	<u>(15,368)</u>
16	1,060	—	—	3,122
—	—	(355)	(103)	(908)
14	28	17	—	145
—	1	—	—	77
<u>30</u>	<u>1,089</u>	<u>(338)</u>	<u>(103)</u>	<u>2,436</u>
(446)	(1,070)	(529)	(256)	(7,070)
<u>777</u>	<u>1,297</u>	<u>1,131</u>	<u>515</u>	<u>11,245</u>
<u>\$ 331</u>	<u>\$ 227</u>	<u>\$ 602</u>	<u>\$ 259</u>	<u>\$ 4,175</u>
\$ (1,247)	\$ (88,119)	\$ (453)	\$ 843	\$ (89,005)
10	1,122	194	—	4,251
—	(821)	145	26	(650)
—	(12)	—	—	(90)
(91)	(26,310)	(312)	—	(27,457)
1	87	(86)	—	97
—	97	—	—	180
—	51	—	—	(26)
3	21	—	—	267
118	36,094	426	—	37,589
(1)	(588)	(6)	—	(608)
<u>\$ (1,207)</u>	<u>\$ (78,378)</u>	<u>\$ (92)</u>	<u>\$ 869</u>	<u>\$ (75,452)</u>
\$ —	\$ —	\$ —	\$ —	\$ 8,134
(4)	(4)	(7)	(2)	(55)
<u>\$ (4)</u>	<u>\$ (4)</u>	<u>\$ (7)</u>	<u>\$ (2)</u>	<u>\$ 8,079</u>



*The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.*

Internal Service Funds:

Natural Resources Cost Allocation - Accounts for the administrative costs of the Department of Natural Resources.

Mental Health Interagency Payments - Accounts for moneys received through interagency agreements for services provided by other agencies.

State Facility Maintenance and Operation - Accounts for moneys collected from tenants for rent to cover the costs of operations in state-owned office buildings and institutions, charges to tenants in leased space to cover costs of real estate administrative services, and charges to capital improvement projects to cover the costs of project management services.

Office of Administration Revolving - Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services, postage, and personnel administration.

Working Capital Revolving - Accounts for the operation of correctional industry programs and correctional farm programs.

General Government Revolving - Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer, and Department of Corrections.

Social Services Administrative Trust - Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

Economic Development Administrative - Accounts for moneys collected for goods and services provided to other divisions and used to pay the cost of providing such services.

Professional Registration Fees - Accounts for moneys received from the professional boards for administrative services.

Conservation Employees' Insurance Plan - Accounts for health insurance coverage on a self-insured basis and life insurance coverage by a third party provider for Department of Conservation employees.

Transportation Self-Insurance Plan - Accounts for highway and highway patrol moneys used to pay workers' compensation claims. Moneys are also used to pay auto claims against the Department of Transportation.

Missouri State Employees' Insurance Plan - Accounts for long-term disability and death benefits provided on a self-insured basis for state employees.

Missouri Consolidated Health Care Plan - Accounts for medical care benefits provided on a self-insured basis for active state employees.

MoDOT and MSHP Medical and Life Insurance Plan - Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Transportation employees and members of the Missouri State Highway Patrol.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

June 30, 2017
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 214	\$ 836	\$ 1,199	\$ 2,158	\$ 2,835	\$ 239
Investments	677	2,642	3,790	8,985	8,962	755
Restricted:						
Investments	—	—	—	—	—	—
Accounts Receivable, Net	16	—	—	2,859	721	48,185
Interest Receivable	—	—	—	11	—	—
Due from Other Funds	—	—	15	6,943	98	7
Due from Component Units	—	—	—	2	—	—
Inventories	—	—	1,030	1,261	7,792	—
Prepaid Items	—	—	—	—	—	—
Total Current Assets	907	3,478	6,034	22,219	20,408	49,186
Non-Current Assets:						
Investments	—	—	—	—	—	—
Restricted Assets:						
Cash and Cash Equivalents	—	—	—	688	—	—
Investments	—	—	—	—	—	—
Capital Assets:						
Construction in Progress	—	—	10	218	—	—
Software in Progress	401	—	75	250	—	—
Land	—	—	7,681	—	41	—
Land Improvements	—	—	3,000	—	—	—
Buildings	219	—	477,698	2,952	6,432	—
Equipment	3,393	1,158	14,529	88,261	19,555	374
Software	3,463	603	12	11,407	238	9,467
Less Accumulated Depreciation/Amortization	(4,198)	(1,751)	(209,517)	(80,768)	(22,777)	(9,303)
Total Non-Current Assets	3,278	10	293,488	23,008	3,489	538
Total Assets	4,185	3,488	299,522	45,227	23,897	49,724
DEFERRED OUTFLOWS OF RESOURCES	4,657	—	14,996	7,945	4,585	435
LIABILITIES						
Current Liabilities:						
Bank Overdraft	—	—	—	—	—	—
Accounts Payable	116	92	1,709	1,292	90	673
Accrued Payroll	269	—	815	452	243	5
Due to Other Funds	50	—	45	—	—	1
Unearned Revenue	—	—	—	301	—	—
Claims Liability	—	—	—	—	—	—
Obligations under Lease Purchase	—	—	1,656	4,632	9	—
Compensated Absences	549	—	1,735	823	554	9
Total Current Liabilities	984	92	5,960	7,500	896	688
Non-Current Liabilities:						
Claims Liability	—	—	—	—	—	—
Obligations under Lease Purchase	—	—	27,042	5,800	—	—
Compensated Absences	14	—	113	363	—	4
Net Pension Liability	14,049	—	40,881	21,738	14,679	1,842
Total Non-Current Liabilities	14,063	—	68,036	27,901	14,679	1,846
Total Liabilities	15,047	92	73,996	35,401	15,575	2,534
DEFERRED INFLOWS OF RESOURCES	133	—	427	221	130	15
NET POSITION						
Net Investment in Capital Assets	3,278	10	264,790	11,888	3,480	538
Restricted for:						
Other Purposes	—	—	—	688	—	—
Unrestricted	(9,616)	3,386	(24,695)	4,974	9,297	47,072
Total Net Position	\$ (6,338)	\$ 3,396	\$ 240,095	\$ 17,550	\$ 12,777	\$ 47,610

Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2017
\$ 13 41	\$ 42 136	\$ 224 707	\$ 1,816 7,129	\$ 9,736 6,849	\$ — 3,721	\$ 98,892 37,905	\$ 12,949 705	\$ 131,153 83,004
—	—	—	—	—	—	—	100	100
—	—	—	840	200	967	10,025	2,386	66,199
—	—	—	20	239	—	—	54	324
11	—	—	—	—	—	—	—	7,074
—	—	—	—	—	—	—	—	2
65	2	12	—	—	—	—	—	10,162
—	—	—	—	—	—	190	—	190
130	180	943	9,805	17,024	4,688	147,012	16,194	298,208
—	—	—	—	90,902	—	—	21,238	112,140
—	—	—	—	—	—	—	—	688
—	—	—	—	200	—	—	—	200
—	15	—	—	—	—	—	—	243
—	—	—	—	—	—	—	—	726
—	—	—	—	—	—	—	—	7,722
—	—	—	—	—	—	—	—	3,000
—	—	2,379	—	—	—	—	—	489,680
86	190	939	—	—	—	2,363	—	130,848
—	9	291	—	—	—	—	—	25,490
(35)	(184)	(2,375)	—	—	—	(2,080)	—	(332,988)
51	30	1,234	—	91,102	—	283	21,238	437,749
181	210	2,177	9,805	108,126	4,688	147,295	37,432	735,957
—	774	2,870	—	—	—	2,562	—	38,824
—	—	—	—	—	2	—	—	2
41	14	127	162	33	2,666	17,941	2,040	26,996
—	38	161	—	—	—	—	—	1,983
4	12	36	—	—	—	—	—	148
—	—	—	50	—	2,104	19,638	9,001	31,094
—	—	—	2,592	23,767	—	42,221	12,300	80,880
—	—	3	—	—	—	—	—	6,300
—	75	270	—	—	—	11	—	4,026
45	139	597	2,804	23,800	4,772	79,811	23,341	151,429
—	—	—	—	58,809	—	—	—	58,809
—	—	—	—	—	—	—	—	32,842
—	—	40	—	—	—	194	—	728
—	2,290	7,404	—	—	—	7,266	—	110,149
—	2,290	7,444	—	58,809	—	7,460	—	202,528
45	2,429	8,041	2,804	82,609	4,772	87,271	23,341	353,957
—	22	81	—	—	—	140	—	1,169
51	30	1,231	—	—	—	283	—	285,579
—	—	—	—	200	—	—	100	988
85	(1,497)	(4,306)	7,001	25,317	(84)	62,163	13,991	133,088
\$ 136	\$ (1,467)	\$ (3,075)	\$ 7,001	\$ 25,517	\$ (84)	\$ 62,446	\$ 14,091	\$ 419,655

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration and Revolving	Working Capital Revolving	General Government Revolving
Operating Revenues:						
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	—	—	—	—	—	—
Medicare Part D Subsidy	—	—	—	—	—	—
Licenses, Fees, and Permits	—	—	—	—	—	14,728
Sales	—	—	—	—	28,112	7
Leases and Rentals	—	—	62,085	—	221	6
Charges for Services	13,559	8,128	5,154	93,961	14	613
Cost Reimbursement/Miscellaneous	62	—	57	1,254	10	13
Total Operating Revenues	13,621	8,128	67,296	95,215	28,357	15,367
Operating Expenses:						
Cost of Goods Sold	—	—	—	10,939	11,561	—
Personal Service	9,066	—	31,958	17,292	9,719	376
Operations	4,634	80	35,018	54,725	5,177	5,198
Specific Programs	6	7,807	27	—	7	3,126
Insurance Benefits	—	—	—	—	—	—
Depreciation/Amortization	603	58	12,603	9,405	780	475
Other Charges	105	—	63	82	1,335	21
Total Operating Expenses	14,414	7,945	79,669	92,443	28,579	9,196
Operating Income (Loss)	(793)	183	(12,373)	2,772	(222)	6,171
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	—	—	24	—	—	—
Interest Expense	(1)	—	(996)	(219)	(1)	—
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(2)	(10)	(14)	(35)	(33)	(2)
Interest	—	—	—	35	—	—
Disposal of Capital Assets	—	(2)	(19)	66	(100)	—
Total Non-Operating Revenues (Expenses)	(3)	(12)	(1,005)	(153)	(134)	(2)
Income (Loss) Before Transfers	(796)	171	(13,378)	2,619	(356)	6,169
Transfers In	—	153	20	—	6	—
Transfers Out	—	—	—	(2,117)	—	—
Change in Net Position	(796)	324	(13,358)	502	(350)	6,169
Total Net Position - Beginning	(5,542)	3,072	253,453	17,048	13,127	41,441
Total Net Position - Ending	\$ (6,338)	\$ 3,396	\$ 240,095	\$ 17,550	\$ 12,777	\$ 47,610

Social Services Administrative Trust Fund	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2017
\$ —	\$ —	\$ —	\$ 10,896	\$ 20,300	\$ —	\$ 327,234	\$ 83,985	\$ 442,415
—	—	—	7,779	—	28,780	80,960	44,803	162,322
—	—	—	113	—	—	—	6,153	6,266
—	—	—	—	—	—	—	—	14,728
—	—	—	—	—	—	—	—	28,119
—	—	—	—	—	—	—	—	62,312
749	1,756	7,335	—	—	—	—	—	131,269
8	9	3	1,945	235	480	24,834	2,109	31,019
<u>757</u>	<u>1,765</u>	<u>7,338</u>	<u>20,733</u>	<u>20,535</u>	<u>29,260</u>	<u>433,028</u>	<u>137,050</u>	<u>878,450</u>
—	—	—	—	—	—	—	—	22,500
—	1,603	6,087	—	—	405	3,581	—	80,087
921	215	1,514	1,837	1,363	137	1,566	6,098	118,483
—	—	3	—	—	—	—	—	10,976
—	—	—	19,095	8,308	28,770	462,216	136,637	655,026
16	10	188	—	—	—	123	—	24,261
—	17	53	6	—	—	12,773	—	14,455
<u>937</u>	<u>1,845</u>	<u>7,845</u>	<u>20,938</u>	<u>9,671</u>	<u>29,312</u>	<u>480,259</u>	<u>142,735</u>	<u>925,788</u>
<u>(180)</u>	<u>(80)</u>	<u>(507)</u>	<u>(205)</u>	<u>10,864</u>	<u>(52)</u>	<u>(47,231)</u>	<u>(5,685)</u>	<u>(47,338)</u>
—	—	—	—	—	—	—	—	24
—	—	—	—	—	—	—	—	(1,217)
—	—	—	(109)	(1,638)	—	—	(406)	(2,249)
—	—	—	107	1,883	34	894	482	3,435
—	(6)	(2)	—	—	—	—	—	(63)
—	(6)	(2)	(2)	245	34	894	76	(70)
<u>(180)</u>	<u>(86)</u>	<u>(509)</u>	<u>(207)</u>	<u>11,109</u>	<u>(18)</u>	<u>(46,337)</u>	<u>(5,609)</u>	<u>(47,408)</u>
—	—	—	—	—	—	—	—	179
—	—	(10)	—	—	—	—	—	(2,127)
<u>(180)</u>	<u>(86)</u>	<u>(519)</u>	<u>(207)</u>	<u>11,109</u>	<u>(18)</u>	<u>(46,337)</u>	<u>(5,609)</u>	<u>(49,356)</u>
<u>316</u>	<u>(1,381)</u>	<u>(2,556)</u>	<u>7,208</u>	<u>14,408</u>	<u>(66)</u>	<u>108,783</u>	<u>19,700</u>	<u>469,011</u>
<u>\$ 136</u>	<u>\$ (1,467)</u>	<u>\$ (3,075)</u>	<u>\$ 7,001</u>	<u>\$ 25,517</u>	<u>\$ (84)</u>	<u>\$ 62,446</u>	<u>\$ 14,091</u>	<u>\$ 419,655</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration and Revolving	Working Capital Revolving	General Government Revolving
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	\$ 13,543	\$ 8,128	\$ 67,239	\$ 90,386	\$ 19,250	\$ 100
Receipts from External Customers and Users	—	—	—	4,164	9,105	8,751
Payments to Suppliers	(4,930)	12	(34,756)	(66,071)	(15,973)	(5,019)
Payments to Employees	(7,959)	—	(28,586)	(15,365)	(8,763)	(168)
Payments Made for Program Expense	(6)	(7,807)	(27)	—	(7)	(3,126)
Other Receipts	62	—	57	1,254	10	13
Other Payments	(105)	—	(63)	(82)	(1,335)	(21)
Net Cash Provided (Used) by Operating Activities	605	333	3,864	14,286	2,287	530
Cash Flows from Non-Capital Financing Activities:						
Due to/from Other Funds	(62)	136	29	760	62	(98)
Due to/from Component Units	—	—	—	(1)	—	—
Contributions and Intergovernmental	—	—	24	—	—	—
Transfers to/from Other Funds	—	153	—	(2,117)	—	—
Net Cash Provided (Used) by Non-Capital Financing Activities	(62)	289	53	(1,358)	62	(98)
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	(1)	—	(996)	(219)	(1)	—
Purchases and Construction of Capital Assets	(596)	—	—	(6,627)	(818)	—
Capital Lease Downpayment/Obligations	(40)	—	(2,791)	(7,163)	(22)	—
Disposal of Capital Assets	—	—	193	—	—	1
Net Cash Provided (Used) by Capital and Related Financing Activities	(637)	—	(3,594)	(14,009)	(841)	1
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	—	—	—	—	—	—
Purchase of Investments	(106)	(993)	(1,095)	(1,555)	(3,019)	(431)
Interest and Dividends Received	—	—	—	31	—	—
Investment Fees	—	—	—	—	—	—
Net Cash Provided (Used) by Investing Activities	(106)	(993)	(1,095)	(1,524)	(3,019)	(431)
Net Increase (Decrease) in Cash	(200)	(371)	(772)	(2,605)	(1,511)	2
Cash and Cash Equivalents, Beginning of Year	414	1,207	1,971	5,451	4,346	237
Cash and Cash Equivalents, End of Year	\$ 214	\$ 836	\$ 1,199	\$ 2,846	\$ 2,835	\$ 239
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (793)	\$ 183	\$ (12,373)	\$ 2,772	\$ (222)	\$ 6,171
Depreciation/Amortization Expense	603	58	12,603	9,405	780	475
Changes in Assets and Liabilities:						
Accounts Receivable	(16)	—	—	639	8	(6,503)
Inventories	—	—	82	53	736	—
Deferred Outflows of Resources	(2,988)	—	(9,666)	(5,173)	(2,925)	(270)
Prepaid Items	—	—	—	—	—	—
Accounts Payable	(296)	92	180	(460)	29	179
Accrued Payroll	31	—	27	68	9	—
Unearned Revenue	—	—	—	(50)	—	—
Claims Liability	—	—	—	—	—	—
Compensated Absences	(14)	—	(25)	294	(70)	—
Net Pension Liability	4,141	—	13,235	6,844	4,012	479
Deferred Inflows of Resources	(63)	—	(199)	(106)	(70)	(1)
Net Cash Provided (Used) by Operating Activities	\$ 605	\$ 333	\$ 3,864	\$ 14,286	\$ 2,287	\$ 530
Non-Cash Financing and Investing Activities:						
Increase (Decrease) in Fair Value of Investments	\$ (2)	\$ (10)	\$ (14)	\$ (35)	\$ (33)	\$ (2)
Net Non-Cash Financing and Investing Activities	\$ (2)	\$ (10)	\$ (14)	\$ (35)	\$ (33)	\$ (2)

Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals
								June 30, 2017
\$ 743	\$ 1,129	\$ —	\$ 10,914	\$ 20,300	\$ —	\$ 324,762	\$ 83,985	\$ 640,479
6	627	7,335	7,776	—	30,879	80,960	51,963	201,566
(909)	(218)	(1,611)	(1,899)	(1,363)	(2,136)	(3,419)	(6,134)	(144,426)
—	(1,461)	(5,480)	—	—	(405)	(3,017)	—	(71,204)
—	—	(3)	(19,209)	(16,378)	(28,770)	(461,390)	(134,137)	(670,860)
8	9	3	1,945	235	480	24,834	2,109	31,019
—	(17)	(53)	(6)	—	—	(12,773)	—	(14,455)
(152)	69	191	(479)	2,794	48	(50,043)	(2,214)	(27,881)
162	9	11	—	—	—	—	—	1,009
—	—	—	—	—	—	—	—	(1)
—	—	—	—	—	—	—	—	24
—	—	(10)	—	—	—	—	—	(1,974)
162	9	1	—	—	—	—	—	(942)
—	—	—	—	—	—	—	—	(1,217)
—	(5)	(131)	—	—	—	(184)	—	(8,361)
—	—	(5)	—	—	—	—	—	(10,021)
1	—	—	—	—	—	—	—	195
1	(5)	(136)	—	—	—	(184)	—	(19,404)
—	—	—	—	37,620	1,140,376	—	12,170	1,190,166
(16)	(75)	(201)	(449)	(45,056)	(1,140,458)	(47)	(6,704)	(1,200,205)
—	—	—	100	1,835	34	894	506	3,400
—	—	—	—	—	—	—	(23)	(23)
(16)	(75)	(201)	(349)	(5,601)	(48)	847	5,949	(6,662)
(5)	(2)	(145)	(828)	(2,807)	—	(49,380)	3,735	(54,889)
18	44	369	2,644	12,543	(2)	148,272	9,214	186,728
\$ 13	\$ 42	\$ 224	\$ 1,816	\$ 9,736	\$ (2)	\$ 98,892	\$ 12,949	\$ 131,839
\$ (180)	\$ (80)	\$ (507)	\$ (205)	\$ 10,864	\$ (52)	\$ (47,231)	\$ (5,685)	\$ (47,338)
16	10	188	—	—	—	123	—	24,261
—	—	—	(116)	—	(5)	(2,490)	167	(8,316)
24	—	—	—	—	—	—	—	895
—	(509)	(1,865)	—	—	—	(1,595)	—	(24,991)
—	—	—	—	—	—	(57)	—	(57)
(12)	(3)	(97)	(62)	—	(1,999)	(1,796)	(36)	(4,281)
—	(4)	1	—	—	—	—	—	132
—	—	—	18	—	2,104	18	840	2,930
—	—	—	(114)	(8,070)	—	826	2,500	(4,858)
—	(12)	(28)	—	—	—	(11)	—	134
—	675	2,534	—	—	—	2,132	—	34,052
—	(8)	(35)	—	—	—	38	—	(444)
\$ (152)	\$ 69	\$ 191	\$ (479)	\$ 2,794	\$ 48	\$ (50,043)	\$ (2,214)	\$ (27,881)
\$ —	\$ —	\$ —	\$ (109)	\$ (1,638)	\$ —	\$ —	\$ (406)	\$ (2,249)
\$ —	\$ —	\$ —	\$ (109)	\$ (1,638)	\$ —	\$ —	\$ (406)	\$ (2,249)



*The **Fiduciary Funds** account for assets held by the State in a trustee or agent capacity.*

Pension (and Other Employee Benefit) Trust Funds:

Missouri State Employees' Retirement System:

Missouri State Employees' Plan - Accounts for retirement, survivor, and disability benefits paid to employees of the State who are not covered under another state-sponsored retirement plan.

Judicial Plan - Accounts for retirement, survivor, and disability benefits to judges in the State of Missouri.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System - Accounts for retirement, survivor, and disability benefits paid to Department of Transportation employees and members of the Missouri State Highway Patrol.

Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust - Accounts for health and welfare benefits paid for the exclusive benefit of current and future retired employees of the State who are not covered under another state-sponsored other post-employment benefit plan.

Missouri State Public Employees' Deferred Compensation Incentive (IRC 401a) Plan - Accounts for retirement benefits paid to employees of the State.

Missouri State Public Employees' Deferred Compensation (IRC 457) Plan - Accounts for deposits from State employees, which are invested for the benefit of the employees until properly authorized to distribute.

Private-Purpose Trust Funds:

Alternative Care Trust - Accounts for all moneys received and spent by the Division of Family Services on behalf of children in their custody.

Johnson-Travis Memorial Trust - Accounts for all moneys, stocks, and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop, and maintain the gardens.

Unclaimed Property - Accounts for moneys unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends, and interest of banks unable to locate the owners.

Agency Funds:

Social Security Contributions - Accounts for the receipt of contributions from various state funds for the State's share of social security contributions, which are due to the Federal Social Security Administration.

Missouri State Employees' Voluntary Life Insurance - Accounts for moneys withheld from employees' compensation for the contracts entered into with life insurance companies.

Program - Accounts for the receipt of various taxes, refundable deposits, and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution - Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
June 30, 2017
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2017
ASSETS							
Cash and Cash Equivalents	\$ 2,377,143	\$ 40,813	\$ 172	\$ 3,285	\$ 350	\$ 80	\$ 2,421,843
Investments at Fair Value	8,866,366	152,225	2,162,264	108,231	581,642	1,457,759	13,328,487
Invested Securities Lending Collateral Receivables:	—	—	56,823	—	—	—	56,823
Accounts Receivable	41,562	1,936	12,840	27,862	220	631	85,051
Interest Receivable	—	—	5,686	—	—	—	5,686
Prepaid Expenses	104	2	—	—	—	—	106
Capital Assets:							
Land	263	4	84	—	—	—	351
Buildings	4,171	72	582	—	1	3	4,829
Equipment	1,273	22	227	—	5	12	1,539
Software	724	12	3,288	—	1	3	4,028
Accumulated Depreciation/Amortization	(3,171)	(54)	(2,976)	—	(4)	(9)	(6,214)
Total Capital Assets, Net	3,260	56	1,205	—	3	9	4,533
Total Assets	11,288,435	195,032	2,238,990	139,378	582,215	1,458,479	15,902,529
LIABILITIES							
Accounts Payable	25,653	441	10,825	201	30	76	37,226
Obligations under Repurchase Agreements	3,316,828	56,946	—	—	—	—	3,373,774
Securities Lending Obligation	—	—	58,390	—	—	—	58,390
Unearned Revenue	—	—	—	3,846	—	—	3,846
Claims Liability	—	—	—	9,888	—	—	9,888
Compensated Absences	596	10	—	—	—	—	606
Total Liabilities	3,343,077	57,397	69,215	13,935	30	76	3,483,730
Net Position Restricted for Pension Benefits, OPEB, and Deferred Compensation	\$ 7,945,358	\$ 137,635	\$ 2,169,775	\$ 125,443	\$ 582,185	\$ 1,458,403	\$ 12,418,799

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2017
Additions:							
Contributions:							
Employer	\$ 335,217	\$ 34,247	\$ 206,563	\$ 67,399	\$ 38	\$ —	\$ 643,464
Plan Member	27,130	787	3,239	52,170	—	55,042	138,368
Other	3,978	—	3,397	30,514	70,237	1,589	109,715
Total Contributions	366,325	35,034	213,199	150,083	70,275	56,631	891,547
Investment Earnings:							
Increase (Decrease) in							
Appreciation of Assets	329,824	5,663	187,425	—	24,392	102,285	649,589
Interest and Dividends	80,130	1,376	63,059	7,839	10,512	26,872	189,788
Securities Lending Income	88	1	552	—	—	—	641
Total Investment Earnings	410,042	7,040	251,036	7,839	34,904	129,157	840,018
Less Investment Expenses:							
Investment Activity Expense	(137,902)	(2,368)	(30,461)	—	—	—	(170,731)
Securities Lending Expense	(66)	(1)	(274)	—	—	—	(341)
Total Investment Expense	(137,968)	(2,369)	(30,735)	—	—	—	(171,072)
Net Investment Earnings (Loss)	272,074	4,671	220,301	7,839	34,904	129,157	668,946
Cost Reimbursement/ Miscellaneous	522	9	—	—	688	1,763	2,982
Total Additions	638,921	39,714	433,500	157,922	105,867	187,551	1,563,475
Deductions:							
Benefits	787,300	33,980	251,284	142,154	46,908	—	1,261,626
Administrative Expenses	8,550	147	4,145	7,310	607	2,407	23,166
Program Distributions	4,821	5	—	—	—	75,537	80,363
Service Transfer Payments	1,844	—	—	—	—	—	1,844
Depreciation/ Amortization	209	4	370	—	1	2	586
Total Deductions	802,724	34,136	255,799	149,464	47,516	77,946	1,367,585
Change in Net Position	(163,803)	5,578	177,701	8,458	58,351	109,605	195,890
Net Position - Beginning of Year	8,109,161	132,057	1,992,074	116,985	523,834	1,348,798	12,222,909
Net Position - End of Year	\$ 7,945,358	\$ 137,635	\$ 2,169,775	\$ 125,443	\$ 582,185	\$ 1,458,403	\$ 12,418,799

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2017
(In Thousands of Dollars)

	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2017
ASSETS				
Cash and Cash Equivalents	\$ 571	\$ 199	\$ 6,162	\$ 6,932
Investments at Fair Value	3,046	710	19,465	23,221
Assets Held in Escheat	—	—	23,998	23,998
Account Receivables	15	—	—	15
Interest Receivable	8	1	—	9
Inventories	—	—	1	1
Capital Assets:				
Equipment	—	—	58	58
Software	—	—	99	99
Less: Accumulated Depreciation/Amortization	—	—	(90)	(90)
Total Capital Assets, Net	—	—	67	67
Total Assets	3,640	910	49,693	54,243
DEFERRED OUTFLOWS OF RESOURCES				
	—	—	444	444
LIABILITIES				
Accounts Payable	1,100	—	23	1,123
Accrued Payroll	—	—	23	23
Compensated Absences	—	—	41	41
Net Pension Liability	—	—	1,093	1,093
Total Liabilities	1,100	—	1,180	2,280
DEFERRED INFLOWS OF RESOURCES				
	—	—	12	12
NET POSITION				
Net Position Restricted for Other Purposes	\$ 2,540	\$ 910	\$ 48,945	\$ 52,395

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2017
Additions:				
Increase (Decrease) in Appreciation of Assets	\$ (14)	\$ 1	\$ 7,318	\$ 7,305
Interest	39	8	704	751
Total Investment Earnings	25	9	8,022	8,056
Unclaimed Property	—	—	30,132	30,132
Cost Reimbursement/Miscellaneous	6,962	—	1	6,963
Total Additions	6,987	9	38,155	45,151
Deductions:				
Administrative Expenses	—	—	2,522	2,522
Program Distributions	10,517	—	43,083	53,600
Depreciation/Amortization	—	—	38	38
Total Deductions	10,517	—	45,643	56,160
Change in Net Position	(3,530)	9	(7,488)	(11,009)
Net Position - Beginning	6,070	901	56,433	63,404
Net Position - Ending	\$ 2,540	\$ 910	\$ 48,945	\$ 52,395

STATE OF MISSOURI
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 2017
(In Thousands of Dollars)

	Social Security Contributions	Missouri State Employees' Voluntary Life Insurance	Program	Institution	Totals June 30, 2017
ASSETS					
Cash and Cash					
Equivalents	\$ 25	\$ 36	\$ 91,203	\$ 16,163	\$ 107,427
Investments at					
Fair Value	77	113	543,186	18	543,394
Receivables:					
Accounts Receivable	6,241	—	438,574	—	444,815
Interest Receivable	—	—	337	—	337
Total Assets	<u>\$ 6,343</u>	<u>\$ 149</u>	<u>\$ 1,073,300</u>	<u>\$ 16,181</u>	<u>\$ 1,095,973</u>
LIABILITIES					
Accounts Payable	\$ —	\$ —	\$ 33	\$ —	\$ 33
Due to Other Entities	6,343	149	1,063,299	—	1,069,791
Due to Individuals	—	—	9,968	16,181	26,149
Total Liabilities	<u>\$ 6,343</u>	<u>\$ 149</u>	<u>\$ 1,073,300</u>	<u>\$ 16,181</u>	<u>\$ 1,095,973</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>SOCIAL SECURITY CONTRIBUTIONS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 43	\$ 152,784	\$ 152,802	\$ 25
Investments at Fair Value	59	77	59	77
Accounts Receivable	6,140	6,241	6,140	6,241
Total Assets	<u>\$ 6,242</u>	<u>\$ 159,102</u>	<u>\$ 159,001</u>	<u>\$ 6,343</u>
LIABILITIES				
Due to Other Entities	<u>\$ 6,242</u>	<u>\$ 463,882</u>	<u>\$ 463,781</u>	<u>\$ 6,343</u>
<u>MISSOURI STATE EMPLOYEES'</u>				
<u>VOLUNTARY LIFE INSURANCE</u>				
ASSETS				
Cash and Cash Equivalents	\$ 63	\$ 3,653	\$ 3,680	\$ 36
Investments at Fair Value	86	113	86	113
Total Assets	<u>\$ 149</u>	<u>\$ 3,766</u>	<u>\$ 3,766</u>	<u>\$ 149</u>
LIABILITIES				
Due to Other Entities	<u>\$ 149</u>	<u>\$ 3,716</u>	<u>\$ 3,716</u>	<u>\$ 149</u>
<u>PROGRAM</u>				
ASSETS				
Cash and Cash Equivalents	\$ 97,247	\$ 7,715,374	\$ 7,721,418	\$ 91,203
Investments at Fair Value	425,034	572,921	454,769	543,186
Receivables:				
Accounts Receivable	398,767	47,732	7,925	438,574
Interest Receivable	70	1,924	1,657	337
Total Assets	<u>\$ 921,118</u>	<u>\$ 8,337,951</u>	<u>\$ 8,185,769</u>	<u>\$ 1,073,300</u>
LIABILITIES				
Accounts Payable	\$ 33	\$ 393	\$ 393	\$ 33
Due to Other Entities	911,307	8,329,140	8,177,148	1,063,299
Due to Individuals	9,778	22,064	21,874	9,968
Total Liabilities	<u>\$ 921,118</u>	<u>\$ 8,351,597</u>	<u>\$ 8,199,415</u>	<u>\$ 1,073,300</u>
<u>INSTITUTION</u>				
ASSETS				
Cash and Cash Equivalents	\$ 17,163	\$ 155,634	\$ 156,634	\$ 16,163
Investments at Fair Value	20	—	2	18
Total Assets	<u>\$ 17,183</u>	<u>\$ 155,634</u>	<u>\$ 156,636</u>	<u>\$ 16,181</u>
LIABILITIES				
Due to Individuals	<u>\$ 17,183</u>	<u>\$ 155,634</u>	<u>\$ 156,636</u>	<u>\$ 16,181</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 114,516	\$ 8,027,445	\$ 8,034,534	\$ 107,427
Investments at Fair Value	425,199	573,111	454,916	543,394
Receivables:				
Accounts Receivable	404,907	53,973	14,065	444,815
Interest Receivable	70	1,924	1,657	337
Total Assets	<u>\$ 944,692</u>	<u>\$ 8,656,453</u>	<u>\$ 8,505,172</u>	<u>\$ 1,095,973</u>
LIABILITIES				
Accounts Payable	\$ 33	\$ 393	\$ 393	\$ 33
Due to Other Entities	917,698	8,796,738	8,644,645	1,069,791
Due to Individuals	26,961	177,698	178,510	26,149
Total Liabilities	<u>\$ 944,692</u>	<u>\$ 8,974,829</u>	<u>\$ 8,823,548</u>	<u>\$ 1,095,973</u>



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Non-Major Component Units:

Missouri Development Finance Board - Accounts for moneys from bond proceeds, gifts, and grants to make loans for industrial development.

Missouri Agricultural and Small Business Development Authority - Accounts for moneys from bond proceeds, gifts, and grants to make loans for property acquisitions/renovations and pollution control facilities.

Missouri Transportation Finance Corporation - Accounts for moneys from federal, state or local sources, and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

Missouri Wine and Grape Board - Accounts for moneys derived from the privilege of selling wine to be used for marketing development in developing programs for growing, selling, and marketing of grape products grown in Missouri.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS

June 30, 2017
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2017
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 23,163	\$ 476	\$ 25,613	\$ 229	\$ 49,481
Investments	—	497	27,502	724	28,723
Accounts Receivable, Net	190	—	—	—	190
Interest Receivable	166	2	727	2	897
Inventories	—	—	—	1	1
Restricted Assets:					
Cash and Cash Equivalents	—	596	—	—	596
Investments	—	11,413	—	—	11,413
Interest Receivable	—	32	—	—	32
Loan Receivable	—	—	5,424	—	5,424
Prepaid Items	213	—	—	—	213
Loans Receivable	241	316	—	—	557
Total Current Assets	23,973	13,332	59,266	956	97,527
Non-Current Assets:					
Investments	—	—	24,860	—	24,860
Loans Receivable	25,296	301	—	—	25,597
Restricted Assets:					
Cash and Cash Equivalents	8,356	—	—	—	8,356
Investments	11,957	—	—	—	11,957
Loans Receivables	—	—	22,669	—	22,669
Capital Assets:					
Construction in Progress	204	—	—	—	204
Land	7,220	—	—	—	7,220
Buildings	78,583	—	—	5	78,588
Equipment	437	—	—	42	479
Software & Misc Intangible Assets	23	—	—	3	26
Less Accumulated Depreciation/Amortization	(19,238)	—	—	(26)	(19,264)
Total Non-Current Assets	112,838	301	47,529	24	160,692
Total Assets	136,811	13,633	106,795	980	258,219
DEFERRED OUTFLOWS OF RESOURCES	777	273	—	280	1,330
LIABILITIES					
Current Liabilities:					
Accounts Payable	166	43	3	3	215
Accrued Payroll	—	—	—	15	15
Interest Payable	29	7	—	—	36
Due to Primary Government	—	561	—	2	563
Compensated Absences	40	4	—	30	74
Bonds and Notes Payable	214	—	—	—	214
Total Current Liabilities	449	615	3	50	1,117
Non-Current Liabilities:					
Advance from Primary Government	—	517	—	—	517
Unearned Revenue	837	—	—	—	837
Deposits and Reserves	15,433	—	—	—	15,433
Compensated Absences	40	—	—	—	40
Bonds and Notes Payable	19,482	—	—	—	19,482
Net Pension Liability	1,124	557	—	617	2,298
Total Non-Current Liabilities	36,916	1,074	—	617	38,607
Total Liabilities	37,365	1,689	3	667	39,724
DEFERRED INFLOWS OF RESOURCES	38	14	—	8	60
NET POSITION					
Net Investment in Capital Assets	47,533	—	—	24	47,557
Restricted for:					
Other Purposes	6,789	12,042	77,221	—	96,052
Unrestricted	45,863	161	29,571	561	76,156
Total Net Position	\$ 100,185	\$ 12,203	\$ 106,792	\$ 585	\$ 219,765

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2017
Operating Revenues:					
Licenses, Fees, and Permits	\$ 983	\$ 153	\$ 52	\$ —	\$ 1,188
Interest on Receivables	865	—	1,205	—	2,070
Leases and Rentals	6,635	—	—	—	6,635
Cost Reimbursement/Miscellaneous	2,505	—	—	1	2,506
Total Operating Revenues	10,988	153	1,257	1	12,399
Operating Expenses:					
Personal Service	834	353	28	465	1,680
Operations	3,241	51	9	1,290	4,591
Specific Programs	—	650	—	—	650
Depreciation/Amortization	1,979	—	—	9	1,988
Bad Debt Expense	22	—	—	—	22
Other Charges	38	—	1	28	67
Total Operating Expenses	6,114	1,054	38	1,792	8,998
Operating Income (Loss)	4,874	(901)	1,219	(1,791)	3,401
Non-Operating Revenues (Expenses):					
Contributions and Intergovernmental	(14)	2,929	—	1,767	4,682
Investment Earnings:					
Increase (Decrease) in Fair Value of Investments	—	—	(480)	(2)	(482)
Interest	99	121	888	7	1,115
Interest Expense	(971)	(25)	—	—	(996)
Miscellaneous Revenues (Expenses)	—	—	(51)	—	(51)
Special Item	5,868	—	—	—	5,868
Total Non-Operating Revenues (Expenses)	4,982	3,025	357	1,772	10,136
Change in Net Position	9,856	2,124	1,576	(19)	13,537
Total Net Position - Beginning	90,329	10,079	105,216	604	206,228
Total Net Position - Ending	\$ 100,185	\$ 12,203	\$ 106,792	\$ 585	\$ 219,765

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2017
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2017
Cash Flows from Operating Activities:					
Receipts from Customers and Users	\$ 8,063	\$ 153	\$ 1,311	\$ —	\$ 9,527
Loans to Outside Entities	—	375	5,234	—	5,609
Payments to Vendors and Suppliers	(3,408)	(84)	(8)	(1,289)	(4,789)
Payments for Employees	(749)	(283)	(28)	(392)	(1,452)
Payments Made for Program Expense	—	(650)	—	—	(650)
Net Payments/Receipts for Tax Credit Projects	(186)	—	—	—	(186)
Other Receipts	—	—	—	1	1
Other Payments	—	—	(1)	(28)	(29)
Net Cash Provided (Used) by Operating Activities	3,720	(489)	6,508	(1,708)	8,031
Cash Flows from Non-Capital Financing Activities:					
Loans Receivable Principal Receipts	10,446	—	—	—	10,446
Loans Receivable Issuance	(15,406)	—	—	—	(15,406)
Due to/from Primary Government	—	(386)	—	1	(385)
Advance to/from Primary Government	—	(613)	—	—	(613)
Contributions and Intergovernmental	(14)	2,929	—	1,767	4,682
Net Cash Provided (Used) by Non-Capital Financing Activities	(4,974)	1,930	—	1,768	(1,276)
Cash Flows from Capital and Related Financing Activities:					
Interest Expense	(1,009)	(32)	—	—	(1,041)
Purchases and Construction of Capital Assets	(2,966)	—	—	(6)	(2,972)
Principal Payments on Capital Debt	(2,359)	—	—	—	(2,359)
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,334)	(32)	—	(6)	(6,372)
Cash Flows from Investing Activities:					
Proceeds from Investment Maturities	19,854	—	43,267	—	63,121
Purchase of Investments	(18,585)	(4,252)	(41,973)	(208)	(65,018)
Interest	74	93	888	6	1,061
Investment Fees	—	—	(51)	—	(51)
Net Cash Provided (Used) by Investing Activities	1,343	(4,159)	2,131	(202)	(887)
Net Increase (Decrease) in Cash	(6,245)	(2,750)	8,639	(148)	(504)
Cash and Cash Equivalents, Beginning of Year	37,764	3,822	16,974	377	58,937
Cash and Cash Equivalents, End of Year	\$ 31,519	\$ 1,072	\$ 25,613	\$ 229	\$ 58,433
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 4,874	\$ (901)	\$ 1,219	\$ (1,791)	\$ 3,401
Depreciation/Amortization Expense	1,979	—	—	9	1,988
Changes in Assets and Liabilities:					
Accounts Receivable	(2,412)	—	—	—	(2,412)
Interest Receivable	(76)	—	54	—	(22)
Inventories	—	—	—	1	1
Deferred Outflows of Resources	(243)	(80)	—	(210)	(533)
Prepaid Items	55	—	—	—	55
Loans Receivable	—	375	5,234	—	5,609
Accounts Payable	(191)	(33)	1	—	(223)
Accrued Payroll	—	—	—	1	1
Deposit and Reserve	(531)	—	—	—	(531)
Compensated Absences	—	(15)	—	(1)	(16)
Unearned Revenue	(63)	—	—	—	(63)
Net Pension Liability	312	159	—	285	756
Deferred Inflows of Resources	16	6	—	(2)	20
Net Cash Provided (Used) by Operating Activities	\$ 3,720	\$ (489)	\$ 6,508	\$ (1,708)	\$ 8,031
Non-Cash Investing Activities:					
Increase (Decrease) in Fair Value of Investments	\$ —	\$ —	\$ (480)	\$ (2)	\$ (482)
Net Non-Cash Investing Activities	\$ —	\$ —	\$ (480)	\$ (2)	\$ (482)



*The **Statistical Section** presentations include Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information trends. The statistical data presented is intended to provide report users with a broader understanding of the environment in which the State operates.*

STATE OF MISSOURI
STATISTICAL SECTION
June 30, 2017

Index and Overview

This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

Net Position by Component	213
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Fund Balances - Governmental Funds	216
Changes in Fund Balances - Governmental Funds	217

Revenue Capacity

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

Revenue Base - Taxable Sales by Industry	219
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Personal Income Tax Revenue	221
Personal Income Tax Rates	222
Revenue Payers by Industry	223
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Debt Capacity

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratios of Outstanding Debt	225
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Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Demographic Indicators	228
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Operating Information

These schedules contain operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

State Employees by Function	231
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Capital Asset Statistics by Function	234

Sources: Unless otherwise noted, the information in these schedules is derived from the State of Missouri Comprehensive Annual Financial Report for the years shown.

STATE OF MISSOURI
NET POSITION BY COMPONENT
FISCAL YEARS 2008-2017
(In Thousands of Dollars)

	2017	2016*	2015	2014	2013
Governmental Activities					
Net Investment in Capital Assets	\$ 29,814,122	\$ 29,255,865	\$ 28,791,258	\$ 28,485,327	\$ 28,166,290
Restricted	4,106,445	4,348,001	3,269,480	3,790,165	3,788,299
Unrestricted	(5,787,207)	(5,465,559)	(4,292,710)	(5,501,188)	(1,216,048)
Total Governmental Activities Net Position	<u><u>\$ 28,133,360</u></u>	<u><u>\$ 28,138,307</u></u>	<u><u>\$ 27,768,028</u></u>	<u><u>\$ 26,774,304</u></u>	<u><u>\$ 30,738,541</u></u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 117,243	\$ 98,320	\$ 55,669	\$ 52,901	\$ 52,217
Restricted	3,635	6,104	4,588	4,889	5,630
Unrestricted	817,012	677,470	420,995	183,705	(117,891)
Total Business-Type Activities Net Position	<u><u>\$ 937,890</u></u>	<u><u>\$ 781,894</u></u>	<u><u>\$ 481,252</u></u>	<u><u>\$ 241,495</u></u>	<u><u>\$ (60,044)</u></u>
Primary Government					
Net Investment in Capital Assets	\$ 29,931,365	\$ 29,354,185	\$ 28,846,927	\$ 28,538,228	\$ 28,218,507
Restricted	4,110,080	4,354,105	3,274,068	3,795,054	3,793,929
Unrestricted	(4,970,195)	(4,788,089)	(3,871,715)	(5,317,483)	(1,333,939)
Total Primary Government Net Position	<u><u>\$ 29,071,250</u></u>	<u><u>\$ 28,920,201</u></u>	<u><u>\$ 28,249,280</u></u>	<u><u>\$ 27,015,799</u></u>	<u><u>\$ 30,678,497</u></u>
Continues Below					
	2012	2011*	2010	2009	2008
Governmental Activities					
Net Investment in Capital Assets	\$ 27,873,493	\$ 26,595,552	\$ 25,850,787	\$ 26,247,223	\$ 25,324,173
Restricted	3,898,340	4,339,603	3,907,120	3,537,444	6,003,212
Unrestricted	(1,865,908)	(1,159,743)	(940,675)	(1,260,231)	(2,327,482)
Total Governmental Activities Net Position	<u><u>\$ 29,905,925</u></u>	<u><u>\$ 29,775,412</u></u>	<u><u>\$ 28,817,232</u></u>	<u><u>\$ 28,524,436</u></u>	<u><u>\$ 28,999,903</u></u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 50,081	\$ 50,291	\$ 45,990	\$ 48,442	\$ 42,360
Restricted	9,675	6,303	7,949	6,771	45,362
Unrestricted	(344,734)	(485,576)	(437,995)	(1,050)	329,265
Total Business-Type Activities Net Position	<u><u>\$ (284,978)</u></u>	<u><u>\$ (428,982)</u></u>	<u><u>\$ (384,056)</u></u>	<u><u>\$ 54,163</u></u>	<u><u>\$ 416,987</u></u>
Primary Government					
Net Investment in Capital Assets	\$ 27,923,574	\$ 26,645,843	\$ 25,896,777	\$ 26,295,665	\$ 25,366,533
Restricted	3,908,015	4,345,906	3,915,069	3,544,215	6,048,574
Unrestricted	(2,210,642)	(1,645,319)	(1,378,670)	(1,261,281)	(1,998,217)
Total Primary Government Net Position	<u><u>\$ 29,620,947</u></u>	<u><u>\$ 29,346,430</u></u>	<u><u>\$ 28,433,176</u></u>	<u><u>\$ 28,578,599</u></u>	<u><u>\$ 29,416,890</u></u>

*Fiscal year 2016 amounts have been restated.

**STATE OF MISSOURI
CHANGES IN NET POSITION
FISCAL YEARS 2008-2017
(In Thousands of Dollars)**

<u>Governmental Activities:</u>	2017	2016*	2015	2014
Expenses				
General Government	\$ 1,179,908	\$ 1,081,421	\$ 1,064,771	\$ 1,030,327
Education	7,094,386	6,902,930	6,680,646	6,430,861
Natural and Economic Resources	1,085,649	1,039,408	910,502	874,033
Transportation and Law Enforcement	2,196,580	1,913,379	1,861,116	1,823,578
Human Services	13,703,989	13,086,606	12,800,735	12,623,617
Interest on Debt (Excluding Direct Expense)	127,835	138,426	139,112	157,707
Total Expenses	25,388,347	24,162,170	23,456,882	22,940,123
Program Revenues				
Charges for Services:				
General Government	673,494	579,457	581,008	540,427
Transportation and Law Enforcement	228,547	230,685	228,093	232,176
Human Services	499,778	475,055	503,290	504,443
Other Activities	343,542	327,275	327,169	333,898
Operating Grants and Contributions	10,403,733	10,178,230	9,960,965	9,649,655
Capital Grants and Contributions	923,748	917,255	838,354	933,814
Total Program Revenues	13,072,842	12,707,957	12,438,879	12,194,413
Total Governmental Activities Net Program (Expense) Revenue	(12,315,505)	(11,454,213)	(11,018,003)	(10,745,710)
General Revenues and Other Changes in Net Position				
Taxes:				
Sales and Use	3,267,442	3,112,912	3,142,387	2,925,867
Individual Income	6,648,917	6,324,548	6,418,379	5,718,801
Corporate Income	392,438	411,139	490,131	427,320
County Foreign Insurance	254,686	218,083	222,828	180,779
Alcoholic Beverage	32,764	30,913	32,101	30,370
Corporate Franchise	2,490	17,197	29,982	54,670
Fuel	667,639	640,934	656,893	629,105
Miscellaneous Taxes	680,886	663,797	668,955	605,247
Grants and Contributions not Restricted to Specific	62,173	58,971	76,276	73,637
Unrestricted Investment Earnings	11,440	26,468	24,721	35,040
Special Items	—	—	—	—
Extraordinary Items	—	—	—	(132)
Transfers	289,683	304,320	275,997	291,421
Total General Revenues and Other Changes in Net Position	12,310,558	11,809,282	12,038,650	10,972,125
Total Governmental Activities Change in Net Position	\$ (4,947)	\$ 355,069	\$ 1,020,647	\$ 226,415
<u>Business-Type Activities:</u>				
Expenses				
State Lottery	\$ 1,070,591	\$ 1,025,086	\$ 873,502	\$ 894,137
Unemployment Compensation	318,686	312,295	391,508	568,787
Petroleum Storage Tank Insurance	19,392	16,205	14,705	13,244
State Fair Fees	4,712	4,369	4,390	4,419
State Parks and DNR	12,272	8,395	8,264	9,417
Historic Preservation	1,247	577	741	334
Missouri Veterans' Homes	114,847	100,771	92,501	97,674
Surplus Property	2,523	2,590	3,169	2,528
Revenue Information	12	14	13	—
Total Expenses	1,544,282	1,470,302	1,388,793	1,590,540
Program Revenues				
Charges for Services:				
State Lottery	1,361,996	1,327,852	1,144,604	1,171,580
Other Activities	61,194	56,005	59,199	57,836
Operating Grants and Contributions	552,848	677,118	693,657	999,516
Total Program Revenues	1,976,038	2,060,975	1,897,460	2,228,932
Total Business-Type Activities Net Program (Expense) Revenue	431,756	590,673	508,667	638,392
General Revenues and Other Changes in Net Position				
Unrestricted Investment Earnings	13,156	11,420	3,591	2,029
Adjustments to Claims Reserve	—	2,500	—	17,223
Special Items	—	—	—	—
Extraordinary Items	(153)	—	—	—
Capital Contributions	920	—	—	—
Transfers	(289,683)	(304,320)	(275,997)	(291,421)
Total General Revenues and Other Changes in Net Position	(275,760)	(290,400)	(272,406)	(272,169)
Total Business-Type Activities Change in Net Position	\$ 155,996	\$ 300,273	\$ 236,261	\$ 366,223
Total Primary Government Change in Net Position	\$ 151,049	\$ 655,342	\$ 1,256,908	\$ 592,638

*Fiscal year 2016 amounts have been restated

2013	2012	2011	2010	2009	2008
\$ 1,063,418	\$ 1,029,012	\$ 1,089,731	\$ 1,129,030	\$ 1,182,233	\$ 1,210,044
6,368,472	6,373,757	6,536,907	6,815,521	6,589,358	6,379,189
933,019	1,053,949	935,078	1,082,526	1,043,449	1,006,560
1,924,306	2,021,423	2,529,791	2,699,070	2,375,104	2,258,653
12,335,625	12,299,493	11,713,021	11,740,145	10,898,796	9,876,132
161,386	207,906	199,948	196,413	210,342	174,011
22,786,226	22,985,540	23,004,476	23,662,705	22,299,282	20,904,589
698,300	883,228	705,914	875,161	756,969	775,528
250,898	239,684	267,875	319,941	400,842	400,134
554,365	459,517	550,690	653,463	531,250	363,644
351,193	285,725	314,375	380,133	369,976	277,190
9,702,624	9,889,453	9,802,842	9,489,240	8,317,356	7,697,736
1,039,043	1,096,052	1,814,207	1,454,811	966,394	971,801
12,596,423	12,853,659	13,455,903	13,172,749	11,342,787	10,486,033
(10,189,803)	(10,131,881)	(9,548,573)	(10,489,956)	(10,956,495)	(10,418,556)
2,883,852	2,705,002	2,570,243	2,572,491	2,635,068	2,871,465
5,833,306	5,116,876	4,878,166	4,840,809	5,169,741	5,447,817
429,797	378,444	394,389	360,764	377,801	463,826
175,212	167,969	182,679	171,497	177,393	186,566
30,294	28,652	27,247	27,657	26,689	27,754
51,444	61,389	70,743	82,182	82,114	82,360
648,989	620,074	1,833	233	2,671	3,073
630,228	623,414	1,210,758	1,207,501	1,160,700	1,173,076
120,380	244,859	889,742	1,301,531	499,542	196,397
(15,858)	21,525	23,281	28,870	69,339	136,782
—	(120)	—	—	—	—
290,900	300,608	255,908	258,947	257,441	264,416
11,078,544	10,268,692	10,504,989	10,852,482	10,458,499	10,853,532
\$ 888,741	\$ 136,811	\$ 956,416	\$ 362,526	\$ (497,996)	\$ 434,976
\$ 876,290	\$ 835,526	\$ 755,410	\$ 724,915	\$ 726,106	\$ 740,189
858,697	1,280,157	1,714,276	2,216,078	1,292,531	498,318
18,101	22,171	13,940	13,925	17,186	21,516
3,968	3,963	3,700	3,843	4,303	3,648
9,179	10,659	12,278	9,042	14,211	8,178
388	340	509	1,145	714	403
97,012	76,598	76,033	70,884	62,378	57,075
3,017	3,065	2,293	2,542	1,759	3,530
32	72	1,199	1,513	5,345	1,090
1,866,684	2,232,551	2,579,638	3,043,887	2,124,533	1,333,947
1,156,235	1,109,108	1,011,055	984,187	981,431	1,005,421
57,009	56,538	55,153	56,659	60,015	101,062
1,172,524	1,507,428	1,725,481	1,823,732	967,324	657,534
2,385,768	2,673,074	2,791,689	2,864,578	2,008,770	1,764,017
519,084	440,523	212,051	(179,309)	(115,763)	430,070
(3,138)	4,312	(1,050)	2,533	10,152	15,424
—	—	—	—	—	—
—	(224)	—	—	—	—
—	—	—	—	—	—
35	—	—	—	—	—
(290,900)	(300,608)	(255,908)	(258,947)	(257,441)	(264,416)
(294,003)	(296,520)	(256,958)	(256,414)	(247,289)	(248,992)
\$ 225,081	\$ 144,003	\$ (44,907)	\$ (435,723)	\$ (363,052)	\$ 181,078
\$ 1,113,822	\$ 280,814	\$ 911,509	\$ (73,197)	\$ (861,048)	\$ 616,054

STATE OF MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEARS 2008-2017
(In Thousands of Dollars)

	2017	2016*	2015	2014	2013	2012	2011
General Fund							
Nonspendable	\$ 54,304	\$ 58,712	\$ 53,809	\$ 50,504	\$ 56,048	\$ 61,207	\$ 42,906
Restricted	341,053	488,180	292,758	289,266	285,878	340,205	475,205
Committed	590,697	589,956	545,765	560,141	506,778	504,569	512,623
Assigned	156,557	78,096	158,390	73,625	67,277	63,484	59,783
Unassigned	295,364	238,735	349,901	244,821	530,431	195,193	325,123
Total General Fund	<u>1,437,975</u>	<u>1,453,679</u>	<u>1,400,623</u>	<u>1,218,357</u>	<u>1,446,412</u>	<u>1,164,658</u>	<u>1,415,640</u>
All Other Governmental Funds							
Nonspendable	99,051	97,027	1,243,039	1,170,054	1,126,253	1,077,138	1,016,981
Restricted	1,517,172	1,699,763	1,512,228	1,544,139	1,636,550	1,745,287	2,137,789
Committed	1,614,389	1,543,913	377,527	345,465	337,874	291,723	284,455
Assigned	422,110	430,901	425,256	400,668	370,090	367,261	339,192
Unassigned	(17,628)	—	—	—	—	—	—
Total All Other Governmental Funds	<u>3,635,094</u>	<u>3,771,604</u>	<u>3,558,050</u>	<u>3,460,326</u>	<u>3,470,767</u>	<u>3,481,409</u>	<u>3,778,417</u>
Total Fund Balances, Governmental Funds	<u>\$5,073,069</u>	<u>\$5,225,283</u>	<u>\$4,958,673</u>	<u>\$4,678,683</u>	<u>\$4,917,179</u>	<u>\$4,646,067</u>	<u>\$5,194,057</u>

Continues Below

	2010	2009	2008
General Fund			
Nonspendable	\$ 44,158	\$ —	\$ —
Restricted	186,737	—	—
Committed	534,620	—	—
Assigned	51,734	—	—
Unassigned	423,227	—	—
Reserved	—	589,532	584,516
Unreserved	—	716,371	1,310,239
Total General Fund	<u>1,240,476</u>	<u>1,305,903</u>	<u>1,894,755</u>
All Other Governmental Funds			
Nonspendable	986,201	—	—
Restricted	2,021,223	—	—
Committed	219,557	—	—
Assigned	355,202	—	—
Reserved	—	1,218,019	1,112,262
Unreserved, Reported			
Special Revenue	—	1,182,724	1,314,796
Capital Projects	—	540,554	927,694
Permanent Funds	—	124	116
Total All Other Governmental Funds	<u>3,582,183</u>	<u>2,941,421</u>	<u>3,354,868</u>
Total Fund Balances, Governmental Funds	<u>\$4,822,659</u>	<u>\$4,247,324</u>	<u>\$5,249,623</u>

*Fiscal year 2016 amounts have been restated.

**STATE OF MISSOURI
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEARS 2008-2017
(In Thousands of Dollars)**

	2017	2016*	2015	2014
Revenues:				
Taxes	\$ 11,877,303	\$ 11,550,222	\$ 11,302,267	\$ 10,549,046
Licenses, Fees, and Permits	678,045	685,115	653,218	654,416
Sales	9,035	9,002	11,905	12,308
Leases and Rentals	158	71	497	480
Services	122,531	116,133	105,066	111,280
Contributions and Intergovernmental	11,395,032	11,157,654	10,871,669	10,652,830
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	(10,530)	5,975	2,006	6,737
Interest	32,204	25,534	29,911	50,251
Penalties and Unclaimed Properties	97,125	72,435	131,384	74,642
Cost Reimbursement/Miscellaneous	568,130	492,593	525,729	507,763
Total Revenues	<u>24,769,033</u>	<u>24,114,734</u>	<u>23,633,652</u>	<u>22,619,753</u>
Expenditures:				
Current:				
General Government	884,641	886,172	869,266	844,854
Education	7,071,710	6,893,120	6,673,331	6,419,231
Natural and Economic Resources	896,485	913,667	833,441	831,495
Transportation and Law Enforcement	1,473,797	1,475,500	1,558,694	1,350,588
Human Services	13,629,856	13,037,667	12,761,134	12,447,706
Capital Outlay:				
General Government	14,057	2,474	—	34
Education	348	29	—	—
Natural and Economic Resources	2,027	246	—	—
Transportation and Law Enforcement	712,716	690,269	714,550	852,832
Human Services	54,915	37,384	1,354	—
Debt Service:				
Principal	436,938	292,521	285,627	256,221
Interest	159,977	166,000	166,672	187,123
Bond Issuance Costs	336	755	831	1,545
Underwriter's Discount	972	1,231	2,260	4,075
Arbitrage	—	—	—	—
Total Expenditures	<u>25,338,775</u>	<u>24,397,035</u>	<u>23,867,160</u>	<u>23,195,704</u>
Excess Revenues (Expenditures)	<u>(569,742)</u>	<u>(282,301)</u>	<u>(233,508)</u>	<u>(575,951)</u>
Other Financing Sources (Uses):				
Proceeds from Notes/Capital Leases	1,542	14,782	1,819	1,400
Capital Lease Termination Payment	—	—	—	—
Debt Issuance	—	—	—	—
Proceeds from General Obligation/Other	97,225	193,800	129,465	—
Issuance of Refunding Bonds	—	—	108,930	995,555
Swap Termination Payment	—	—	—	—
Payments to Escrow Agent	—	—	(121,020)	(1,177,908)
Bond Premium	5,877	17,810	18,622	195,638
Proceeds from Capital Asset Sale	20,305	18,394	11,137	13,867
Transfers In	297,229	310,842	285,468	304,688
Transfers Out	(5,598)	(6,010)	(9,547)	(12,763)
Total Other Financing Sources (Uses)	<u>416,580</u>	<u>549,618</u>	<u>424,874</u>	<u>320,477</u>
Net Change in Fund Balances	(153,162)	267,317	191,366	(255,474)
Increase (Decrease) in Reserve for Inventory	948	(707)	4,928	153
Net Change in Fund Balances	<u>\$ (152,214)</u>	<u>\$ 266,610</u>	<u>\$ 196,294</u>	<u>\$ (255,321)</u>
Debt Service as a Percentage of Non-Capital Expenditures	2.45%	1.96%	1.99%	2.02%

*Fiscal year 2016 amounts have been restated.

2013	2012	2011	2010	2009	2008
\$ 10,557,831	\$ 9,956,574	\$ 9,398,840	\$ 8,987,066	\$ 9,503,743	\$ 10,220,623
647,233	647,130	630,944	637,078	657,725	638,048
10,261	8,827	10,131	8,917	10,301	12,064
1,212	313	665	934	448	438
115,219	119,076	155,498	243,998	244,557	231,509
10,860,366	11,230,111	12,500,062	12,265,891	9,763,754	8,865,962
(25,606)	6,392	(53)	1,734	(9,565)	6,172
27,839	33,068	34,496	44,954	103,068	203,782
112,951	51,591	54,812	60,284	48,730	64,004
687,609	745,602	662,070	963,030	739,288	507,021
22,994,915	22,798,684	23,447,465	23,213,886	21,062,049	20,749,623
884,342	886,309	883,953	889,467	952,780	1,021,589
6,351,934	6,363,447	6,525,986	6,809,217	6,582,393	6,373,671
856,133	934,767	832,855	974,260	894,815	853,872
1,406,509	1,627,620	1,758,410	1,814,485	1,515,903	1,429,102
12,162,029	12,320,259	11,627,776	11,632,371	10,829,000	9,835,109
8	—	1	5	—	—
—	—	—	—	—	—
—	—	—	—	—	—
963,001	1,115,457	1,253,100	1,409,557	1,308,229	1,144,171
—	—	—	4	306	3,133
216,017	212,483	242,497	227,307	219,496	196,669
189,920	208,518	225,858	209,428	191,684	186,432
920	606	1,552	8,101	1,278	2,694
2,423	2,074	437	—	—	390
—	—	42	374	583	—
23,033,236	23,671,540	23,352,467	23,974,576	22,496,467	21,046,832
(38,321)	(872,856)	94,998	(760,690)	(1,434,418)	(297,209)
712	1,776	6,300	6,675	26,317	52,245
—	—	—	—	—	(22,559)
—	—	—	1,085,000	142,735	576,800
—	—	—	—	—	—
441,690	163,145	312,960	—	—	—
—	—	—	—	—	(11,118)
(486,904)	(168,589)	(351,599)	—	—	—
48,276	7,944	40,468	30,631	2,835	28,361
19,310	16,864	14,703	12,938	11,087	13,142
312,595	300,699	255,959	259,810	258,568	266,263
(21,846)	(144)	—	(738)	(902)	(6,476)
313,833	321,695	278,791	1,394,316	440,640	896,658
275,512	(551,161)	373,789	633,626	(993,778)	599,449
(4,402)	4,135	(2,389)	(279)	(105)	(2,251)
\$ 271,110	\$ (547,026)	\$ 371,400	\$ 633,347	\$ (993,883)	\$ 597,198
1.85%	1.89%	2.14%	1.99%	1.96%	1.96%

**STATE OF MISSOURI
REVENUE BASE - TAXABLE SALES BY INDUSTRY
FISCAL YEARS 2008-2017**

Taxable Sales by Industry	2017	2016	2015	2014	2013
Agricultural/Forestry, Fishing, and Other	\$ 259,105,220	\$ 245,772,867	\$ 240,000,494	\$ 236,474,690	\$ 215,327,746
Mining	110,484,032	106,659,795	87,523,595	76,102,321	72,364,854
Construction	1,788,629,305	1,677,123,560	950,357,972	903,053,231	837,805,800
Manufacturing	4,758,144,850	4,686,174,181	4,512,551,497	4,452,723,181	4,122,180,876
Transportation and Public Utilities	7,991,327,737	7,941,221,199	8,150,393,880	8,296,512,631	7,865,266,716
Wholesale Trade	9,478,033,276	9,258,220,896	8,772,153,165	8,355,874,187	8,201,088,643
Retail Trade	52,013,596,266	50,710,170,965	48,945,156,057	46,883,720,342	45,955,834,897
Finance, Insurance, and Real Estate	675,498,078	639,535,606	459,394,721	428,174,408	555,096,635
Services	10,958,489,216	10,508,298,419	10,167,703,650	9,615,517,898	9,242,131,446
State and Local Government	137,361,580	130,923,934	149,553,253	196,281,904	164,729,390
Non-Classifiable	13,251,530	12,784,255	12,193,479	13,389,207	19,041,853
Total Taxable Sales	\$ 88,183,921,090	\$ 85,916,885,677	\$ 82,446,981,763	\$ 79,457,824,000	\$ 77,250,868,856
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Continues Below

Taxable Sales by Industry	2012	2011	2010	2009	2008
Agricultural/Forestry, Fishing, and Other	\$ 221,013,601	\$ 201,234,995	\$ 202,810,606	\$ 209,980,903	\$ 192,024,683
Mining	74,803,209	73,001,501	85,194,876	88,867,589	106,892,575
Construction	861,403,612	794,578,753	786,022,254	889,561,095	887,618,876
Manufacturing	3,761,027,682	2,916,005,779	2,994,039,718	3,203,288,128	2,995,302,916
Transportation and Public Utilities	7,836,415,362	8,377,819,035	8,347,862,197	8,247,781,684	7,130,631,754
Wholesale Trade	8,205,030,046	7,636,707,697	5,708,391,048	7,019,606,804	8,028,332,745
Retail Trade	45,578,697,317	43,451,150,211	42,667,031,160	44,820,794,586	46,413,720,906
Finance, Insurance, and Real Estate	577,095,000	573,590,035	562,957,084	592,136,070	538,271,852
Services	9,239,885,195	8,712,983,898	8,676,719,865	8,648,622,385	9,212,468,960
State and Local Government	167,737,492	150,984,890	135,174,330	158,765,152	162,520,783
Non-Classifiable	15,869,773	13,130,346	14,230,874	21,079,516	19,669,233
Total Taxable Sales	\$ 76,538,978,289	\$ 72,901,187,140	\$ 70,180,434,012	\$ 73,900,483,912	\$ 75,687,455,283
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Source: Missouri Department of Revenue

**STATE OF MISSOURI
REVENUE BASE - PERSONAL INCOME BY INDUSTRY
CALENDAR YEARS 2007-2016**

**Personal Income by Industry
(In Thousands of Dollars)**

	2016	2015	2014	2013	2012
Farm Earnings	\$ 829,415	\$ 722,021	\$ 3,786,857	\$ 1,626,591	\$ 1,257,121
Agricultural/Forestry, Fishing, and Other	457,108	451,862	394,686	397,546	319,736
Mining	320,915	345,512	450,247	531,506	533,997
Construction/Utilities	12,748,129	11,973,872	12,039,804	11,722,352	11,021,154
Manufacturing	20,542,795	20,483,723	19,405,898	18,638,481	18,223,989
Transportation and Public Utilities	6,957,284	6,937,566	6,632,242	6,641,733	6,329,830
Wholesale Trade	10,831,422	11,063,357	10,168,424	9,614,681	9,401,253
Retail Trade	11,785,062	11,618,585	11,353,713	11,045,743	10,981,844
Finance, Insurance, and Real Estate	15,456,673	15,873,119	14,637,085	13,981,286	13,577,510
Services	78,239,644	77,566,750	75,021,866	73,357,863	70,695,009
Federal, Civilian	5,677,270	5,566,826	5,370,947	5,170,204	5,326,901
Military	1,879,387	1,889,251	1,906,989	2,165,907	2,087,494
State and Local Government	22,256,414	21,860,748	21,611,208	21,013,029	20,951,836
Total Personal Income	\$ 187,981,518	\$ 186,353,192	\$ 182,779,966	\$ 175,906,922	\$ 170,707,674
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Continues Below

**Personal Income by Industry
(In Thousands of Dollars)**

	2011	2010	2009	2008	2007
Farm Earnings	\$ 2,321,629	\$ 1,523,983	\$ 1,591,091	\$ 2,376,908	\$ 1,374,784
Agricultural/Forestry, Fishing, and Other	297,657	333,875	276,120	303,227	305,046
Mining	504,777	395,522	388,211	502,316	440,499
Construction/Utilities	10,551,329	10,588,278	11,331,673	12,516,453	12,386,303
Manufacturing	17,303,819	16,746,171	17,442,057	20,134,090	19,030,882
Transportation and Public Utilities	5,957,783	5,732,126	5,809,413	6,293,608	6,255,137
Wholesale Trade	8,969,791	8,721,745	8,658,427	9,231,605	9,027,671
Retail Trade	10,654,925	10,506,522	10,416,435	10,570,173	10,617,610
Finance, Insurance, and Real Estate	12,587,314	12,244,442	11,816,812	11,670,581	11,183,515
Services	67,723,434	65,813,475	64,334,920	67,549,088	63,543,402
Federal, Civilian	5,399,812	5,440,528	5,151,679	5,351,539	5,011,544
Military	2,151,087	2,185,296	2,318,306	2,595,583	2,323,860
State and Local Government	20,783,859	21,026,890	20,830,621	18,813,044	17,853,285
Total Personal Income	\$ 165,207,216	\$ 161,258,853	\$ 160,365,765	\$ 167,908,215	\$ 159,353,538
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Source: Bureau of Economic Analysis

**STATE OF MISSOURI
PERSONAL INCOME TAX REVENUE
FISCAL YEARS 2007-2016**

Personal Income Tax Revenue	2017	2016	2015	2014	2013
Personal Income Tax Revenue	\$ 7,331,004,490	\$ 7,182,257,124	\$ 6,904,280,506	\$ 6,421,723,597	\$ 6,374,093,816
Personal Income (Federal AGI)	\$ 308,516,717,209	\$ 295,120,344,327	\$ 272,999,790,569	\$ 286,579,465,435	\$ 238,522,413,855
Taxable Income	\$ 233,037,149,447	\$ 223,319,685,253	\$ 204,984,460,785	\$ 215,915,208,076	\$ 176,397,991,056
Average Effective Rate:					
Federal Adjusted Gross Taxable Income	2.38%	2.43%	2.53%	2.24%	2.67%
	3.15%	3.22%	3.37%	2.97%	3.61%

Continues Below

Personal Income Tax Revenue	2012	2011	2010	2009	2008
Personal Income Tax Revenue	\$ 5,851,270,707	\$ 5,641,812,271	\$ 5,495,341,696	\$ 5,949,266,333	\$ 6,119,090,558
Personal Income (Federal AGI)	\$ 232,336,289,876	\$ 206,107,657,668	\$ 214,909,582,160	\$ 254,573,370,206	\$ 242,481,271,497
Taxable Income	\$ 170,827,410,945	\$ 147,407,200,244	\$ 124,489,765,954	\$ 188,091,389,476	\$ 172,825,313,183
Average Effective Rate:					
Federal Adjusted Gross Taxable Income	2.52%	2.74%	2.56%	2.34%	2.52%
	3.43%	3.83%	4.41%	3.16%	3.54%

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

**STATE OF MISSOURI
PERSONAL INCOME TAX RATES
FISCAL YEARS 2008-2017**

**Ranges of Tax Rates
on the Portion of
Taxable Income
(In Thousands of Dollars)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Tax Rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Income Levels	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2
Tax Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Income Levels	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3
Tax Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Income Levels	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4
Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income Levels	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5
Tax Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Income Levels	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6
Tax Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Income Levels	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7
Tax Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Income Levels	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8
Tax Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Income Levels	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9
Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Income Levels	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated

Source: Missouri Department of Revenue

**STATE OF MISSOURI
REVENUE PAYERS BY INDUSTRY
FISCAL YEARS 2008-2017**

Sales Tax	2017	%	2016	%	2015	%
Agricultural	\$ 10,947,196	0.29%	\$ 10,383,904	0.36%	\$ 10,140,021	0.29%
Mining	4,667,950	0.13%	4,506,376	0.16%	3,697,872	0.11%
Construction	75,569,588	2.03%	37,780,540	1.31%	40,152,624	1.15%
Manufacturing	201,031,620	5.40%	192,230,237	6.67%	190,655,301	5.47%
Transportation & Utilities	337,633,597	9.06%	330,960,635	11.49%	344,354,141	9.89%
Wholesale Trade	400,446,906	10.75%	261,477,270	9.07%	370,623,471	10.64%
Retail Trade	2,197,574,442	58.98%	1,568,702,724	54.44%	2,067,932,843	59.37%
Finance, Insurance, & Real Estate	28,539,794	0.77%	25,446,129	0.88%	19,409,427	0.56%
Services	462,996,169	12.43%	443,975,608	15.41%	429,585,479	12.33%
Government	5,803,527	0.16%	5,531,536	0.19%	6,318,625	0.18%
Non-Classifiable	559,877	0.01%	540,135	0.02%	515,174	0.01%
Total	\$ 3,725,770,666	100.00%	\$ 2,881,535,094	100.00%	\$ 3,483,384,978	100.00%
	2014	%	2013	%	2012	%
Agricultural	\$ 9,991,056	0.30%	\$ 9,097,597	0.28%	\$ 9,337,825	0.29%
Mining	3,215,323	0.09%	3,057,415	0.09%	3,160,435	0.10%
Construction	38,153,999	1.14%	35,397,295	1.08%	36,394,303	1.13%
Manufacturing	188,127,554	5.60%	174,162,142	5.34%	158,903,420	4.91%
Transportation & Utilities	350,527,659	10.44%	332,307,519	10.18%	331,088,549	10.24%
Wholesale Trade	353,035,684	10.52%	346,495,995	10.62%	346,662,519	10.72%
Retail Trade	1,980,837,184	59.00%	1,941,634,024	59.49%	1,925,699,962	59.55%
Finance, Insurance, & Real Estate	18,090,369	0.54%	23,452,833	0.72%	24,382,264	0.75%
Services	406,255,631	12.10%	390,480,054	11.96%	390,385,149	12.07%
Government	8,292,910	0.25%	6,959,817	0.21%	7,086,909	0.22%
Non-Classifiable	565,694	0.02%	804,518	0.03%	670,498	0.02%
Total	\$ 3,357,093,063	100.00%	\$ 3,263,849,209	100.00%	\$ 3,233,771,833	100.00%
	2011	%	2010	%	2009	%
Agricultural	\$ 8,502,179	0.27%	\$ 8,568,748	0.29%	\$ 8,871,693	0.28%
Mining	3,084,313	0.10%	3,599,484	0.12%	3,754,656	0.12%
Construction	33,570,952	1.09%	33,209,440	1.12%	37,583,956	1.20%
Manufacturing	123,201,244	4.00%	126,498,178	4.27%	135,338,923	4.34%
Transportation & Utilities	353,962,854	11.49%	352,697,178	11.90%	348,468,776	11.16%
Wholesale Trade	322,650,900	10.48%	241,179,522	8.13%	296,578,387	9.50%
Retail Trade	1,835,811,096	59.60%	1,802,682,066	60.80%	1,893,678,571	60.65%
Finance, Insurance, & Real Estate	24,234,179	0.79%	23,784,937	0.80%	25,017,749	0.80%
Services	368,123,570	11.95%	366,591,414	12.36%	365,404,296	11.70%
Government	6,379,112	0.21%	5,711,115	0.19%	6,707,828	0.22%
Non-Classifiable	554,757	0.02%	601,254	0.02%	890,610	0.03%
Total	\$ 3,080,075,156	100.00%	\$ 2,965,123,336	100.00%	\$ 3,122,295,445	100.00%
	2008	%				
Agricultural	\$ 8,113,043	0.25%				
Mining	4,516,211	0.14%				
Construction	37,501,898	1.17%				
Manufacturing	126,551,548	3.96%				
Transportation & Utilities	301,269,192	9.42%				
Wholesale Trade	339,197,058	10.61%				
Retail Trade	1,960,979,708	61.32%				
Finance, Insurance, & Real Estate	22,741,986	0.71%				
Services	389,226,814	12.17%				
Government	6,866,503	0.22%				
Non-Classifiable	831,025	0.03%				
Total	\$ 3,197,794,986	100.00%				

Source: Missouri Department of Revenue

**STATE OF MISSOURI
PERSONAL INCOME TAX FILERS/LIABILITY
FISCAL YEARS 2008 AND 2017**

Personal Income*

	2017			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
\$50,000 and under	3,228,949	71.52%	\$ 1,297,317,648	19.11%
\$50,000 - \$100,000	900,033	19.93%	1,793,912,492	26.42%
\$100,000 - \$250,000	296,671	6.57%	1,444,527,080	21.27%
\$250,000 - \$1,000,000	71,749	1.59%	1,041,424,240	15.34%
\$1,000,000 and over	17,636	0.39%	1,212,758,690	17.86%
Total	4,515,038	100.00%	\$ 6,789,940,150	100.00%

	2008			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
\$50,000 and under	3,471,050	78.35%	\$ 1,427,983,764	26.48%
\$50,000 - \$100,000	705,977	15.94%	1,450,514,807	26.89%
\$100,000 - \$250,000	188,582	4.26%	927,440,015	17.20%
\$250,000 - \$1,000,000	50,598	1.14%	752,972,135	13.96%
\$1,000,000 and over	13,731	0.31%	834,665,186	15.48%
Total	4,429,938	100.00%	\$ 5,393,575,907	100.00%

*Federal Adjusted Gross Income

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available.
The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Source: Missouri Department of Revenue

STATE OF MISSOURI
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2008-2017
(In Thousands of Dollars Except Per Capita)

	2017	2016	2015	2014
Governmental Activities				
General Obligation Bonds	\$ 154,830	\$ 208,880	\$ 266,275	\$ 323,395
Other Bonds	2,943,825	3,207,400	3,226,430	3,303,700
Leasehold Revenue Bonds	27,310	28,770	30,170	31,515
Certificates of Participation	26,770	39,770	52,560	65,160
Capital Leases	45,736	61,846	51,729	66,270
Total Governmental Activities	\$ 3,198,471	\$ 3,546,666	\$ 3,627,164	\$ 3,790,040
Business-Type Activities				
Capital Leases	\$ 128	\$ 304	\$ 477	\$ 215
Total Business-Type Activities	\$ 128	\$ 304	\$ 477	\$ 215
Total Primary Government	\$ 3,198,599	\$ 3,546,970	\$ 3,627,641	\$ 3,790,255
Personal Income	\$ 261,547,770	\$ 257,338,334	\$ 252,482,438	\$ 245,771,389
Debt as a Percentage of Personal Income ¹	1.2%	1.4%	1.4%	1.5%
Debt Per Capita ¹	\$ 526	\$ 583	\$ 598	\$ 627
Legal Debt Margin Calculation for Fiscal Year 2016:				
General Obligation Bonds Authorized (Legislative Debt Limit)	\$ 1,726,395			
Unforeseen Emergency or Casual Deficiency	1,000			
Less: General Obligation Issued	(1,489,494)			
Legal Debt Margin	\$ 237,901			
Legal Debt Margin Summary by Fiscal Year:				
Legislative Debt Limit	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395
Total Net Debt Applicable to Limit	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)
Legal Debt Margin	\$ 237,901	\$ 237,901	\$ 237,901	\$ 237,901
Legal Debt Margin to Debt Limit Ratio	13.78%	13.78%	13.78%	13.78%

¹ These ratios are calculated using personal income and population for the calendar year.
See *Demographic Indicators* for personal income and population data.

2013	2012	2011	2010	2009	2008
\$ 378,150	\$ 432,765	\$ 487,090	\$ 528,910	\$ 600,075	\$ 666,165
3,562,775	3,735,920	3,880,975	4,060,855	3,102,685	3,084,670
32,995	32,780	33,880	34,935	35,955	36,935
76,910	76,910	76,910	87,550	96,235	105,325
75,535	78,455	103,543	97,423	113,147	108,815
<u>\$ 4,126,365</u>	<u>\$ 4,356,830</u>	<u>\$ 4,582,398</u>	<u>\$ 4,809,673</u>	<u>\$ 3,948,097</u>	<u>\$ 4,001,910</u>
<u>\$ 284</u>	<u>\$ 356</u>	<u>\$ 66</u>	<u>\$ 116</u>	<u>\$ 210</u>	<u>\$ 244</u>
<u>\$ 284</u>	<u>\$ 356</u>	<u>\$ 66</u>	<u>\$ 116</u>	<u>\$ 210</u>	<u>\$ 244</u>
<u>\$ 4,126,649</u>	<u>\$ 4,357,186</u>	<u>\$ 4,582,464</u>	<u>\$ 4,809,789</u>	<u>\$ 3,948,307</u>	<u>\$ 4,002,154</u>
\$ 235,153,679	\$ 228,218,407	\$ 218,778,293	\$ 216,049,019	\$ 223,548,498	\$ 209,131,189
1.8%	1.9%	2.1%	2.2%	1.8%	1.9%
\$ 685	\$ 725	\$ 764	\$ 807	\$ 666	\$ 680
\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395
(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)
<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>
13.78%	13.78%	13.78%	13.78%	13.78%	13.78%

**STATE OF MISSOURI
PLEDGED REVENUE COVERAGE
FISCAL YEARS 2008-2017
(In Thousands of Dollars)**

Fiscal Year	Gross Revenues ¹	Less: Operating Expenses ²	Net Available Revenues	Debt Service		Coverage ³
				Principal	Interest	
Missouri Road Fund						
2017	\$ 1,852,570	\$ 388,116	\$ 1,464,454	\$ 190,770	\$ 103,917	5
2016	1,831,126	372,800	1,458,326	168,470	111,751	5.2
2015	1,721,615	373,739	1,347,876	169,550	114,878	4.7
2014	1,773,033	348,537	1,424,496	162,050	130,641	4.9
2013	1,822,318	333,327	1,488,991	153,525	135,511	5.2
2012	1,761,382	342,240	1,419,142	133,190	140,202	5.2
2011	2,237,700	305,649	1,932,051	137,015	146,326	6.8
2010	1,760,497	281,320	1,479,177	88,285	128,851	6.8
2009	997,990	279,971	718,019	84,896	113,591	3.6
2008	1,049,645	279,823	769,822	62,515	105,117	4.6

N/A = not available

¹ Revenues for Missouri Road Fund consist of a portion of the taxes and fees received by the State from the motor fuel tax, sales tax on motor vehicles, use tax on motor vehicles, revenue derived from motorists for their usage of the highways of the State, federal grants, and bond proceeds.

² Operating Expenses do not include depreciation/amortization.

³ Coverage equals net available revenue divided by debt service.

Source: Missouri Department of Transportation

**STATE OF MISSOURI
DEMOGRAPHIC INDICATORS
CALENDAR YEARS 2007-2016**

	2016	2015	2014	2013	2012
Population					
Missouri (In Thousands)	6,093	6,084	6,064	6,044	6,022
Change	0.1%	0.3%	0.3%	0.4%	0.2%
National (In Thousands)	323,128	321,419	318,857	316,129	313,914
Change	0.5%	0.8%	0.9%	0.7%	0.7%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	\$ 261,547,770	\$ 257,338,334	\$ 252,482,438	\$ 245,771,389	\$ 235,153,679
Change	1.6%	1.9%	2.7%	4.5%	3.0%
National					
(In Thousands of Dollars)	\$15,912,777,000	\$15,463,981,000	\$14,683,147,000	\$14,151,427,000	\$13,401,868,693
Change	2.9%	5.3%	3.8%	5.6%	3.5%
Per Capita Personal Income					
Missouri	\$ 42,926	\$ 42,300	\$ 41,639	\$ 40,663	\$ 39,049
Change	1.5%	1.6%	2.4%	4.1%	2.8%
National	\$ 49,246	\$ 48,112	\$ 46,049	\$ 44,765	\$ 42,693
Change	2.4%	4.5%	2.9%	4.9%	2.7%
Resident Civilian Labor Force					
Civilian Labor Force					
(In Thousands)	3,112	3,114	3,058	3,018	2,993
Employed (In Thousands)	2,971	2,958	2,871	2,821	2,785
Unemployed (In Thousands)	141	156	187	197	207
Unemployment Rate	4.5%	5.0%	6.1%	6.5%	6.9%
National Unemployment Rate	4.9%	5.3%	6.2%	7.4%	8.1%

Continues Below

	2011	2010	2009	2008	2007
Population					
Missouri (In Thousands)	6,011	5,996	5,961	5,924	5,888
Change	0.3%	0.6%	0.6 %	0.6%	0.8%
National (In Thousands)	311,592	309,330	306,772	304,094	301,231
Change	0.7%	0.8%	0.9 %	1%	1%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	\$ 228,218,407	\$ 218,778,293	\$ 216,049,019	\$ 223,548,498	\$ 209,131,189
Change	4.3%	1.3%	(3.4)%	6.9%	5.2%
National					
(In Thousands of Dollars)	\$12,949,905,000	\$12,308,496,000	\$11,916,808,000	\$12,451,599,000	\$11,900,562,000
Change	5.2%	3.3%	(4.3)%	4.6%	5.7%
Per Capita Personal Income					
Missouri	\$ 37,969	\$ 36,406	\$ 36,243	\$ 37,737	\$ 35,521
Change	4.3%	0.4%	(4)%	6.2%	4.4%
National	\$ 41,560	\$ 39,791	\$ 38,846	\$ 40,947	\$ 39,506
Change	4.4%	2.4%	(5.1)%	3.6%	4.7%
Resident Civilian Labor Force					
Civilian Labor Force					
(In Thousands)	3,022	3,053	3,051	3,046	3,050
Employed (In Thousands)	2,767	2,767	2,768	2,861	2,896
Unemployed (In Thousands)	255	286	283	186	155
Unemployment Rate	8.4%	9.4%	9.3 %	6.1%	5.1%
National Unemployment Rate	8.9%	9.6%	9.3 %	5.8%	4.6%

Sources: Bureau of Economic Analysis, Missouri Economic Research and Information Center, Bureau of Labor Statistics

**STATE OF MISSOURI
ECONOMIC INDICATORS
CALENDAR YEARS 2007-2016**

	2016-17	2015-16	2014-15	2013-14	2012-13
School Enrollment (In Thousands)					
Elementary and Secondary Education	884	885	886	888	888
Higher Education - Private Institutions	92	93	95	90	91
Total Enrollment (In thousands)	976	978	981	978	979
% Change from Prior Year	-0.2%	-0.3%	0.3%	-0.1%	-0.5%
Higher Education					
Public Community Colleges					
Number of Campuses	19	19	19	19	19
Number of Students (FTE*)	57,568	57,247	61,671	65,773	67,721
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,226	1,273	1,276	1,325	1,236
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	119,127	121,827	121,358	118,669	118,055

Continues Below

	2011-12	2010-11	2009-10	2008-09	2007-08
School Enrollment (In Thousands)					
Elementary and Secondary Education	886	890	892	893	894
Higher Education - Private Institutions	98	95	93	89	88
Total Enrollment	984	985	985	982	982
% Change from Prior Year	-0.1%	0.0%	0.3%	0.0%	-0.2%
Higher Education					
Public Community Colleges					
Number of Campuses	19	19	20	19	19
Number of Students (FTE*)	70,964	70,320	65,034	56,365	54,900
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,161	1,133	1,116	976	891
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	117,609	114,655	112,539	108,159	106,056

*FTE is Full-Time Equivalent.

Sources: Missouri Department of Elementary and Secondary Education and Missouri Department of Higher Education

**STATE OF MISSOURI
PRINCIPAL EMPLOYERS
CALENDAR YEARS 2007 AND 2016**

2016

Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	56,000	1.89%
Wal-Mart Associates, Inc.	40,000+	1.35%
MHM Support Services	20,000 - 25,000	0.67% - 0.84%
University of Missouri	20,000 - 25,000	0.67% - 0.84%
Washington University	15,000 - 20,000	0.50% - 0.67%
US Post Office	15,000 - 20,000	0.50% - 0.67%
Boeing Corporation	12,500 - 15,000	0.42% - 0.50%
Cerner Corporation	7,500 - 10,000	0.25% - 0.34%
Barnes-Jewish Hospitals	7,500 - 10,000	0.25% - 0.34%
U.S. Department of Veterans Affairs	7,500 - 10,000	0.25% - 0.34%
Total	201,000 - 231,000	6.75% - 7.78%
Total Missouri Employment		2,970,702

2007

Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	63,000	2.19%
Wal-Mart Associates, Inc.	40,000+	1.39%
University of Missouri	20,000 +	0.69%
US Post Office	15,000 - 20,000	0.52% - 0.69%
Boeing Corporation	10,000 - 15,000	0.35% - 0.52%
Washington University	10,000 - 15,000	0.35% - 0.52%
Schnuck Markets, Inc.	7,500 - 10,000	0.26% - 0.35%
Barnes-Jewish Hospitals	7,500 - 10,000	0.26% - 0.35%
U.S. Department of Defense	7,500 - 10,000	0.26% - 0.35%
City of St. Louis	7,500 - 10,000	0.26% - 0.35%
Total	188,000 - 213,000	6.53% - 7.40%
Total Missouri Employment		2,878,399

All figures are based on a calendar-year average.

¹Number of state employees includes only full-time personnel and does not include college or university employees.

Sources: Missouri Economic Research and Information Center, State of Missouri CAFR-Fiscal Year 2008, State Employee Headcount report

**STATE OF MISSOURI
STATE EMPLOYEES BY FUNCTION
FISCAL YEARS 2008-2017
FULL-TIME EQUIVALENTS***

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Legislature	663	670	667	671	670	683	703	725	716	719
Judiciary	3,558	3,543	3,519	3,530	3,470	3,369	3,393	3,626	3,755	3,731
Public Defender	579	577	573	575	565	595	578	570	558	555
Governor	18	21	22	23	26	28	32	33	24	32
Lt. Governor	6	7	6	5	5	6	6	6	6	6
Secretary of State	217	235	233	228	244	244	253	261	272	277
State Auditor	109	108	113	113	111	116	116	119	124	128
State Treasurer	46	45	46	49	48	49	50	49	51	51
Attorney General	351	359	373	376	363	350	371	408	420	451
Office of Administration	1,907	1,881	1,871	1,933	2,132	2,161	2,139	2,040	2,091	2,046
Revenue	1,289	1,283	1,288	1,347	1,344	1,364	1,383	1,421	1,487	1,523
Total General Government	8,743	8,729	8,711	8,850	8,978	8,965	9,024	9,258	9,504	9,519
Education										
Elementary and Secondary Education	2,555	2,663	2,639	2,678	2,631	2,714	2,635	2,662	2,760	2,650
Higher Education	55	57	57	57	64	61	65	75	73	67
Total Education	2,610	2,720	2,696	2,735	2,695	2,775	2,700	2,737	2,833	2,717
Natural and Economic Resources										
Agriculture	476	495	495	464	456	467	535	617	494	479
Insurance, Financial Institutions and Professional Registration	762	770	765	762	759	755	744	734	741	748
Conservation	1,898	1,871	1,895	1,896	1,901	1,872	1,894	1,982	2,085	2,065
Economic Development	812	800	810	786	822	891	947	1,019	994	1,024
Labor and Industrial Relations	742	796	827	881	967	998	987	924	777	810
Natural Resources	1,981	2,023	1,974	2,075	2,047	2,042	1,934	1,903	2,121	2,102
Total Natural and Economic Resources	6,671	6,755	6,766	6,864	6,952	7,025	7,041	7,179	7,212	7,228
Transportation and Law Enforcement										
Transportation	5,545	5,444	5,591	5,502	5,410	5,804	6,399	6,970	6,969	6,961
Public Safety	5,316	5,240	5,193	5,220	5,320	5,309	5,281	5,336	5,412	5,294
Total Transportation and Law Enforcement	10,861	10,684	10,784	10,722	10,730	11,113	11,680	12,306	12,381	12,255
Human Services										
Health and Senior Services	1,831	1,825	1,830	1,793	1,798	1,753	1,706	1,826	1,927	1,885
Mental Health	7,728	7,605	7,742	8,076	8,101	8,089	8,256	8,961	9,613	9,500
Social Services	6,735	6,952	7,147	7,145	7,244	7,371	7,562	8,138	8,584	8,624
Corrections	10,866	10,929	11,051	11,069	10,880	10,864	10,990	11,175	11,364	11,020
Total Human Services	27,160	27,311	27,770	28,083	28,023	28,077	28,514	30,100	31,488	31,029
State Total	56,045	56,199	56,727	57,254	57,378	57,955	58,959	61,580	63,418	62,748

*Based on a four quarter average.

Source: Office of Administration, Division of Accounting, Statewide Indirect Cost Allocation Plan

**STATE OF MISSOURI
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2008-2017**

	2017	2016	2015	2014
General Government				
Individual Income Tax Returns Processed (In Thousands)	3,060	3,098	3,058	2,848
Sales and Use Tax Returns Processed (In Thousands)	707	707	705	703
Driver Licenses Processed (In Thousands)	1,487	1,123	1,600	1,415
Motor Vehicle Registrations Processed (In Thousands)	3,770	3,993	4,479	4,215
Audit Reports Issued	147	135	143	150
Statewide Court Filings (In Thousands)	2,098	2,370	2,624	2,652
Archives Website Hit				
Secretary of State Web Page (In Thousands)	28,714	18,232	72,045	87,436
Checks Issued (In Thousands)	1,592	1,697	1,550	1,363
Unclaimed Property Returned (In Thousands)	\$ 44,369	\$ 42,038	\$ 41,720	\$ 40,042
Education				
High School Drop Out Rate	2.4%	2.5%	2.5%	2.8%
Accredited Elementary and Secondary School Districts*	512	518	507	507
Clients Achieving Employment after Vocational Rehabilitation Services	60.1%	60.9%	61.7%	60.0%
Student Loan Recovery Rate	26.04%	23.3%	26.4%	31.2%
Scholarships/Grants Awarded to Eligible Missouri Residents (In Thousands)	\$ 129,623	\$ 119,948	\$ 111,342	\$ 107,413
Natural and Economic Resources				
Job Placement Rate of Unemployed Individuals that Registered on MissouriCareerSource Web Page	64.9%	65.7%	60.7%	56.0%
Insurance Policies Filed Electronically	100.0%	99.7%	99.5%	99.4%
Initial Unemployment Claims (In Thousands)	239	259	295	355
International Export Certificates Issued	8,110	6,773	7,926	6,453
Hunting License Holders (In Thousands)	603	607	610	612
Visitors to Missouri State Parks and Historic Sites (In Thousands)	21,273	19,205	18,568	17,468
Transportation and Law Enforcement				
Methamphetamine Labs Seized	11	7	70	129
State - Licensed Fire Safety Inspections	18,459	19,459	13,434	15,348
Buildings Served by Missouri Capitol Police	71	74	72	72
Alcohol Licenses Issued	32,319	31,404	31,400	30,743
Missouri Major Roads Rated in Good	90.0%	90.4%	89.2%	89.7%
Difference Between Awarded and Actual Transportation Construction Costs	0.1%	1.1%	0.6%	0.8%
Human Services				
Medicaid Enrollees	983,835	982,776	944,257	825,974
Food Stamp Recipients	754,062	782,374	844,851	839,734
Doses of Vaccine Issued by Vaccines for Children Providers (In Thousands)	1,243	1,226	1,174	1,192
Incarcerated Offenders	32,537	32,837	32,284	31,905
Individuals Served in State Comprehensive Psychiatric Service Facilities	1,652	1,683	1,628	1,649

*Department of Elementary and Secondary Education presented no accreditation classifications to the Board of Education during fiscal year 2013. Charter schools are not included in the statistics.

Sources: State agencies

2013	2012	2011	2010	2009	2008
2,945	2,969	2,917	2,877	2,946	3,013
730	760	773	785	772	788
1,308	1,208	1,160	1,090	1,179	964
4,050	3,905	3,828	3,844	3,502	3,866
146	123	168	151	101	91
2,685	2,565	2,525	2,359	2,322	2,196
98,233	91,257	70,384	53,835	79,599	46,085
1,722	1,971	2,216	2,465	2,667	2,807
\$ 39,509	\$ 38,239	\$ 36,373	\$ 35,014	\$ 26,672	\$ 34,531
3.0%	3.5%	4.0 %	4.1 %	3.9%	4.2%
	506	510	510	511	512
62.7%	61.0%	56.0 %	61.0 %	67.1%	67.7%
34.2%	36.5%	30.0 %	28.2 %	30.5%	36.4%
\$ 104,265	\$ 97,077	\$ 91,146	\$ 98,593	\$ 108,981	\$ 89,728
55.4%	55.2%	58.2 %	57.9 %	64.0%	66.0%
99.4%	99.5%	96.0 %	96.0 %	94.7%	50.0%
364	427	502	582	565	396
7,819	7,821	6,301	4,924	3,865	2,904
606	593	588	592	591	580
18,093	17,846	16,363	15,891	15,307	15,577
244	274	340	245	165	274
15,680	15,177	11,487	10,603	11,008	11,998
72	72	73	75	83	82
30,723	30,498	29,960	29,051	28,437	28,199
88.5%	88.1%	85.8 %	86.5 %	83.4%	78.0%
0.5%	0.2%	(0.4)%	(1.9)%	1.1%	0.9%
868,226	889,159	897,306	892,691	850,722	833,112
927,927	943,835	949,136	909,139	827,639	899,332
1,385	1,354	1,420	1,384	1,317	1,360
31,408	31,057	30,771	30,418	30,476	30,803
1,694	1,716	2,170	4,120	6,759	6,882

**STATE OF MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION
FISCAL YEARS 2008-2017**

	2017	2016	2015	2014
General Government				
Parcels of Land	21	21	20	20
Land Improvements	61	61	59	58
Square Footage of Buildings	1,066,968	1,068,854	1,032,098	1,035,704
Equipment	39,396	36,159	34,548	35,055
Software	2,717	2,260	1,961	1,625
Education				
Parcels of Land	31	31	31	31
Land Improvements	55	56	54	54
Square Footage of Buildings	157,190	156,710	136,074	136,203
Equipment	4,249	4,357	5,039	6,286
Trademarks	1	1	1	1
Natural and Economic Resources				
Parcels of Land	880	847	835	826
Land Improvements	456	427	426	408
Temporary Easements	1	1	1	1
Square Footage of Buildings	582,846	582,847	574,076	575,485
Equipment	14,535	15,168	26,859	34,028
Software	91	80	68	57
State Parks and Historic Sites	91	88	87	87
State Conservation Areas	1,198	1,190	1,186	1,189
Transportation and Law Enforcement				
Parcels of Land	620	623	628	650
Land Improvements	486	476	474	439
Permanent Easements	674	638	593	548
Temporary Easements	542	654	797	867
Square Footage of Buildings	183,676	181,743	179,183	181,880
Equipment	72,030	67,114	67,103	66,095
Software	798	710	616	529
Miles of State Highway	33,856	33,873	33,892	33,890
State-Owned Bridges and Culverts	10,394	10,394	10,376	10,371
Highway Patrol Stations	9	9	9	9
Human Services				
Parcels of Land	81	81	81	81
Land Improvements	178	174	175	173
Square Footage of Buildings	916,936	917,901	926,098	924,164
Equipment	36,481	41,777	43,545	44,712
Software	86	82	70	59
Correctional Facilities	29	29	30	30

Source: State of Missouri capital asset records by agency.

2013	2012	2011	2010	2009	2008
20	20	20	20	21	21
50	40	38	38	37	37
1,014,621	1,006,449	1,013,314	1,011,732	1,015,214	1,001,281
36,050	35,651	35,316	35,333	36,813	35,171
826	293	213	168	88	---
31	31	31	31	31	31
54	46	43	43	32	31
140,159	136,465	136,465	133,494	135,230	135,230
6,175	6,102	5,984	5,911	6,031	6,010
1	1	1	---	---	---
826	826	825	824	823	815
386	328	324	323	325	323
1	1	1	1	---	---
602,174	611,550	616,729	622,181	622,285	625,779
35,159	35,064	36,097	36,881	38,807	41,145
51	36	20	12	3	---
87	85	85	85	85	84
1,197	1,193	1,196	1,179	1,169	1,165
682	790	805	819	831	836
420	349	307	264	245	198
467	382	254	221	---	---
875	833	961	1,086	---	---
180,140	175,664	175,138	164,119	164,119	151,533
65,813	66,994	67,649	67,959	67,100	65,074
429	358	202	146	---	---
33,885	33,845	33,702	33,639	33,676	33,685
10,364	10,405	10,405	10,335	10,249	10,276
9	9	9	9	9	9
81	83	83	83	84	84
168	161	157	154	130	118
919,900	900,749	924,380	932,827	952,117	962,710
46,221	50,229	63,442	70,684	78,543	91,178
32	28	13	10	7	---
30	30	30	30	30	28

STATE OF MISSOURI
ACKNOWLEDGEMENTS

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Office of Missouri State Auditor
Nicole Galloway, CPA

**Timeliness of Income Tax Refund
Issuance**



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Timeliness of Income Tax Refund Issuance

Background	The Department of Revenue (DOR) is required to pay interest to individual taxpayers if refunds are not paid within 45 days of filing a return. The DOR must pay interest to corporate taxpayers if refund are not paid within 120 days. Interest paid to individuals totaled \$306,077 in fiscal year 2016 on 82,983 refunds, and \$423,366 in fiscal year 2017 on 154,985 refunds. During those fiscal years, the records also indicate the state paid interest on corporate income tax refunds totaling approximately \$4,000 and \$28,000, respectively.
Individual Income Tax Refunds Not Paid Timely	The state has paid individual income tax refunds in an increasingly untimely manner, with significant delays in fiscal years 2015, 2016, and 2017. Based on state income tax refund data, in fiscal year 2008 the state had paid out 80 percent of total refunds by April 17. In contrast, for the 3 fiscal years ended June 30, 2015, 2016, and 2017, the state did not reach that payout level until May 20, June 20, and June 22, respectively. In fiscal year 2016, an estimated 485,000 of the approximate 1.8 million individual income tax refunds were paid more than 45 days after being received (27 percent). Data was not available as of fieldwork completion, but the number of refunds paid past 45 days for fiscal year 2017 is expected to be higher than 2016.
Reduced Cash Flow Limits the State's Ability to Make Timely Payments	The state does not have sufficient cash available in the General Revenue (GR) Fund to ensure individual income tax refunds are paid timely. The amount of cash reserves available in the GR Fund has significantly decreased over the past 10 years. As a result, borrowing from the Budget Reserve Fund has increased since the 2008 recession. The state has had to use the money borrowed from the Budget Reserve Fund for other operating obligations, making less funding available for paying individual income tax refunds.
Refunds Are Not Paid in the Order Processed	State law does not specify that income tax refunds must be paid in the order in which they are received or processed. As a result, the DOR has established a priority system for paying individual income tax refunds. The DOR's practice has been to issue larger refund amounts first in an effort to reduce the interest that must be paid by the state. The result is longer delays for taxpayers receiving smaller dollar refunds.
Current State Laws Are Unfair to Taxpayers	Current state laws regarding interest on income tax refunds are unfair to taxpayers. During calendar year 2017, the state paid interest to taxpayers at an average rate of .7 percent for late payment, while taxpayers paid an average rate of 4 percent for late payment, and also had to pay penalties to the state for failure to pay and failure to file. In addition, state law does not clearly require the state to pay interest on untimely refunds to taxpayers until the accrued interest owed exceeds \$1. As a result, taxpayers were not paid an estimated \$116,000 in interest accrued on their income tax refunds during fiscal year 2016.
Interest Erroneously Not Paid to Taxpayer	When state law was changed in 2015 to reduce the timeframe for paying interest from 90 to 45 days, DOR personnel did not update the department's computerized tax system timely to reflect the law change, resulting in an estimated \$29,000 in interest owed but not actually paid to taxpayers.
Inconsistent Regulation on Refund Interest	The DOR's regulation on refund interest is not consistent with state law and has not been revised since 1986.

Due to the limited objectives of this audit, no overall rating has been provided.

Timeliness of Income Tax Refund Issuance

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly
and
Joel W. Walters, Director
Department of Revenue
and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

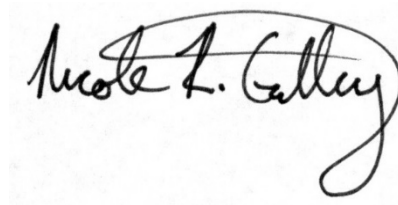
We have audited certain operations of the Department of Revenue and the Office of Administration related to the timeliness of income tax refund issuance in fulfillment of our duties under Chapter 29, RSMo. The scope of the audit included, but was not necessarily limited to, the year ended June 30, 2016. The objectives of our audit were to:

1. Evaluate the internal controls over significant management and financial functions related to the timeliness of income tax refund issuance.
2. Evaluate compliance with certain legal requirements related to the timeliness of income tax refund issuance.
3. Evaluate the economy and efficiency of certain management practices and operations related to the timeliness of income tax refund issuance.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis, except as explained in the Scope and Methodology section of this report related to Office of Administration management's refusal to provide certain written representations.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Due to the nature of this report, and due to the majority of the findings being legislative in nature, we were unable to obtain views of responsible officials for the findings, conclusions, and recommendations outlined in findings 1 through 4 of the Management Advisory Report. The views of responsible Department of Revenue officials were obtained and included where appropriate.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) deficiencies in management practices and operations. The accompanying Management Advisory Report presents our findings arising from our audit of the timeliness of income tax refund issuance.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Timeliness of Income Tax Refund Issuance

Introduction

Background

The Department of Revenue (DOR) was created by Article IV, Section 12, Missouri Constitution as the central collection agency for state revenues. The DOR Taxation Division administers and collects personal and business taxes, including individual and corporate income taxes, and initiates refunds for overpayments. DOR records indicate during the fiscal years ended June 30, 2017 and 2016, the department collected approximately \$7.3 billion and \$7.2 billion in individual income tax receipts, and paid related refunds of approximately \$1 billion and \$998 million, respectively. During those fiscal years, the records also indicate the department collected approximately \$435 million and \$486 million in corporate tax receipts, and paid corporate income tax refunds totaling approximately \$159 million and \$182 million, respectively. DOR records indicate the state paid interest to taxpayers for individual income tax refunds totaling approximately \$423,000 in fiscal year 2017 and approximately \$306,000 in fiscal year 2016. During those fiscal years, the records also indicate the state paid interest on corporate income tax refunds totaling approximately \$4,000 and \$28,000, respectively.

Statutes establishing interest requirements

Prior to 2002, Section 143.811.4, RSMo, required the state to pay interest to taxpayers if the state did not pay income tax refunds within 4 months after the last day prescribed for filing a tax return or within 4 months after the return was filed, whichever was later. As required by Section 32.065, RSMo, the interest rate was the adjusted prime rate charged by banks, as determined by the Board of Governors of the Federal Reserve System. During the 2002 legislative session, the General Assembly passed legislation establishing Sections 32.068 and 32.069, RSMo, which, among other things, changed interest provisions to reduce interest rates the state had to pay. According to DOR officials, 2001 was the first year the state had difficulty issuing income tax refunds timely due to cash flow problems. Section 32.068, RSMo, established the interest rate for refunds to be equal to the previous 12-month annualized average rate of return on all funds invested by the State Treasurer, rounded to the nearest 1/10 of 1 percent. Section 32.069, RSMo, specified the date interest would begin accruing by requiring interest to be paid on any refund or overpayment if it was not refunded within 120 days from the latest of the following dates (1) the last day prescribed for filing a tax return or refund claim, without regard to any extension of time granted; (2) the date the return, payment, or claim was filed; or (3) the date the taxpayer filed for a credit or refund and provided accurate and complete documentation to support such claim.

Section 32.069, RSMo, was revised by the General Assembly in 2010 to decrease the number of days the state had to pay refunds before interest would be owed on an individual income tax refund from 120 to 90 days. The corporate income tax interest provision remained at 120 days.

Effective August 28, 2015, Section 32.069, RSMo, was again revised by the General Assembly to decrease the number of days the state has to pay refunds before interest would be owed on an individual income tax refund from 90 to



Timeliness of Income Tax Refund Issuance

Introduction

45 days and established the date the return is filed as the date from which interest would begin accruing if the refund was not paid within the 45 days. The corporate income tax interest provision remained at 120 days.

Payment process

When processing and making refund payments, the DOR is contacted regularly by the Office of Administration (OA) during February through June about the dollar amount allocated to the department to make refund payments that day or week. These allocations are based on the OA's continual monitoring of the cash flow of the General Revenue (GR) Fund, as explained in Management Advisory Report (MAR) finding number 2.

The DOR assigns each individual income tax refund a priority category, which allows department personnel to put an emphasis on certain types of refunds. Corporate income tax refunds are processed in the order they are received.

Reasons for delays

Most refunds will accrue interest if they are not paid out by the time frames established in Section 32.069, RSMo. However, if a taxpayer neglects to include all relevant information and documentation when filing a return or a notice of adjustment suggesting a financial change to the return is sent to the taxpayer by the DOR, interest will normally begin accruing at a later date (e.g., the date the taxpayer provides all relevant documents to the DOR).

DOR officials stated the main reasons for delays in issuing refunds include the following:

- lack of cash allocated to the DOR by the OA for issuing refunds from the GR Fund.
- submission errors by taxpayers requiring DOR personnel to manually review the returns.
- apportioned tax credits.¹
- amended returns filed by taxpayers.²
- audited returns.³
- legal settlements.⁴
- protested returns.⁵

¹ Apportioned tax credits are tax credits held until June each year to determine if taxpayers, in total, are claiming more than maximum limit allowed by statute. If the limit has been exceeded, the DOR must apportion the tax credit between all returns claiming the tax credit.

² The DOR must receive a transcript from the Internal Revenue Service (IRS) to verify acceptance of the taxpayer's amended federal return, if applicable, which usually exceeds 45 days.

³ Each year the DOR chooses returns to audit based on various factors.

⁴ If a return is involved in a lawsuit, the refund is held until the lawsuit has been resolved.

⁵ If the taxpayer's refund is denied by the DOR or the DOR determines the taxpayer owes additional taxes, the taxpayer may file an official protest with the DOR.



Timeliness of Income Tax Refund Issuance Introduction

Scope and Methodology

To gain an understanding of the timeliness of income tax refund issuance, we reviewed written policies and procedures, redacted income tax records,⁶ and other pertinent documents; interviewed various personnel of the DOR, the OA, and the State Treasurer's Office; and tested select income tax returns to ensure interest was paid to taxpayers when required, and the correct interest rate was properly applied.

We obtained an understanding of the internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

During our audit, officials from the DOR and OA impeded audit staff from completing work timely. DOR and OA personnel delayed responses to audit questions and were unwilling to meet to discuss audit issues timely. Some documentation from the DOR was delayed to such an extent that the State Auditor had to issue a subpoena⁷ to the DOR to obtain the documentation. In addition, certain documentation had to be requested multiple times by the auditors to ensure we obtained sufficient, appropriate audit evidence. This lack of timely access to documentation and personnel delayed completion of the audit.

In addition, officials from the OA refused to provide certain written representations to our office as requested. While such management representations are not specifically required by Government Auditing Standards for performance audits, it is standard practice of the State Auditor's Office to require such representations be provided to help ensure adequate audit evidence has been obtained. Historically, state agencies have not refused to provide such assurances.

⁶ The DOR redacted all personally identifiable taxpayer information from the records we received during the audit based on its interpretation of the Missouri Supreme Court decision in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). The redactions by the DOR did not prevent us from obtaining sufficient evidence to meet our audit objectives.

⁷ After much delay from the DOR, on April 18, 2017, the DOR sent a letter to the State Auditor questioning the Auditor's authority to perform the audit and denying access to certain requested records. Based on that letter, the State Auditor issued a subpoena to obtain the requested records. See Appendixes A and B for a copy of the letter and the subsequent subpoena. The requested records were provided to us by the DOR after the subpoena was issued.



Timeliness of Income Tax Refund Issuance

Introduction

We asked OA management to provide, among other things, the following written representations:

- "We have not knowingly withheld from you any records that in our judgment would be relevant to your audit."
- "We are responsible for the department's compliance with provisions of laws, regulations, contracts, and grant agreements applicable to it; and we have identified, and disclosed to you, all such provisions that we believe have a significant effect on the timeliness of tax refunds issuance."

OA management refused to provide these written representations and instead provided the following representations, which significantly altered the meaning of these representations:

- "We have not knowingly withheld from you any records you requested that in our judgment would be relevant to your review."
- "We are responsible only for the department's compliance with provisions of laws and regulations relating to the timing of tax refunds applicable to the department; and we have responded to any questions regarding the same that you identified."

In effect, OA officials declined to provide assurance they (1) had not withheld relevant information from the audit staff and (2) had disclosed all provisions of laws, regulations, contracts, and grant agreements that the agency believed would have a significant effect on the audit.

We met with certain OA officials on November 8, 2017, to discuss these changes. At that meeting, they affirmed the refusal to provide the requested written representations.

Refusal to provide such written representations is concerning and may indicate information relevant to our audit was knowingly withheld from us by OA management in an attempt to conceal inappropriate activities and/or noncompliance with state laws, regulations, contracts, or grant agreements.

Timeliness of Income Tax Refund Issuance

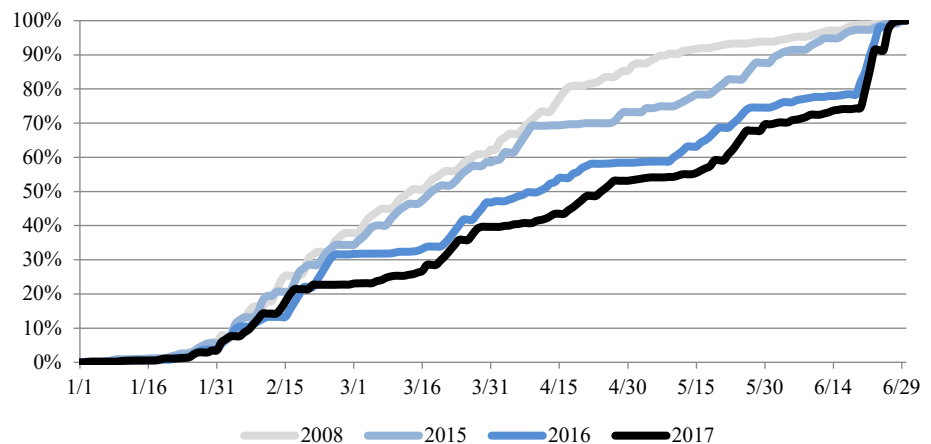
Management Advisory Report

State Auditor's Findings

1. Individual Income Tax Refunds Not Paid Timely

The state has paid individual income tax refunds in an increasingly untimely manner, with significant delays in fiscal years 2015, 2016, and 2017. Based on state income tax refund data, in fiscal year 2008 the state had paid out 80 percent of total refunds by April 17. In contrast, for the 3 fiscal years ended June 30, 2015, 2016, and 2017, the state did not reach that payout level until May 20, June 20, and June 22, respectively. See Figure 1.1 for a depiction of the comparative timing of income tax refund payments.

Figure 1.1: Percent of total refunds paid from January 1 to June 30, by fiscal year, for Fiscal Year 2008, 2015-2017



Source: Data from the state's computerized accounting system (SAM II)

In addition to the dollar value of refunds being paid increasingly later in the year, the number of refunds being delayed has also increased significantly. The number of refunds paid in the month of June has increased from approximately 42,000 (2 percent of total refunds) in fiscal year 2008, to an average of approximately 367,000 (22 percent of total refunds) in the 2 fiscal years ended June 30, 2017. Figure 1.2 shows the trends in number of refunds issued, by month from January to June.

Refunds increasingly delayed

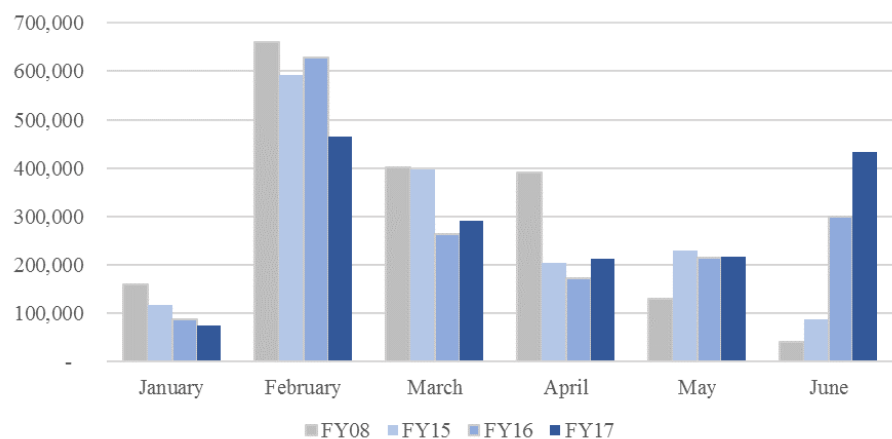
In fiscal year 2016, an estimated 485,000 of the approximate 1.8 million individual income tax refunds were paid more than 45 days⁸ after being received (27 percent). At the time of our data request, the fiscal year 2017 data was not complete; however, based on other data trends throughout this report, the number of individual income tax refunds that exceeded 45 days for fiscal year 2017 is likely higher than in 2016. As a result of paying income tax refunds increasingly later in the year, the state has paid approximately \$729,000 in interest to individual taxpayers over the past 2 fiscal years. Interest paid totaled \$306,077 in fiscal year 2016 on 82,983 refunds, and \$423,366 in fiscal year 2017 on 154,985 refunds.

⁸ This number includes refunds with interest paid to taxpayers and refunds with interest under \$1 not paid to taxpayers (see MAR finding number 4.2 for an explanation of why interest under \$1 is not paid).



Timeliness of Income Tax Refund Issuance Management Advisory Report - State Auditor's Findings

Figure 1.2: Number of individual income tax refunds issued from January to June, 2008 and 2015-2017, by fiscal year



Source: DOR records

Conclusion

State laws reducing the timeframe the DOR has to pay refunds before interest accrues were presumably intended to improve timely payment of such refunds; however, these laws have not worked as intended. In the 2 years since state law was changed to reduce the allowable timeframe the DOR had to make refund payments from 90 days to 45 days before paying interest, both the number of returns accruing interest and the amount of interest paid by the state has increased. The increasing number and amounts of individual income tax refunds being paid later in the year, and incurring increasing interest penalties, is a significant issue to the taxpayers of the state. This report discusses the significant causes of the identified trends, as well as other issues related to the timeliness of income tax refund issuance and the impact on taxpayers.

2. Reduced Cash Flow Limits the State's Ability to Make Timely Payments

The state does not have sufficient cash available in the General Revenue (GR) Fund to ensure individual income tax refunds are paid timely. As a result, the state has experienced an increase in the number of refunds being paid late and an increase in the amount of interest paid to taxpayers. General revenue cash reserves have been depleted since the 2008 recession, requiring the OA to increasingly borrow budget reserve funds for operational obligations. Therefore, budget reserve money is not available during individual income tax season to help pay refunds timely.

Cash management and the use of the Budget Reserve Fund

The OA is responsible for monitoring revenues and expenditures in the GR fund. Based on estimates of revenues, historical spending data, and appropriations for expenditures, each day the OA projects the amount of monies available for spending for the day, month, and fiscal year. To ensure the state has enough available cash to make any planned or unplanned payments, the OA looks at long-term obligations to make strategic decisions about the use of available GR cash. If the GR fund is not projected to have sufficient cash to cover all known and potential expenditures anticipated in the coming days and months, the OA must allocate the cash available among the different expenditure types, including tax refunds, bond obligations,



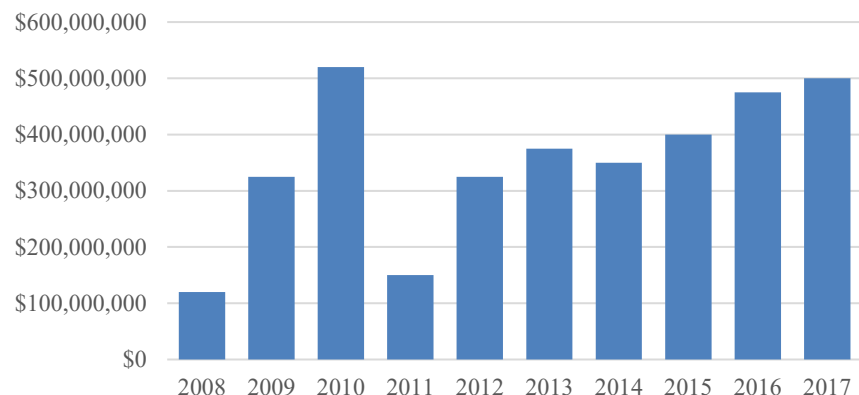
Timeliness of Income Tax Refund Issuance Management Advisory Report - State Auditor's Findings

public education payments, public assistance payments, and state payroll, among other obligations.

To ensure adequate cash is on hand to pay the above obligations, the OA is allowed to borrow from the Budget Reserve Fund on a short term basis when necessary. Under the Missouri Constitution, Article IV, Section 27(a), the Commissioner of Administration is allowed to transfer monies each year, as set by appropriations,⁹ from the Budget Reserve Fund to the GR Fund, if necessary, to meet the cash requirements of the state, and must repay these transfers before May 16 of the same fiscal year. The Budget Reserve Fund shall not exceed 7.5 percent of net general revenue collections¹⁰ for the previous fiscal year.¹¹

Borrowing from the Budget Reserve Fund has increased since the 2008 recession. Figure 2.1 shows the amounts borrowed from budget reserve, by fiscal year.

Figure 2.1: Amounts borrowed from Budget Reserve Fund, 2008-2017, by fiscal year



Source: Office of Administration records

Cash reserves have been depleted

The amount of cash reserves available in the GR Fund has significantly decreased over the past 10 years. Figure 2.2 shows the state's GR Fund cash balance at January 1, less any loans from the Budget Reserve Fund. The balance at January 1, 2017, was negative \$86 million, and was the first

⁹ For fiscal year 2017, the General Assembly appropriated \$500 million for Budget Reserve Fund expenditures.

¹⁰ Net general revenue collections are all revenues deposited into the GR Fund less refunds and revenues designated by law for a specific distribution or transfer to another state fund.

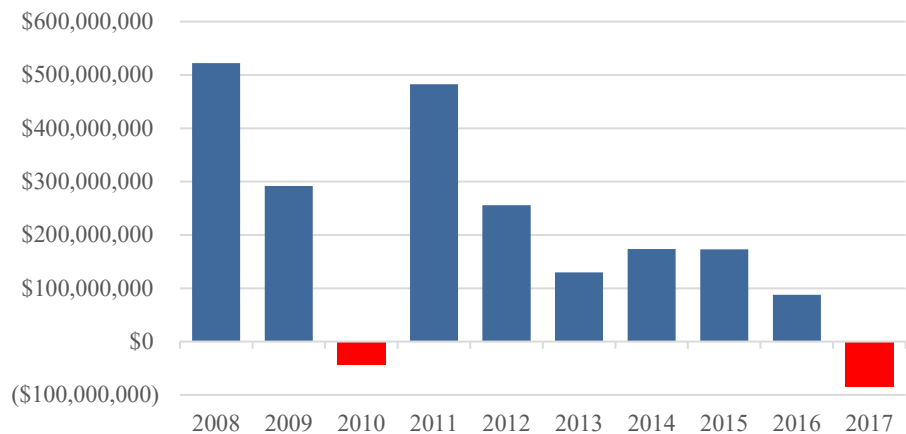
¹¹ At the end of any fiscal year any Budget Reserve Fund balance exceeding 7.5 percent of the general revenue collections must be transferred to the GR Fund as required by the Missouri Constitution, unless the legislature directly appropriates a higher amount in the Budget Reserve Fund (except the balance in the fund at year-end cannot exceed 10 percent of general revenue collections). Such appropriation was not made; therefore, the maximum amount the Budget Reserve Fund could have been at June 30, 2017, was approximately \$659 million (7.5 percent of the \$8.79 billion net general revenue collections in fiscal year 2016). The actual fund balance was approximately \$591 million.



Timeliness of Income Tax Refund Issuance Management Advisory Report - State Auditor's Findings

negative balance since January 2010, following the 2008 recession. The January 2017 balance was also approximately \$608 million less than the pre-recession January 2008 balance. While borrowings from the Budget Reserve Fund allowed the state to continue to meet its obligations and were replenished by May 16 every year, as required by the Missouri Constitution, this trend indicates the state has not replenished its overall cash reserves following the 2008 recession.

Figure 2.2: General Revenue Fund cash balance, net of budget reserve borrowing, at January 1, by year



Source: Office of Administration records

Due to the decrease in cash available depicted in Figure 2.2, the OA has had to use money borrowed from the Budget Reserve Fund for other operating obligations, making less funding available for paying individual income tax refunds.

The reasons for the reduced fund balance of the GR fund and causes of the cash flow shortage are beyond the scope of this report. However, previous audit reports¹² address various issues related to reductions to the state's tax base and reductions to tax revenues, and growth in spending in certain areas.

Delays in issuing refunds not due to DOR inefficiencies

According to DOR records, during April 2017 and through the majority of June 2017, the DOR had tax refunds totaling over \$200 million processed and ready to be paid, but could not proceed with payment due to the lack of cash available in the GR Fund. Near the end of June 2017, after other state obligations had been paid, the state had sufficient cash available in the GR Fund to pay approximately \$50 million in tax refunds each business day from June 21, 2017, to June 26, 2017, effectively paying out all processed refunds.

¹² Report No. 2017-113, *Cost of Tax Incentives and Exemptions*, issued in October 2017, Report No. 2017-051, *Tax Credit Programs*, issued in June 2017, Report No. 2017-018, *Statewide Single Audit*, issued in March 2017, Report No. 2017-098, *State Legal Expense Fund*, issued September 2017, and Report No. 2017-099, *Legal Expense Fund Letter*, issued September 2017.



Timeliness of Income Tax Refund Issuance Management Advisory Report - State Auditor's Findings

Conclusion

Even with an increased reliance on budget reserve borrowing, the timeliness of income tax refund issuance has worsened in recent years. The state is experiencing significant cash flow shortages. As a result, the number of taxpayers receiving their income tax refunds untimely, and the amount of interest paid on those refunds continues to increase. The cash available to pay state obligations, including income tax refunds, is reliant upon the budget process. State policymakers must address this issue to ensure all state obligations, including tax refunds, are being paid timely.

Audit limitation based on
OA's refusal to provide
certain written representations

OA management refused to provide certain written representations that would provide assurance we received all information from the OA relevant to our audit, and that management disclosed all legal provisions that would have a significant effect on the audit. Such representations provide additional assurance that the audit evidence obtained is sufficient and appropriate. Without such representations from management it is unclear if the OA knowingly withheld information that could have had an impact on our audit conclusions and recommendation for this finding. See the Scope and Methodology section of this report (page 6) for additional information on the representations the OA refused to provide.

Recommendation

The General Assembly take action to improve the cash reserves available in the GR Fund.

3. Refunds Are Not Paid in the Order Processed

State law does not specify that income tax refunds must be paid in the order in which they are received or processed. As a result, the DOR has established a priority system for paying individual income tax refunds. The DOR's practice has been to issue larger refund amounts first in an effort to reduce the interest that must be paid by the state.

The DOR's tax system groups individual income tax refunds by return type and assigns each a priority category in the DOR's tax system. Refunds are typically paid based on the following priorities:

- Priority 1: Expedited Refunds - These are refunds the DOR has moved to this priority from a lower priority to expedite payment. Based on DOR's interpretation of case law,¹³ department officials did not grant us access to personally identifiable taxpayer information; therefore, we could not determine which taxpayers had their refunds moved to Priority 1 to expedite payment. However, DOR officials stated the primary reason refunds are moved here is to avoid paying interest.

¹³ Missouri Supreme Court decision in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974).



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- Priority 2: Debt Offset Refunds - These are refunds for debt owed by taxpayers to the DOR, Internal Revenue Service, other Missouri state agencies, and other states with reciprocal offset agreements.
- Priority 3: Property Tax Credit Refunds - Individuals over age 65 and individuals who are disabled, if they are under certain income thresholds, can receive a property tax credit on their state income tax returns.
- Priority 4: Electronically-filed and 2D Barcode Returns with Refunds - The 2D barcode returns are paper returns printed from an electronic tax return file. They contain barcodes that can be scanned into the DOR computerized system and do not have to be manually processed by the DOR. In fiscal year 2017, electronically-filed and 2D barcode returns account for approximately 92 percent of all the individual income tax returns filed.
- Priority 5: Current Year Paper Returns with Refunds - These returns must be manually processed by the DOR.
- Priority 6: Miscellaneous Refunds - Miscellaneous refunds include refunds from prior year returns, amended returns, and current returns that require adjustments to be made in the tax system by the DOR personnel. These refunds must be manually reviewed and then moved to a higher priority.
- Priority 7: Temporary Hold to Check for First-time Filers - These are returns in which the taxpayer has requested the refund be direct deposited. These refunds are held here for one day to determine if the taxpayer is a first-time filer. If the taxpayer is a first-time filer, the system changes the refund from direct deposit to a paper check. This process was put into place by the DOR at the beginning of the 2016 filing season to help prevent refund fraud. If the taxpayer is not a first-time filer, the return is automatically moved back to the priority in which it normally would have been placed.
- Priority 8: Fraud Refunds Not Issued - These are refunds that have been flagged as possible fraud based on various information received or not received from the taxpayer. They are held until DOR personnel can manually review the refunds. If they are determined not to be fraudulent, the refunds are assigned a higher priority.
- Priority 9: Refunds Over \$40,000 or Amnesty Accounts - These refunds must be manually reviewed and then moved to a higher priority. Amnesty accounts are for taxpayers with delinquent tax balances that will have the interest and penalties waived if the delinquent taxes are paid by an established date determined by the DOR.



Timeliness of Income Tax Refund Issuance Management Advisory Report - State Auditor's Findings

Refunds are paid in the order they are received within each priority. Each day refunds are typically paid starting with the highest priority category and continuing until all monies allocated by the OA for tax refunds have been expended that day (see MAR finding number 2 for more information about how the OA determines how much money to allocate each day). During cash flow restrictions, there is not enough money allocated each day to pay out all the priority categories. Therefore, on any given day, DOR officials may choose to pay all refunds in a lower priority category before a higher priority category to help limit the amount of interest due on refunds in the lower priority categories.

The tax system prevents DOR personnel from paying only select refunds within a priority; therefore, with management approval, select returns can be moved to the highest priority to expedite a refund. According to DOR officials, the practice has been to move large dollar refunds to Priority 1 in an effort to reduce the interest that must be paid by the state. As a result, smaller refund amounts are held increasingly longer by the DOR because interest on these refunds is less likely to exceed the \$1 threshold for which interest will be paid (see MAR finding number 4.2 for further explanation of the \$1 interest threshold).

Conclusion

Because no requirement exists to pay refunds in the order processed, the DOR has made the fiscal decision to pay larger dollar refunds before smaller dollar refunds in an effort to reduce interest costs. The result is longer delays for taxpayers receiving smaller dollar refunds. Requiring refunds to be paid in the order they are processed and approved for payment could result in increased interest costs to the state, but would improve the timeliness of refunds for individuals with smaller tax refunds and would result in more equitable treatment of all taxpayers owed an income tax refund.

Recommendation

The General Assembly evaluate and consider requiring individual income tax refunds be paid in the order they are approved for payment.

4. Current State Laws Are Unfair to Taxpayers

Current state laws regarding interest on income tax refunds are unfair to taxpayers. Taxpayers must pay a significantly higher interest rate when making late tax payments than the state is required to pay on delayed refunds, and taxpayers are not compensated for waiting for refunds unless interest exceeds \$1.

4.1 Interest rate due to taxpayers is minimal

The current interest rate paid by the state for late income tax refunds, as defined by state law, is minimal and does not adequately compensate taxpayers for the use of their money. Taxpayer penalties and interest rates on tax payments due to the state are much more significant and provide appropriate motivation to taxpayers to make payments timely.

Sections 32.068 and 32.069.2, RSMo, require the state to pay taxpayers interest on any individual tax refunds not paid within 45 days of filing the related return at an interest rate equal to the twelve-month annualized average



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rate of return on all funds invested by the State Treasurer. During calendar year 2017, the interest rate averaged .7 percent.

In contrast, Section 32.065, RSMo, sets the interest rate paid by taxpayers for late payment of taxes as the adjusted prime rate charged by banks determined by the Board of Governors of the Federal Reserve System. During calendar year 2017, the interest rate averaged 4 percent. In addition to having to pay a 4 percent interest rate, taxpayers must also pay penalties for failure to file or failure to pay their income taxes. According to Section 143.741, RSMo, a penalty is imposed at a rate of 5 percent each month, not to exceed 25 percent of the unpaid balance, for taxpayers who fail to file by the due date. In addition, taxpayers are imposed a penalty at the rate of 5 percent of the unpaid balance for failure to pay, pursuant to Section 143.751, RSMo.

Table 4.1 shows the interest that would have to be paid by the state for a \$250 or \$1,000 refund based on various refund payment dates compared to the interest and penalties an individual taxpayer would owe if the taxpayer owed those amounts and paid taxes the same number of days late (interest rates as of June 30, 2017).

Table 4.1: Interest paid by the state on a \$250 and \$1,000 refund, by the number of days late, and comparison of interest and penalties paid by taxpayers on amounts due to the state

Amount	Days Late	Interest Paid By the State (1)	Interest and Penalties Paid by the Taxpayer
\$ 250	46	\$ 0.00	\$ 13.76
250	100	0.00	15.24
250	200	0.00	17.98
250	365	1.75	22.50
1,000	46	0.00	55.04
1,000	100	1.92	60.96
1,000	200	3.84	71.92
1,000	365	7.00	90.00

(1) The \$0.00 amounts in this column represent interest amounts under \$1. The DOR does not pay interest to taxpayers until the interest amount exceeds \$1 (see MAR finding number 4.2 for further details).

Conclusion

The current rate of interest paid by the state on late income tax refunds does not provide adequate compensation to taxpayers for the use of their money. In addition, taxpayers are treated in an inequitable manner by being required to pay an interest rate that is significantly greater than the interest rate paid by the state. Taxpayers are also required to pay additional penalties for late filing and/or late payment, while the state does not have to pay any penalties for issuing refunds untimely.



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4.2 Interest not paid until it exceeds \$1

State law¹⁴ does not clearly require the state to pay interest on untimely refunds to taxpayers until the accrued interest owed exceeds \$1. Based on our review of DOR refund data, there were 402,000 individual income tax refunds paid during fiscal year 2016 that were more than 45 days late and received no interest. As a result, taxpayers were not paid an estimated \$116,000 in interest accrued on their income tax refunds during fiscal year 2016. At the time of our data request, the fiscal year 2017 data was not complete. However, based on other data trends throughout this report, interest accrued under \$1 in 2017 is likely higher than in 2016.

Based on the average .6 percent interest rate paid during fiscal year 2016, we determined a refund would have to be at least \$1,316 for it to accrue \$1 of interest on the forty-sixth day after filing. Table 4.2 show the length of time, in days, it would take for various refund amounts to accrue \$1 of interest in fiscal year 2016.

Table 4.2: Length of time to accrue \$1 of interest, by refund amount

Refund Amount	Number of Days until \$1 of Interest
	Accrues
\$ 1,000	61
500	122
100	606
50	1,211

Based on the data in Table 4.2, it is fiscally advantageous to the state for the DOR to prioritize larger refund amounts to avoid paying interest because smaller refunds are unlikely to accrue interest that exceeds \$1. For fiscal year 2016, approximately 71 percent of all refunds issued by the DOR were less than \$500. As a result, approximately 1.2 million of the approximately 1.8 million refunds paid by the DOR in fiscal year 2016 could have been held by the DOR for nearly 4 months (122 days) after the filing date before accruing \$1 in interest.

Conclusion

Due to state law not clearly requiring interest to be paid until it exceeds \$1, many taxpayers with individual income tax refunds past 45 days do not receive interest and are forced to wait for their refund without any compensation from the state.

Recommendations

- 4.1 The General Assembly evaluate state law regarding the interest individual taxpayers receive for late paid tax refunds and consider making changes to ensure the state and taxpayers are treated in a more equitable manner.

¹⁴ The DOR interprets Section 143.811.1 RSMo, to mean no interest for untimely refund payments shall be allowed or paid on tax refunds unless it exceeds \$1. See MAR finding number 6 for more explanation of the department's interpretation of this section.



Timeliness of Income Tax Refund Issuance Management Advisory Report - State Auditor's Findings

- 4.2 The General Assembly evaluate whether state law should be clarified to require interest be paid on tax refunds if the interest amount is less than \$1.

5. Interest Erroneously Not Paid to Taxpayers

When state law was changed in 2015 to reduce the timeframe for paying interest from 90 to 45 days, DOR personnel did not update the department's computerized tax system timely to reflect the law change, resulting in an estimated \$29,000 in interest owed but not actually paid to taxpayers.

Section 32.069.2, RSMo, effective August 28, 2015, decreased the number of days for which interest was required be paid on an individual income tax refund from 90 days to 45 days. However, due to various factors, the DOR did not update its computerized tax system for this change until January 4, 2016. Therefore, any refunds paid by the DOR from August 28, 2015, through January 4, 2016, were only paid interest if they exceeded 90 days when they should have been paid interest after 45 days. During that time an estimated 1,200 refunds (totaling \$29,000) each had at least \$1 of accrued interest that was not paid. DOR personnel stated they were aware of this issue, but had not considered refunding the taxpayers the interest owed to them after the system was updated.

Recommendation

The DOR review refunds paid from August 28, 2015, through January 4, 2016, and pay affected taxpayers any interest they are owed.

Auditee's Response

As of 2017, the DOR is under new leadership and is looking closely at a number of areas of improvement, this being among them. The DOR understands this recommendation and will evaluate providing the refunds as recommended.

6. Inconsistent Regulation on Refund Interest

The DOR's regulation on refund interest is not consistent with state law and has not been revised since 1986.

State regulation 12 CSR 10-2.070, which requires interest to be paid on refunds not paid to taxpayers within 120 days, was established by the DOR in 1976 and was not revised when the authorizing statute was amended. The regulation requires refunds to be issued in accordance with Section 143.811, RSMo, and interest to be paid in accordance with Section 32.065, RSMo. Since the enactment of this regulation, state laws requiring interest to be paid on refunds have incurred three significant revisions, while the regulation has remained unchanged.

Effective in 2002, Section 32.065, RSMo, no longer controls income tax refund interest. Section 32.068 and 32.069, RSMo, were enacted in 2002 requiring refunds to have interest paid using the annual rate of interest as calculated by the State Treasurer and corporate and individual tax refunds to be issued within 120 days of the following dates (1) the last day prescribed for filing a tax return or refund claim, without regard to any extension of time



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granted; (2) the date the return, payment, or claim is filed; or (3) the date the taxpayer filed for a credit or refund and provided accurate and complete documentation to support such claim. In addition, revisions were made to Section 32.069, RSMo, in 2010 and 2015 reducing the amount of days for individual income tax refunds to be owed interest from 120 to 90 to 45 days. The 2015 revision also changed the date individual income tax refund interest began to accrue to the date the return was filed.

The DOR does not pay interest on individual tax refunds if the interest amount is less than \$1, based on its interpretation of Section 143.811.1, RSMo. Section 143.811.1, RSMo, only references the interest rate determined by Section 32.065, RSMo, without any reference to Sections 32.068 or 32.069, RSMo, which are the current interest provisions for individual income tax refunds.

The DOR's interpretation of this statute section has not been promulgated in a rule. According to Section 536.010, RSMo, a "rule" is defined as each agency's statement of general applicability that implements, interprets, or prescribes a law or policy or it describes the organization, procedures, or practice requirements of any agency. The DOR's interpretation is generally applicable as it affects a large number of taxpayers' ability to receive interest from the state. Under this law, the DOR is required to promulgate its interpretation as a rule. DOR's current regulation on refund interest is not consistent with state law.

Recommendation

The DOR revise its regulation of interest on refunds, to reflect current state law and its interpretation of the law.

Auditee's Response

The DOR understands this recommendation and will begin the process to revise the regulation.

Timeliness of Income Tax Refund Issuance

Letter from the Department of Revenue to the State Auditor

Denying Access to Certain Records

ERIC R. GREITENS
GOVERNOR



JOEL W. WALTERS
ACTING DIRECTOR OF REVENUE

MISSOURI DEPARTMENT OF REVENUE
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FAX: (573) 751-7150
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E-MAIL: dormail@dor.mo.gov

April 18, 2017

Paul Harper, General Counsel
Missouri State Auditor's Office
301 West High St.
Jefferson City, MO 65101

Dear Mr. Harper:

It is my understanding that the State Auditor's Office ("SAO") would like to know whether documents exist within the Department of Revenue ("Department") that we would consider responsive to the ten requests for information we have received associated with the audit referenced the SAO's letter dated March 2, 2017 and addressed to former Acting Director Wood Miller.

On March 6, 2017 the Department received the following requests for information (in bold):

1. **The total amount of interest paid for Corporate and Individual Income tax refunds for FY2012, FY2013, FY2014, FY2015, and FY2016.**

Pursuant to the Department's April 17, 2017 letter to the SAO, the Department is compiling the information and will produce the information by April 21, 2017.

2. **How many refunds were untimely which led to interest being paid for Individual and Corporate Income tax for FY2012, FY2013, FY2014, FY2015, and FY2016?**

Pursuant to the Department's April 17, 2017 letter to the SAO, the Department is compiling the number of refunds in which the Department paid interest for FY2012, FY2013, FY2014, FY2015, and FY2016, and the Department will produce that information by April 21, 2017.



Timeliness of Income Tax Refund Issuance
Letter from the Department of Revenue to the State Auditor Denying
Access to Certain Records

3. The total number of refunds issued for Corporate and Individual Income tax for FY2012, FY2013, FY2014, FY2015, and FY2016.

Pursuant to the Department's April 17, 2017 letter to the SAO, the Department is compiling the information and will produce the information by April 21, 2017.

4. The total number of returns processed (whether the taxes were refunded, paid, or are still owed) for Corporate and Individual Income tax for FY2012, FY2013, FY2014, FY2015, and FY2016?

Pursuant to the Department's April 17, 2017 letter to the SAO, the Department is compiling the information and will produce the information by April 21, 2017.

5. The general reasons for why Corporate and Individual Income tax refunds are not being issued timely?

Subject to the concerns raised in the Department's April 17, 2017 letter, information regarding the general reasons impacting the timing of corporate and income tax refunds will be provided by April 21, 2017.

6. Any documentation of controls or procedures for the handling of Corporate and Individual income tax refunds for revenue.

This request seeks information for the purpose of an unconstitutional performance audit. The Department does not believe that the Auditor's Office is constitutionally empowered to conduct a performance audit and requests that the SAO state whether it is conducting a performance audit. The Department further requests that if the SAO believes the Auditor is authorized by law to review this information, the SAO inform the Department of the basis of the Auditor's authority.

7. A short memo listing the steps taken by the Department from when the refund is received, reviewed, and then refund returned to the taxpayer, and an estimated timeframe for the Department uses to issue the refund (if known).

This request seeks information for the purpose of an unconstitutional performance audit. The Department does not believe that the Auditor's Office is constitutionally empowered to conduct a performance audit and requests that the SAO state whether it is conducting a performance audit. The Department further requests that if the SAO believes the Auditor is authorized by law to review this information, the SAO inform the Department of the basis of the Auditor's authority. Subject to and without waiving the foregoing objection, an estimated timeframe for the Department to issue the refund does not currently exist.



Timeliness of Income Tax Refund Issuance
Letter from the Department of Revenue to the State Auditor Denying
Access to Certain Records

On March 20, 2017, the Department received the following requests for information:

1. Does the DOR have a real-time report(s) that shows the number of individual income tax refunds that are over 45 days and a running total of interest owed?

The Department is able to generate reports showing the number of individual income tax refunds that are over 45 days and a running total of interest owed.

2. Does the DOR have a real-time report(s) that shows the number of corporate tax refunds that over 120 days and a running total of interest owed?

The Department is able to generate reports showing the number of corporate tax refunds that are over 45 days and a running total of interest owed.

3. If so, can we obtain a copy of the report(s) on a regular basis (receive it on the same day every week) until our audit has concluded?

This request seeks information for the purpose of an unconstitutional performance audit. The Department does not believe that the Auditor's Office is constitutionally empowered to conduct a performance audit and requests that the SAO state whether it is conducting a performance audit. The Department further requests that if the SAO believes the Auditor is authorized by law to review this information, the SAO inform the Department of the basis of the Auditor's authority.

As stated in my letter to you from April 17, 2017, despite having joined the Department of Revenue very recently, I am committed to working with the SAO in the best interests of the people of Missouri. While maintaining the constitutional and privacy concerns I raised in my April 17, 2017 letter, I will provide the foregoing documentation by Friday, April 21, 2017.

Sincerely,

A handwritten signature in black ink that reads "Joel Walters". The signature is written in a cursive style with a large, stylized "J" and "W".

Joel Walters
Acting Director of Revenue

Timeliness of Income Tax Refund Issuance

State Auditor Subpoena of Department of Revenue Records



OFFICE OF MISSOURI STATE AUDITOR

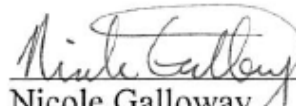
SUBPOENA


To: Custodian of Records and
Corporate Designee
Missouri Department of Revenue
301 West High St., Room 670
Jefferson City, MO 65101


YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Paul Harper, General Counsel, at the Harry S Truman State Office Building, 301 West High Street, Room 880, Jefferson City, MO 65102, at 9:00 a.m. on April 28, 2017, for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 19th day of April 2017, pursuant to Section 29.235.4(1), RSMo.

(STATE AUDITOR'S SEAL)


Nicole Galloway
Missouri State Auditor

I, Joshua Shope, served the foregoing subpoena by service on
 this 19th day of April 2017.





Timeliness of Income Tax Refund Issuance
State Auditor Subpoena of Department of Revenue Records

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control as previously requested by the State Auditor's Office (As documented in the letters contained in Exhibits B and C):*

1. Any and all documentation or reports related to the total amount of interest paid for Corporate and Individual Income tax refunds for FY2012, FY2013, FY2014, FY2015, and FY2016.
2. Any and all documentation or reports related to the number of refunds that were untimely which led to interest being paid for Corporate and Individual Income tax for FY2012, FY2013, FY2014, FY2015, and FY2016.
3. Any and all documentation or reports related to the total number of refunds issued for Corporate and Individual Income tax for FY2012, FY2013, FY2014, FY2015, and FY2016.
4. Any and all documentation or reports related to the total number of returns processed (whether the taxes were refunded, paid, or are still owed) for Corporate and Individual Income tax for FY2012, FY2013, FY2014, FY2015, and FY2016.
5. Any documentation of controls or procedures for the handling of Corporate and Individual income tax refunds for Revenue.
6. Any reports or other documentation that shows the number of individual tax refunds that are currently over 45 days and the total of interest owed.
7. Any reports or other documentation that shows the number of corporate tax refunds that are currently over 120 days and the total of interest owed.

You must also bring sufficient witnesses to testify on the record regarding the following:

1. The general reasons for why Corporate and Individual Income tax refunds are not being issued timely.
2. The steps taken by the Department from when the refund is received, reviewed, and then refund returned to taxpayer, and an estimated timeframe for the Department to issue the refund.
3. On any matter related to the above referenced documents.

* This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo. To the extent that the documents contain personally identifiable tax information, such information should be redacted.



Timeliness of Income Tax Refund Issuance
State Auditor Subpoena of Department of Revenue Records



NICOLE GALLOWAY, CPA
Missouri State Auditor

March 30, 2017

Wood Miller, Acting Director
Missouri Department of Revenue
301 West High St., Room 670
Jefferson City, MO 65101

Dear Acting Director Miller:

As you know, this office is currently auditing the Department of Revenue regarding the issuance of tax refunds. Our auditors requested the following information on March 6, 2017:

1. The total amount of interest paid for Corporate and Individual Income tax refunds for FY2012, FY2013, FY2014, FY2015, and FY2016.
2. How many refunds were untimely which led to interest being paid for Corporate and Individual Income tax for FY2012, FY2013, FY2014, FY2015, and FY2016.
3. The total number of refunds issued for Corporate and Individual Income tax for FY2012, FY2013, FY2014, FY2015, and FY2016.
4. The total number of returns processed (whether the taxes were refunded, paid, or are still owed) for Corporate and Individual Income tax for FY2012, FY2013, FY2014, FY2015, and FY2016.
5. The general reasons for why Corporate and Individual Income tax refunds are not being issued timely?
6. Any documentation of controls or procedures for the handling of Corporate and Individual income tax refunds for Revenue.
7. A short memo listing the steps taken by the Department from when the refund is received, reviewed, and then refund returned to taxpayer, and an estimated timeframe for the Department uses to issue the refund (if known).

Additionally, on March 20, 2017, our auditors requested the following additional information:

1. Does the DOR have a real-time report(s) that shows the number of individual tax refunds that are over 45 days and a running total of interest owed?
2. Does the DOR have a real-time report(s) that shows the number of corporate tax refunds that are over 120 days and a running total of interest owed?



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3. If so, can we obtain a copy of the report(s) on a regular basis (receive it on the same day every week) until our audit has concluded?

Our auditors followed up with our audit contact, Lynn Bexten, on a few occasions in March to request an estimate of when we would receive responses to our requests. Ms. Bexten was unable to provide any information about the timeline for responses. You and I spoke on March 28, 2017, and you stated that the Department is currently working on the requests but could not specify a timeframe for when responses would be provided. To date, no information requested has been provided by the Department.

Section 29.235.1, RSMo, requires this office to conduct its audits in accordance with standards established by the Comptroller General of the United States (commonly known as the "Yellow Book"). The Yellow Book requires that auditors obtain sufficient and appropriate evidence to support all of its findings and conclusions. Furthermore, under Section 29.235, RSMo, the auditor is authorized to examine all books, accounts, records, reports, and vouchers of any entity subject to audit. Section 29.235, RSMo, further authorizes the State Auditor's office to issue subpoenas as needed to conduct an audit under Chapter 29.

The auditors have requested these documents so that they may perform the audit of the Department. Any further delay will increase the time it takes to complete this audit. I would ask that by April 10, 2017, you provide responses to the requested information. If some of the information cannot reasonably be provided by that date, I ask that you contact me so that we can discuss a mutually agreeable date for that information's release.

If you have any questions, you may contact me by email at Paul.Harper@auditor.mo.gov or by telephone at (573) 751-4213.

Sincerely,

Paul Harper
General Counsel



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NICOLE GALLOWAY, CPA
Missouri State Auditor

April 10, 2017

Joel Walters, Acting Director
Missouri Department of Revenue
301 West High St., Room 670
Jefferson City, MO 65101

Dear Acting Director Walters:

I am responding to your letter dated April 7, 2017, in which you requested more time to provide the requested information concerning the issuance of tax refunds audit.

As outlined in my letter dated March 30, 2017, to Acting Director Miller, this office began requesting information on March 6, 2017. The March 6th request was merely an inquiry regarding historical information related to corporate and individual income tax refunds. Additionally, on March 20, 2017, this office made a second request for further information, requesting whether the Department had any real time tax refund reports and, if so, a timeframe on their availability.

Auditors from this office followed up with Lynn Bexton throughout the month of March to request an estimate of when this office would receive the information. Because no estimate was forthcoming, I called Acting Director Miller on March 28, 2017, to obtain the status of our request. Acting Director Miller informed me during that conversation that the Department was working on the documentation but that he could not provide an estimate of when the Department would have the information ready for the Auditor's Office.

As you know, I sent the March 30th letter to Acting Director Miller outlining the conversations and requesting that the Department send the requested information by April 10, 2017. Additionally I asked Acting Director Miller to contact me if some of the information cannot be obtained by that date to discuss a mutually agreeable date for the remainder of the information.

As of this date, more than a month after the original request, this office has received no information and no estimate of when the Department of Revenue would provide the documentation, even on the simple questions of whether the Department produces real time reports. We would ask that you provide all requested documents no later than next Monday, April 17, 2017, so that the audit is not delayed any further.



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Please be aware that the State Auditor and her authorized representatives under law have access to the records of state departments. I would hope that this matter can be resolved without further incident. Please be aware that additional delays may require this office to use other legal means to obtain the documents necessary to complete our review.

If you have any questions, you may contact me by email at Paul.Harper@auditor.mo.gov or by telephone at (573) 751-4213.

Sincerely,

A handwritten signature in cursive script, reading "Paul Harper", is written over a horizontal line.

Paul Harper
General Counsel